

2024 ANNUAL REPORT

113 ANNUAL REPORT

SPOKESPERSON

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Name of agent: President Securities Corporation,
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AUDITORS FOR THE LATEST FINANCIAL STATEMENTS

Name of Auditors: Wu Tsao-Jen , Chen Jun-Guang

CPA Firm: KPMG Taiwan

Address: 68F, No. 7, Sec. 5, Xinyi Rd, Xinyi Dist., Taipei City 110, Taiwan (R.O.C)

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VENUE FOR TRADING THE COMPANY'S LISTED OVERSEAS SECURITIES AND INQUIRY METHOD

For Such Overseas Securities: None.

Company Website: <http://www.excelsiormedical.com.tw>

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I . Report to Shareholders

Dear Shareholders,

Thank you all for taking the time to attend our company's annual shareholders meeting. On behalf of the management team and all employees, I warmly welcome you and look forward to your valuable feedback as we share our operational results for 2024 and future outlook.

In recent years, global geopolitical instability persists. The 2024 U.S. presidential election has added uncertainty to the market economy, with close attention on U.S. trade policies, escalating U.S.-China tensions, and potential increases in protectionism, impacting global supply chains and Taiwan's economic development. Additionally, the U.S. Federal Reserve is adopting a wait-and-see approach, requiring more evidence of easing inflation before further rate cuts. The depreciation of the New Taiwan Dollar has raised import costs, increasing procurement and operational pressures for companies. Nevertheless, as a leading domestic medical product service integrator, our company is less affected by economic cycles. We continue to strengthen supply chain resilience and market competitiveness to ensure stable and steady growth going forward.

The Company's 2024 operating results and 2025 business plan are reported as follows:

I. Report on the 2024 operating results

1. 2024 operating results

(1) Individual statement of comprehensive income

Unit: NT dollars in thousands

Item	2024	2023	Increase (decrease) percentage
Operating revenue	5,290,980	5,246,870	0.84%
Gross profit	782,604	762,162	2.68%
Net operating income	350,700	340,502	2.99%
Non-operating income and expenses	537,014	533,505	0.66%
Profit before tax	887,714	874,007	1.57%
Profit after tax	771,259	746,605	3.30%
Other comprehensive income	83,610	198,160	-57.81%
Total comprehensive income	854,869	944,765	-9.52%

- i. The increase in operating revenue, gross profit and operating income compared to the previous year is mainly due to the increase in product sales.
- ii. The increase in non-operating income and expenses compared to the previous year is mainly due to the influence of “Share of profit of subsidiaries, associates and joint ventures accounted for using equity method”.
- iii. The decrease in other comprehensive income and total comprehensive income compared to the previous year is mainly due to the decrease of “Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method”.

(2) Consolidated statement of comprehensive income

Unit: NT dollars in thousands

Item	2024	2023	Increase (decrease) percentage
Operating revenue	8,538,546	8,233,404	3.71%
Gross profit	1,785,464	1,675,568	6.56%
Net operating income	753,316	702,880	7.18%
Non-operating income and expenses	421,046	441,200	-4.57%
Profit before tax	1,174,362	1,144,080	2.65%
Profit after tax	971,055	922,850	5.22%
Other comprehensive income	89,272	319,075	-72.02%
Total comprehensive income	1,060,327	1,241,925	-14.62%

- i. The increase in operating revenue, gross profit and operating income compared to the previous year is mainly due to the increase in sales of hemodialysis products and pharmaceutical promotions.
 - ii. The decrease in non-operating income and expenses compared to the previous year is mainly due to the decrease of “Share of profit of associates and joint ventures accounted for using equity method”.
 - iii. The decrease in other comprehensive income compared to the previous year is mainly due to the decrease of “Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income”.
2. Status of budget implementation: this is not applicable since the Company did not prepare any financial forecast.

3. Status of cash flows

(1) Individual statement of cash flows

Unit: NT dollars in thousands

Item	2024	Description
Beginning cash balance	405,752	The balance of the 2023 final account.
Net cash flows from operating activities	86,859	Mainly resulting from the increase in net operating income and inventories.
Net cash flows from investment activities	455,965	Mainly resulting from the cash dividends received.
Net cash used in from financing activities	(491,870)	Mainly resulting from the cash dividends paid.
Cash balance at the end of the year	456,706	The balance of the 2024 final account.

(2) Consolidated statement of cash flows

Unit: thousand NT dollars

Item	2024	Description
Beginning cash balance	2,614,786	The balance of the 2023 final account.
Net cash flows from operating activities	2,471,445	Mainly resulting from the increase in net operating income and accounts payable.
Net cash used in from investment activities	(65,567)	Mainly resulting from the acquisition of investment properties and cash dividends received.
Net cash used in from financing activities	(955,956)	Mainly resulting from the decrease in short-term borrowings and the cash dividends paid.
Impact of changes in exchange rates	124,496	Effect of Exchange rate changes.
Cash balance at the end of the year	4,189,204	The balance of the 2024 final account.

4. Analysis and comparison of profitability

(1) Analysis of individual profitability

Item	2024	2023	Description
Return on assets (%)	7.5	7.5	The difference between the two fiscal years is not significant.
Return on equity(%)	8.8	8.9	The difference between the two fiscal years is not significant.
Ratio of before-tax profit to the paid-in capital(%)	54.3	56.2	The decrease in ratio of before-tax profit to the paid-in capital is due to the increase in share capital resulting from the capitalization of earnings during the year.
Net profit margin (%)	14.6	14.2	The difference between the two fiscal years is not significant.
Basic after-tax earnings per share (NT\$) (note)	4.72	4.57	The increase in profit after tax during the year is mainly resulting from the increase in net operating income of the operating revenue and the increase in "Share of profit of subsidiaries, associates and joint ventures accounted for using equity method".

Note: Analysis according to the net profit after tax with weighted-average shares outstanding.

(2) Analysis of consolidated profitability

Item	2024	2023	Description
Return on assets (%)	5.2	5.4	The difference between the two fiscal years is not significant.
Return on equity(%)	8.7	8.7	The difference between the two fiscal years is not significant.
Ratio of before-tax profit to the paid-in capital(%)	71.9	73.5	The decrease in ratio of before-tax profit to the paid-in capital is due to the increase in share capital resulting from the capitalization of earnings during the year.
Net profit margin (%)	11.4	11.2	The difference between the two fiscal years is not significant.
Basic after-tax earnings per share (NT\$) (note)	4.72	4.57	The increase in profit after tax during the year is mainly resulting from the increase in net operating income of the operating revenue.

Note: Analysis according to the net profit after tax with weighted-average shares outstanding.

5. R&D status

As the Company is not in the manufacturing industry, it has not set up a dedicated R&D division. Instead, we rely on our various business departments to expand our business scope in the field of medical-related specialties through agency and distribution.

II. The 2025 business plan

- (1) Strengthening investment deployment: We will focus on the Taiwanese healthcare market and actively seek strategic partners in the medical industry. Through reinvestment, we will continue to integrate upstream and downstream medical resources, develop a competitive value chain service, and expand our medical distribution channels. Additionally, we aim to replicate the success of our experiences in Taiwan and extend our presence in overseas healthcare markets. For instance, we have entered the manufacturing sector by establishing a dialysis solution factory in Malaysia, thereby extending our sources of profitability.
- (2) Promoting brand management strategy: We will promote our proprietary brand "Nihon Fix" of stylish, premium health appliances, along with the marketing of our proprietary brand "DR CYJ Hair Peptide" and the new brand "Yiboo" through e-commerce and physical retail channels, selling hair care products, facial skincare products, combined with AI-powered skin analysis technology to provide a new-generation facial skincare experience for consumers.
- (3) Deepening community long-term care services: In alignment with the government's ten-year plan for long-term care, we will actively establish long-term care associations, expand community-based long-term care

facilities, and develop a collaborative network between long-term care and medical services. We will also enhance the classification of care service functions and provide an integrated healthcare and caregiving model to meet the needs of individuals requiring care.

- (4) Developing medical real estate and equipment leasing business: Leveraging the expertise of asset management companies, we continue to develop our medical real estate and equipment leasing business. We collaborate with affiliated enterprises to expand medical channels and seek stable, secure, and reasonable real estate targets, aiming to maximize comprehensive benefits.

III. Future corporate development strategies

In response to changes in the market environment, our company aims to increase market share in the field of hemodialysis and surgical products. We will also continue to introduce medical equipment and consumables, deepen our presence in the healthcare market channels, and integrate resources from affiliated companies, and diversify through strategic partnerships to enhance competitiveness, with the goal of establishing an integrated healthcare industry group. With the values of dedication, discipline, innovation, and proactive, we are committed to providing comprehensive healthcare services in the medical industry.

Looking ahead to the year 2025, the company and its affiliated will continue to strive for diversified development. This includes introducing new-generation medical products and services, as well as healthy home appliances (both large and small appliances, including air purifiers). Continuously expanding in four major areas of aesthetic medical and lifestyle beauty: "Laser/Pulsed Light," "Body Sculpting/Skin Tightening," "Botulinum Toxin Injections," and "Subdermal Implant Fillers," among other product lines. In pharmaceutical logistics, besides continuing to deepen cooperation with international pharmaceutical companies, we have established dedicated business teams for medical centers and regional hospitals, strengthening sales of principal products and vaccines. We have also obtained qualifications for QMS and GDP, venturing into the medical device field to enhance comprehensive professional services in pharmaceutical logistics. As for long-term care systems, we will continue to respond to the government's ten-year Long-term Care 3.0 plan, integrating medical, nursing, and home-based services in accordance with the Long-term Care Services Act. We aim to establish an integrated care model that combines long-term care and medical services, expanding our business in this sector. Additionally, we will closely monitor the government's New Southbound Policy and expand our presence in the international healthcare market by investing in a dialysis solution factory in Malaysia, in line with the group's policies.

IV. The influences of the external competitive environment, regulatory environment and overall business environment

According to a research report by the Industrial Technology Research Institute (ITRI) IEK, the global population aged 65 and above is expected to reach its peak between 2011 and 2029. Population aging has become an irreversible

global trend. The National Development Council has also announced that Taiwan is estimated to enter the "super-aged society" by international standards by 2025. By 2050, the elderly population is projected to reach 7.66 million, accounting for approximately 37.5% of the total population. According to data published by the Ministry of the Interior, as of the end of 2024, the elderly population (aged 65 and above) in Taiwan has reached 4,488,707, an increase of 191,722 compared to the end of 2023, accounting for 19.18% of the total population of 23,400,220. The rapid growth of the elderly population necessitates middle-aged individuals to address their own retirement life and care for their elders, proactively planning for elderly medical care to meet future market needs. Therefore, in line with the government's initiatives, such as the "Ten-year Long-term Care Plan," "Long-term Care Service Network Plan," and "Enhancement Plan for Long-term Care Capacity," a comprehensive long-term care system is being gradually established in stages.

In recent years, as the economy has grown, the per capita income in our country has been steadily increasing. With this economic growth, there has been an increasing emphasis on health. Additionally, the aging population and the rise in chronic diseases such as obesity, diabetes, and hypertension have led to a significant increase in demand for healthcare and related products. In light of these factors, our company can capitalize on the dynamic adjustments and growth trends in the healthcare supply and demand structure, thereby creating better development opportunities for the healthcare industry.

Fu Hui-Tung, Chairman

II . Corporate Governance Report

1. Directors and Management Team

(1) Directors

A. Directors

April 28, 2025 Unit: shares

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	TW	Fu Hui-Tung	M 71-80	2022/06	3	2001/04	469,993	0.33%	544,074	0.33%	1,903	0.00%	4,421,475	2.71%	Master of Business Administration, University of Southern Queensland, Australia Laboratory Department, Central Taiwan University of Science and Technology (originally known as Department of Radiological Technology, ChungTai Junior College)	Chairman of Dynamic Medical Technologies Inc. Chairman of Excelsior Group Holdings Co., Ltd. Chairman of Xuan Hui Investment Co., Ltd. Director of Bestchain Healthtaiwan Co., Ltd. Chairman of Asia Best Life Care Co., Ltd. Director of Excelsior Beauty Co., Ltd. Chairman of Excelsior Healthcare Co., Ltd. Chairman of Excelsior Medical (HK) Co., Ltd. Chairman of Excelsior Investment (Malaysia) Co., Ltd. Director of Excelsior Group Holdings Ltd. Director of Excelsior Health Foundation	Director	Fu Jo-Hsuan	Father and son	None
Director	TW	Excelsior Group Holdings Co., Ltd.	-	2022/06	3	1998/04	14,914,833	10.57%	17,287,235	10.58%	—	—	—	—	N/A	None	None	None	None	None
Representative of juristic-person director	TW	Excelsior Group Holdings Co., Ltd. Representative: Chen Tun-Ling	M 61-70	2022/06	3	2001/04	546,500	0.39%	632,641	0.39%	4,981	0.00%	—	—	Department of Medicine, Taipei Medical University Physician and Nephrologist Director of Feng Yuan Chen General Hospital Director of Shinshen Hospital Director of Jia Ping Clinic Director of Taiwan Society of Nephrology Director of Taiwan Society of Nephrology Public Affairs Committee	Nephrologist (Director) of Jia Ming Clinic Honorary President of Taiwan Society of Dialysis Medical Technologists Nephrologist of Kaohsiung Gangshan Yongshun Clinic Nephrologist of Kaohsiung Sanmin Yuoshen Hospital Nephrologist of Kaohsiung Xiaogang Jiasheng Clinic Nephrologist of Kaohsiung Luzhu Jiaen Clinic	None	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Representative of juristic-person director	TW	Excelsior Group Holdings Co., Ltd. Representative: Chang Hsien-Cheng	M 61-70	2022/06	3	2014/09	15,000	0.01%	17,363	0.01%	—	—	—	—	Bachelor of Business Administration, National Chung Hsing University Chairman of Jia-yao Drugs Co., Ltd. General Manager of Bailijia logistics Co., Ltd. General Manager of Bestchain Healthtaiwan Co., Ltd. General Manager of Arich Enterprise Co., Ltd.	Director of Arich Enterprise Co., Ltd. Chairman of Bestchain Healthtaiwan Co., Ltd. Chairman of Excelsior Asset Management Co., Ltd. Director of Arich Best Chain Co., Ltd. Director of Bestmile Co., Ltd. Director of Asia Best Healthcare Co., Ltd.	None	None	None	None
Director	TW	Chang Ming-Cheng	M 51-60	2022/06	3	2015/07	155,036	0.11%	179,472	0.11%	—	—	—	—	Bachelor of Science in Department of Medical Technology, college of Medicine, National Taiwan University Bachelor of Business Administration, University of Ottawa Product manager of B. BRAUN TAIWAN CO., LTD. Deputy General Manager of Excelsior Medical Co., Ltd. General Manager of EG Healthcare, Inc. General Manager of JIATE EXCELSIOR CO., LTD.	Chairman of Arich Enterprise Co., Ltd. Director of Dynamic Medical Technologies Inc. Director of Excelsior Renal Service Co., Ltd. Director of NephroCare Ltd. Director of Cardinal Medical Services Ltd. Director of SinoExcelsior Investment Incorporation Director and General Manager of Renal Laboratories Sdn. Bhd. Director and General Manager of Medi-Chem Systems Sdn. Bhd. Director and General Manager of Renal Management Sdn. Bhd. Director of Excelsior Health Foundation Director of Arich Best Chain Co., Ltd. Director of Medify Co., Ltd.	None	None	None	None
Director	TW	Hsieh Yen-Sheng	M 71-80	2022/06	3	2013/06	641,200	0.45%	742,269	0.45%	213,432	0.13%	—	—	Master of Business Administration, University of Southern Queensland, Australia Department of Industrial Engineering, Chung Yuan Christian University	Chairman of Pu Yu Investment Co., Ltd. Independent Director of Yufo Electronics Co. Ltd. Supervisor of Cheznous Hotel Co., Ltd.	None	None	None	None
Director	TW	Fu Jo-Hsuan	M 41-50	2022/06	3	2016/06	100,000	0.07%	115,762	0.07%	—	—	—	—	Bachelor of Business Administration, Department of Information Management, National Central University Senior Advisor of Abeam Consulting Ltd. General Manager of Dynamic Medical Technologies Inc.	Chairman of Excelsior Investment Co., Ltd. Director of Excelsior Group Holdings Co., Ltd. Director of Arich Enterprise Co., Ltd. General Manager of Excelsior Renal Service Co., Ltd. General Manager of NephroCare Ltd. General Manager of Cardinal Medical Services Ltd. Director of Bestchain Healthtaiwan Co., Ltd. Director of Dynamic Medical Technologies Inc. Director of Excelsior Beauty Co., Ltd. Director of Excelsior Asset Management Co., Ltd. Director of SinoExcelsior Investment Inc. Director of Renal Laboratories Sdn. Bhd. Director of Medi-Chem Systems Sdn. Bhd. Director of Dynamic Medical Technologies (Hong Kong) Ltd. Chairman of CYJ International Taiwan Inc. Director of Medytox Taiwan Inc. Director of Excelsior Long-term Care Corporation Director of Chia En Long-term Care Corporation Director of Excelsior Health Foundation	Chairman	Fu Hui-Tung	Father and son	None

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	TW	Chang Wu-I	M 81-90	2022/06	3	2012/06	—	—	—	—	—	—	—	—	Researcher of International Tax Planning, Law School, Harvard University Master of Finance, National Chengchi University Bachelor of Economics, National Chung Hsing University Partner of Taxation Department, KPMG Taiwan Chairperson of KPMG Taiwan	None	None	None	None	None
Independent Director	TW	Kuo Yu-Chia	M 51-60	2022/06	3	2016/06	—	—	—	—	—	—	—	—	Bachelor of Laws, National Taiwan University Master of Laws, George Washington University	Director of Teleport Access Services, Inc. Chairman of Kai Sen Investment Co. Ltd. Chairman of Kai Sen Management Consulting Co., Ltd. Director of Excellent Water Appraisal & Co. Supervisor of Chenghsien Holdings Co., Ltd.	None	None	None	None
Independent Director	TW	Chan Chien-Lung	M 61-70	2022/06	3	2022/06	—	—	—	—	—	—	—	—	Ph.D. of Accounting, Nova University, United States Dean and Provost of Soochow University Business School Principal of Soochow University	Independent Director of Taiwan Semiconductor Company Ltd. Independent Director of Asia Optical Co., Inc. Director of Heran Co., LTD.	None	None	None	None

Note: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

B. Major shareholders of the institutional shareholders

April 28, 2025

Name of Institutional Shareholders	Major Shareholders	%
Excelsior Group Holdings Co., Ltd.	Fu Hui-Tung	35.74 %
	Liao Mei-Hui	16.75 %
	Excelsior Investment Co., Ltd.	16.41 %
	EXCELSIOR GROUP HOLDINGS LTD.	12.89 %
	Xuan Hui Investment Co., Ltd.	10.89 %
	Wei Xiang Investment Co., Ltd.	1.31 %
	Chou Wen-Lan	1.10 %
	Li Ming-Chuan	1.06 %
	Yen Kun-Piao	0.94 %
	Fu Pi-Yun	0.75 %

C. Major shareholders of the Company's major institutional shareholders

April 28, 2025

Name of Institutional Shareholders	Major Shareholders	%
Excelsior Investment Co., Ltd.	Excelsior Group Holdings Co., Ltd.	31.20 %
	Xuan Hui Investment Co., Ltd.	22.86 %
	Wang Wei-Pin	21.90 %
	Long Bon International Industrial Co., Ltd.	8.00 %
	Wei Xiang Investment Co., Ltd.	6.73 %
	REIJU Construction Co Ltd.	2.00 %
	Hsueh Fu-Chuan	1.63 %
	Tsai Wen-Ching	1.06 %
	Liang Ming-Shu	1.06 %
	Wu Sheng-Zhong	1.06 %
EXCELSIOR GROUP HOLDINGS LTD.	Fu Hui-Tung	60.00 %
	Wang Wei-Pin	40.00 %
Xuan Hui Investment Co., Ltd.	Fu Hui-Tung	69.20 %
	Fu Jo-Hsuan	30.76 %
	Wang Ming-Ting	0.02 %
	Liao Mei-Hui	0.02 %
Wei Xiang Investment Co., Ltd.	Wang Wei-Pin	55.00 %
	Wang Chun-Hsiang	30.00 %
	Not Available (Note)	15.00 %

Note: Only provide the partial shareholders because of non-public company.

D. Professional qualifications and independence analysis of directors

Condition Name (Note 1)	Professional Qualifications and Experiences	Independence Analysis	Number of Companies Concurrently Serve as An Independent Director
Chairman Fu Hui-Tung	Please refer to "2.(1).A Director" in the annual report for professional qualifications and experiences of the Board members. (Page 12-14)	Not applicable.	None
Director Chen, Tun-Ling			None
Director Chang, Hsien-Cheng			None
Director Chang Ming-Cheng			None
Director Hsieh Yen-Sheng			1
Director Fu Jo-Hsuan			None
Independent Director Chang Wu-I		All independent directors are in compliance with the relevant provisions of Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"	None
Independent Director Kuo Yu-Chia			None
Independent Director Chan Chien-Lung			2

Note 1: None of the Board members is under any of the circumstances in Article 30 of the Company Act.

Note 2: 1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2. Not serving concurrently as an independent director on more than three other public companies in total.

3. During the two years before being elected and during the term of office, meet any of the following situations:

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of the Company or any of its affiliates. Not applicable in cases where the person is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent.

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.

(4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. But not applicable in cases where the person is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent.

(6) Not a director, supervisor, or employee of that other company that the company's director seats or voting shares and those of any other company are controlled by the same person. But not applicable in cases where the person is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at,

a company and its parent or subsidiary or a subsidiary of the same parent.

- (7) Not a director (or governor), supervisor, or employee of that other company or institution that a chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. But not applicable in cases where the person is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent.
- (8) Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company. But not applicable in cases where the person holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company or is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

E. Diversity and independence of the Board of Directors

(1) Diversity of the Board of Directors

Article 3 of the "Election Procedures for Board Directors" stipulated by the board of directors clearly states that the members of the board of directors should generally possess the knowledge, skills and qualities necessary for the performance of their duties ,and should have as the following:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct operational management.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

The following table demonstrates the implementation of the diversity policy for Board members:

Diversification <
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Our company's board currently consists of nine men, and the gender ration is less than one-third. We value gender

diversity and have prioritized increasing female directors in future elections. Starting with the coming new director appointments, we plan to actively include qualified female candidates to gradually achieve gender diversity and improve governance performance.

(2) Independence of the Board of Directors

The current board of directors of the company consists of nine directors, the Company had three independent directors accounting for 33%, and the attendance rate of independent directors in the current board of directors has reached 100%, two external directors accounting for 22%, and directors without the company manager position accounted for more than one-half of the number of directors. More than half of the board seats are held by directors who do not have a spouse or a relationship within the second degree of kinship. The members of Board of Directors are nominated via rigorous selection processes, which considers background diversity, professional competence and experience. As such, the Board of Directors possesses independence qualification.

(3) Management team

April 28, 2025 Unit: shares

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	TW	Chang Ming-Cheng	M	2019/01/01	179,472	0.11%	—	—	—	—	Bachelor of Science in Department of Medical Technology, college of Medicine, National Taiwan University Bachelor of Business Administration, University of Ottawa Product manager of B. BRAUN TAIWAN CO., LTD. Deputy General Manager of Excelsior Medical Co., Ltd. General Manager of EG Healthcare, Inc. General Manager of JIATE EXCELSIOR CO., LTD.	Chairman of Arich Enterprise Co., Ltd. Director of Dynamic Medical Technologies Inc. Director of Excelsior Renal Service Co., Ltd. Director of NephroCare Ltd. Director of Cardinal Medical Services Ltd. Director of SinoExcelsior Investment Incorporation Director and General Manager of Renal Laboratories Sdn. Bhd. Director and General Manager of Medi-Chem Systems Sdn. Bhd. Director and General Manager of Renal Management Sdn. Bhd. Director of Excelsior Health Foundation Director of Arich Best Chain Co., Ltd. Director of Medifly Co., Ltd.	None	None	None	None
Deputy General Manager of Finance & CGO	TW	Chou Cheng-Hsiao	M	2011/08/03	—	—	—	—	—	—	Bachelor of Accountancy, National Chengchi University Assist Manager of Audit Department, Deloitte & Touche Taiwan Accounting Division manager of Excelsior Medical Co., Ltd.	Director of Arich Enterprise Co., Ltd. Director of Dynamic Medical Technologies Inc. Supervisor of Bestchain Healthtaiwan Co., Ltd. Supervisor of Asia Best Life Care Co., Ltd. Supervisor of Excelsior Long-term Care Corporation Supervisor of SinoExcelsior Investment Inc. Supervisor of Excelsior Asset Management Co., Ltd. Supervisor of Bestsmile Co., Ltd. Supervisor of Anxin Nice Care Co., Ltd.	None	None	None	None

Note: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person,

spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. For example, increase the number of independent directors, and a majority of the directors may not serve concurrently as an employee or managerial officer.

Note: CFO, Chou Cheng-Hsiao was appointed as the Company's Deputy General Manager on September 1, 2024.

2. Remuneration of directors, general managers and deputy general managers

A. Remuneration of directors and independent directors

Unit: NT\$ thousands

Title	Name	Remuneration								Total Remuneration (A+B+C+D) and as % of Net Income (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								Total Remuneration (A+B+C+D+E+F+G and as % of Net Income (Note 10)		Remuneration from ventures other than subsidiaries or from the parent company (Note 11)		
		Base Compensation (A) (Note 2)		Severance Pay (B)		Directors Compensation(C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)								
		The Company	All Companies in the Consolidat ed Financial Statements (Note 7)	The Company	All Companies in the Consolidat ed Financial Statements (Note 7)	The Company	All Companies in the Consolidat ed Financial Statements (Note 7)	The Company	All Companies in the Consolidat ed Financial Statements (Note 7)	The Company	All Companies in the Consolidat ed Financial Statements (Note 7)	The Company	All Companies in the Consolidat ed Financial Statements (Note 7)	The Company		All Companies in the Consolidated Financial Statements (Note 7)		The Company	All Companies in the Consolidat ed Financial Statements (Note 7)					
																		Cash	Stock	Cash	Stock			
Chairman	Fu Hui-Tung																							
Director	Excelsior Group Holdings Co., Ltd.																							
Representative of juristic-person director	Excelsior Group Holdings Co., Ltd. Representative: Chen Tun-Ling																							
Representative of juristic-person director	Excelsior Group Holdings Co., Ltd. Representative: Chang Hsien-Cheng	3,600	3,600	0	0	21,142	29,914	213	377	24,955 3.24%	33,891 4.39%	5,500	5,500	108	108	3,100	0	3,100	0	33,663 4.36%	42,599 5.52%			
Director	Chang Ming-Cheng																							
Director	Hsieh Yen-Sheng																							
Director	Fu Jo-Hsuan																							
Independent Director	Chang Wu-I																							
Independent Director	Kuo Yu-Chia	0	0	0	0	2,850	2,850	246	246	3,096 0.40%	3,096 0.40%	0	0	0	0	0	0	0	0	3,096 0.40%	3,096 0.40%			
Independent Director	Chan Chien-Lung																							
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:Compensations for the Company's Independent Directors are set in accordance with the Company's Articles of Incorporation, remuneration policy and procedures, and in reference to the Company's current operational scale and business conditions, and paid after approval from the Remuneration Committee and a resolutions from the Board of Directors. °																								
2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors : None.																								

Remuneration grading table of directors and independent directors

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	Companies in the Consolidated Financial Statements (Note 9)(H)	The Company (Note 8)	Companies in the Consolidated Financial Statements (Note 9)(I)
Less than NT\$ 1,000,000	Excelsior Group Holdings Co., Ltd., Excelsior Group Holdings Co., Ltd. representatives: Chen Tun-Ling, Hsieh Yen-Sheng	Excelsior Group Holdings Co., Ltd., Excelsior Group Holdings Co., Ltd. representatives: Chen Tun-Ling, Hsieh Yen-Sheng	Excelsior Group Holdings Co., Ltd., Excelsior Group Holdings Co., Ltd. representatives: Chen Tun-Ling, Hsieh Yen-Sheng	Excelsior Group Holdings Co., Ltd., Excelsior Group Holdings Co., Ltd. representatives: Chen Tun-Ling, Hsieh Yen-Sheng
NT\$1,000,000 ~ NT\$1,999,999	Excelsior Group Holdings Co., Ltd. representatives: Chang Hsien- Cheng, Chang Ming-Cheng, Chang Wu-I , Kuo Yu-Chia , Chan Chien- Lung	Excelsior Group Holdings Co., Ltd. representatives: Chang Hsien- Cheng, Chang Wu-I , Kuo Yu-Chia , Chan Chien-Lung	Excelsior Group Holdings Co., Ltd. representatives: Chang Hsien- Cheng, Chang Wu-I , Kuo Yu-Chia , Chan Chien-Lung	Excelsior Group Holdings Co., Ltd. representatives: Chang Hsien- Cheng, Chang Wu-I , Kuo Yu- Chia , Chan Chien-Lung
NT\$2,000,000 ~ NT\$3,499,999		Chang Ming-Cheng		
NT\$3,500,000 ~ NT\$4,999,999				
NT\$5,000,000 ~ NT\$9,999,999	Fu Jo-Hsuan		Fu Jo-Hsuan	
NT\$10,000,000 ~ NT\$14,999,999	Fu Hui-Tung	Fu Hui-Tung, Fu Jo-Hsuan	Fu Hui-Tung, Chang Ming-Cheng	Fu Hui-Tung, Chang Ming-Cheng, Fu Jo-Hsuan
NT\$15,000,000 ~ NT\$29,999,999				
NT\$30,000,000 ~ NT\$49,999,999				
NT\$50,000,000 ~ NT\$99,999,999				
Greater than or equal to NT\$100,000,000				
Total	10	10	10	10

Note 1: The Directors' names should be listed separately (if a corporate shareholder, the corporate name and the representative's name should be listed separately), and the payments should be consolidated for disclosure. The amount of cash payment is disclosed in a summary. If the director is also the general manager or deputy general manager, this table and the following table (3-1) or (2-2) shall be filled in.

Note 2: The Director's remuneration for the most recent year (including salary, job allowances, Retirement Pension, various bonuses and incentives).

Note 3: The latest amount of Director's remuneration as passed by the board of directors.

Note 4: The latest annual business execution expenses of the Director (including transportation costs, special expenses, various subsidies, dormitory expenses, car expenses and other physical provisions). In case of the provision of expenses for housing, cars and other means of transportation or exclusive personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market price of the rent, gasoline and other payments. If a driver is provided, please indicate the Company's relevant remuneration to the driver, but the amount should not be included in the remuneration.

Note 5: The latest salary, job allowances, Retirement Pension, various bonuses, incentives, car expenses, special expenses, various subsidies, dormitory expenses, car expenses and other physical provisions for the Director's other jobs (including the positions of General Manager, Deputy General Manager, Manager and other positions). In case of the provision of expenses for housing, cars and other means of transportation or exclusive personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market price of the rent, gasoline and other payments. If a driver is provided, please indicate the Company's relevant remuneration to the driver, but the amount should not be included in the remuneration. According to IFRS 2's recognition of remuneration in "Share-Based Payments", the remuneration shall include employee stock options, restricted-right employee shares and share subscription from participation in cash capital increase.

Note 6: If a Director receives employee remuneration (including stock and cash) on his/her other job(s) (including the positions of General Manager, Deputy Manager, Manager and other positions) in the

latest year, please disclose the amount of employee remuneration as passed by the board of directors in the latest year. If the amount cannot be estimated, it should be calculated based on the percentage of the actual amount distributed last year, and Appendix 1-3 should be filled out.

Note 7: The total remuneration paid by all the companies (including the Company) in the consolidated report to the Company's Director.

Note 8: The total remuneration paid by the Company to each Director; the Director's name should be disclosed in the respective tier.

Note 9: The total remuneration paid by all the companies (including the Company) in the consolidated report to each of the Company's Directors should be disclosed, and the Director's name s should be disclosed in the respective tier.

Note 10: Net profit after tax refers to the net after-tax profit for the latest year. If the International Financial Reporting Standards have been adopted, then it is the net after-tax profit of the individual company or the respective financial statement.

Note 11: a. In this field the amount of remuneration paid to the Director by the Company's re-invested businesses other than the subsidiaries should be clearly indicated.

b.If the Director receives remuneration from the Company's re-invested businesses other than the subsidiaries, such remuneration should be incorporated into column I of the Remuneration Tiers Table, and the name of the field should be changed to "All re-invested businesses".

c.Remuneration refers to the compensation, reward (including that for an employee, director or supervisor) and business execution expenses received by the Company's Director for acting as a director, supervisor or manager of the Company's invested businesses other than the subsidiaries.

* The contents of the remuneration disclosed in this table are different from those in the Income Tax Law. Therefore, this statement is for the purpose of disclosure but not for taxation.

B. Remuneration of the general manager and deputy general manager

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employee Compensation (D) (Note 4)				Total Compensation and (A+B+C+D) as a % of Net Income (Note 8)		Remuneration from Ventures other than Subsidiaries or from the Parent Company (Note 9)
		The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company		All Companies in the Consolidated Financial Statements (Note 5)		The Company	All Companies in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Chang Ming- Cheng	5,219	5,219	144	144	992	992	3,625	0	3,625	0	9,980 1.29%	9,980 1.29%	0
Deputy General Manager of Finance (Note 10)	Chou Cheng- Hsiao													

Remuneration Grading Table of the General Manager and Deputy General Manager

Range of Remuneration	Name of General Manager and Deputy General Manager	
	The Company(Note 6)	All Companies in the Consolidated Financial Statements (Note 7)(E)
Less than NT\$ 1,000,000		
NT\$1,000,000 ~ NT\$1,999,999	Chou Cheng-Hsiao	Chou Cheng-Hsiao

NT\$2,000,000 ~ NT\$3,499,999		
NT\$3,500,000 ~ NT\$4,999,999		
NT\$5,000,000 ~ NT\$9,999,999	Chang Ming-Cheng	Chang Ming-Cheng
NT\$10,000,000 ~ NT\$14,999,999		
NT\$15,000,000 ~ NT\$29,999,999		
NT\$30,000,000 ~ NT\$49,999,999		
NT\$50,000,000 ~ NT\$99,999,999		
Greater than or equal to NT\$100,000,000		
Total	2	2

Note 1: The General Managers and Deputy General Managers' names should be listed separately, and the payments should be consolidated for disclosure. If the Directors are also General Managers or Deputy General Managers, this table and the table above (1-1) or (1-2) shall be filled in.

Note 2: The latest amount of the General Manager's and the Deputy General Managers' remunerations (including salary, job allowances and severance payment).

Note 3: The latest annual business execution expenses of the General Manager and the Deputy General Managers (including transportation costs, special expenses, various subsidies, dormitory expenses, car expenses and other physical provisions). In case of the provision of expenses for housing, cars and other means of transportation or exclusive personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market price of the rent, gasoline and other payments. If a driver is provided, please indicate the Company's relevant remuneration to the driver, but the amount should not be included in the remuneration. According to IFRS 2's recognition of remuneration in "Share-Based Payments", the remuneration shall also include employee stock options, restricted-right employee shares and share subscription from participation in cash capital increase.

Note 4: The employee remuneration (including stock and cash) distributed to the General Manager or Deputy General Manager as passed by the board of directors in the latest year.

Note 5: The total remuneration paid by all the companies (including the Company) in the consolidated report to the Company's General Manager and Deputy General Managers.

Note 6: The total remuneration paid by the Company to each General Manager and Deputy General Manager; the General Manager's and the Deputy General Managers' names are to be disclosed in the respective tiers

Note 7: The total remuneration paid by all the companies (including the Company) in the consolidated report to each of the Company's General Manager and Deputy General Managers should be disclosed, and the General Manager's and the Deputy General Managers' names should be disclosed in the respective tier.

Note 8: Net profit after tax refers to the net after-tax profit for the latest year. If the International Financial Reporting Standards have been adopted, then it is the net after-tax profit of the individual company or the respective financial statement.

Note 9: a. In this field the amount of remuneration paid to the General Manager or the Deputy General Managers by the Company's re-invested businesses other than the subsidiaries should be clearly indicated.

b. If the General Manager and Deputy General Managers receive remuneration from the Company's re-invested businesses other than the subsidiaries, such remuneration should be incorporated into column D of the Remuneration Tiers Table, and the name of the field should be changed to "All re-invested businesses".

c. Remuneration refers to the compensation, reward (including that for an employee, director or supervisor) and business execution expenses received by the Company's General Manager or Deputy General Manager for acting as a director, supervisor or manager of the Company's re-invested businesses other than the subsidiaries.

Note 10: CFO, Chou Cheng-Hsiao was appointed as the Company's Deputy General Manager on September 1, 2024.

* The contents of the remuneration disclosed in this table are different from those in the Income Tax Law. Therefore, this statement is for the purpose of disclosure but not for taxation.

C.General Manager and Deputy General Manager

Unit: NT\$ thousands

Title		Name	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	General Manager	Chang Ming-Cheng	0	5,200	5,200	0.67%
	Deputy General Manager of Finance	Chou Cheng-Hsiao				
	CFO	Chou Cheng-Hsiao				

Note : The latest amount of the manager's employee remuneration as passed by the board of directors (including shares and cash) in the latest year. Net profit after tax refers to the net after-tax profit for the latest year. If the International Financial Reporting Standards have been adopted, then it is the net after-tax profit of the individual company or the respective financial statement.

(5) Performance assessment and remuneration policy of directors and managers

The remuneration package provided by the company, as determined by the Remuneration Committee's organizational regulations, includes cash compensation, stock options, bonus shares, retirement benefits or severance payments, various allowances, and other substantial incentive measures. The scope of these provisions aligns with the guidelines on the disclosure of directors and managers remuneration outlined in the annual report for publicly traded companies.

The performance evaluation of managers is based on the "Performance Assessment and Remuneration Standards for Managers." The results of the performance assessment serve as a reference for determining executive bonuses. The Remuneration Committee and the Board of Directors conduct regular evaluations and reviews on an annual basis. In addition to individual performance and contributions to the company, factors such as overall operational performance, actual business conditions, level of involvement in company operations, decision-making quality, job responsibilities, internal control systems, and compliance with relevant laws and regulations are considered. The remuneration policy is periodically reviewed to ensure that managers receive fair compensation, striking a balance between sustainable business operations and risk management.

The payment principles for remuneration are as follows:

According to Article 22 of our company's Articles of Incorporation, the remuneration for directors' performance of their duties is authorized by the Board of Directors. The remuneration is determined based on their level of involvement and contribution to the company's operations, taking into consideration industry standards. Additionally, in accordance with Article 25 of our company's Articles of Incorporation, if the company generates profits in a given fiscal year, remuneration is allocated as stipulated. The Board of Directors may allocate up to a maximum of 5% of the profits as remuneration for directors.

The remuneration for our company's managers is determined based on the "Performance Assessment and Remuneration Standards for Managers," taking into account industry salary benchmarks. The remuneration reflects the managerial responsibilities and aims to attract and retain outstanding professional management talents. Additionally, if the company generates profits in a given fiscal year, as stipulated

in Article 25 of our company's Articles of Incorporation, a minimum of 1% of the profits is allocated for employee compensation.

The determination of remuneration in our company takes into consideration the overall business risks, long-term profitability, and shareholder interests, using effective indicators to assess the individual contributions of directors and managers. The actual amount of remuneration paid to directors and managers for the year 2024 was reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

3. Implementation of Corporate Governance

(1) Board of directors

A total of 5 meetings (A) of the Board of Directors were held in the previous period.

The attendance of directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Chairman	Fu Hui-Tung	5	0	100%	
Director	Excelsior Group Holdings Co., Ltd. Representative: Chen Tun-Ling	5	0	100%	
Director	Excelsior Group Holdings Co., Ltd. Representative: Chang Hsien-Cheng	5	0	100%	
Director	Chang Ming-Cheng	5	0	100%	
Director	Hsieh Yen-Sheng	5	0	100%	
Director	Fu Jo-Hsuan	5	0	100%	
Independent director	Chang Wu-I	3	2	60%	
Independent director	Kuo Yu-Chia	5	0	100%	
Independent director	Chan Chien-Lung	5	0	100%	

Other mentionable items:

1.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:

- (1)Matters referred to in Article 14-3 of the Securities and Exchange Act: The Article 14-3 of the Securities and Exchange Act is not be applicable because the Company has established the Audit Committee. Please refer to the "Audit Committee" on page 31 of the Annual Report.
- (2)Except for the matters listed in the preceding paragraph, other resolutions from the Board of Directors in which an Independent Director has a dissenting or qualified opinion that has been recorded or documented: None.Please see page 87 for important resolutions from the Board of Directors in the most recent year as well as the current year up to the date of publication of the Annual Report.

2.If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

- (1) The 11th Meeting of the 13th term on March 8, 2024
 - i. The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng, Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - ii. Proposal of release the prohibition on directors from participation in competition businesses. After the stakeholders (Directors Fu Hui-Tung, Chen Tun-Ling, Fu Jo-Hsuan and Chang Ming-Cheng) left the meeting, the resolution was approved by the chairman and all other Directors in attendance. (In the absence of the Chairman,

- Director Chang Ming-Cheng was designated as the acting Chairman)
- iii. Proposal of releasing the prohibition on the Company's managers from participation in competitive business. After the stakeholders (Directors Chang Ming-Cheng and CFO Chou Cheng-Hsiao) left the meeting, the resolution was approved by the chairman and all other Directors in attendance.
- (2) The 12th Meeting of the 13th term on May 10, 2024
- i. The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - ii. The Company originally to provide endorsements/guarantees for financing credit extension of NT\$300 million from Taipei Branch of Taiwan Cooperative Bank on behalf of Bestchain Healthtaiwan Co., Ltd., It is now proposed to increase the endorsed guarantee amount to NT\$400 million. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - iii. The Company to provide endorsements/guarantees for financing credit extension of NT\$200 million from Citibank Taiwan on behalf of Bestchain Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - iv. Proposal of The company intending to dispose of part of its shares in Dynamic Medical Technologies Inc. The chairman authorized Director Hsieh Yen-Sheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng, Chang Ming-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - v. Proposal of release the prohibition on directors from participation in competition businesses. After the stakeholders (Directors Fu Hui-Tung, Chen Tun-Ling, Chang Ming-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance. (In the absence of the Chairman, Director Chang Hsien-Cheng was designated as the acting Chairman)
 - vi. Proposal of releasing the prohibition on the Company's managers from participation in competitive business. After the stakeholders (CFO Chou Cheng-Hsiao) left the meeting, the resolution was approved by the chairman and all other Directors in attendance.
- (3) The 13th Meeting of the 13th term on August 9, 2024
- i. The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - ii. The Company originally provide endorsements/guarantees for financing credit extension of NT\$200 million from Citibank Taiwan on behalf of Bestchain Healthtaiwan Co., Ltd. It is now proposed to increase the endorsement/guarantee amount to NT\$300 million. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - iii. The Company to provide endorsements/guarantees for financing credit extension of NT\$100 million from Cathay United Bank Industrial Finance Division, Region 2 Center on behalf of Bestchain Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - iv. The Company to provide endorsements/guarantees for a new approved financing credit of NT\$100 million from E.Sun Commercial Bank, Ltd. on behalf of Bestchain

- Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
- v. The Company to provide endorsements/guarantees for financing credit extension of US\$2.5 million from Citibank Taiwan on behalf of Renal Laboratories Sdn. Bhd. Deputy chairman Chang Hsien-Cheng acted as the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Ming-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - vi. The Company to provide endorsements/guarantees for financing credit extension of US\$500 thousand from Citibank Taiwan on behalf of Medi-Chem Systems Sdn. Bhd. Deputy chairman Chang Hsien-Cheng acted as the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Ming-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - vii. The promotion of CFO Chou Chen-Hsiao to Deputy General Manager of Finance. After the stakeholders (CFO Chou Chen-Hsiao) left the meeting, the resolution was approved by the chairman and all other Directors in attendance.
 - viii. Reviewing and approving of the director's remuneration in 2023. After the directors with conflicting interests (Directors Fu Hui-Tung, Chang Hsien-Cheng, Chang Ming-Cheng, Fu Jo-Hsuan, Chen Tun-Ling, Hsieh Yen-Sheng, Chang Wu-I, Kuo Yu-Chia and Chan Chien-Lung) excused themselves from the relevant parts of the discussion, the resolution was approved by the chairman and all other Directors in attendance. (In the absence of the Chairman, Director Chang Hsien-Cheng acted as the acting chairman).
- (4) The 14th Meeting of the 13th term on November 8, 2024
- i. The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - ii. The Company to provide endorsements/guarantees for financing credit extension of NT\$400 million from Taipei Branch of Taiwan Cooperative Bank on behalf of Bestchain Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - iii. The Company to revoke endorsements/guarantees for financing credit extension of NT\$100 million from Cathay United Bank Industrial Finance Division, Region 2 Center on behalf of Bestchain Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
- (5) The 15th Meeting of the 13th term on December 26, 2024
- i. The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd. The chairman authorized Director Chang Ming-Cheng to be the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Hsien-Cheng and Fu Jo-Hsuan) left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - ii. The Company proposes to make a donation to the Excelsior Health Foundation in 2025. Deputy chairman Chang Hsien-Cheng acted as the acting chairman. After the stakeholders (Directors Fu Hui-Tung, Chang Ming-Cheng, Fu Jo-Hsuan and Legal Counsel Tsai Liang-Chia), left the meeting, the resolution was approved by the acting chairman and all other Directors in attendance.
 - iii. Reviewing and approving of the employees' compensations for managers in 2023. After the stakeholders (Director Chang Ming-Cheng) left the meeting, the resolution was approved by the chairman and all other Directors in attendance.
 - iv. Reviewing and approving of year-end bonus for managers in 2024. After the

stakeholders (Director Chang Ming-Cheng) left the meeting, the resolution was approved by the chairman and all other Directors in attendance.

Except for the preceding resolutions, no other motions in conflict of interest.

3. Implementation of the Board of Directors

Evaluation Cycles	Evaluation Periods	Scope of Evaluation	Method of Evaluation	Evaluation Content
Once a year.	2024/1/1-2024/12/31	Cover the evaluation of the board as a whole, individual directors and functional committees.	Including the overall operation of the board of directors, individual directors and functional committees, and the participation, awareness of the duties and continuing education of directors to be evaluated.	<p>(1) Evaluating the performance of the board of directors: Including participation in the operation of the company, the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors and internal control.</p> <p>(2) Evaluating the performance of individual directors: Including alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education and internal control.</p> <p>(3) Evaluating the performance of functional committees: Including participation in the operation of the company, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, makeup of the functional committee and election of its members and internal control.</p>

The company completed the performance evaluations of the Board of Directors, individual board members, the Remuneration Committee, and the Audit Committee in January of Year 2025. The evaluation results were reported during the Board meeting held on March 7, Year 2025. The overall self-assessment score for the Board of Directors was 4.88, while the average self-assessment score for individual board members was 4.96. All directors received positive evaluations, indicating the effective functioning of the Board as a whole. The self-assessment score for the Audit Committee was 4.95, indicating its excellent performance, the self-assessment score for the Remuneration Committee was 4.95, and the self-assessment score for the Corporate Sustainable Development Committee was 5, indicating its satisfactory operation and ability to fulfill its duties. (The maximum score for all evaluations was 5.)

4. Measures taken to strengthen the functionality of the Board of Directors in the current year and most recent year

- (1) The Company has provided directors with relevant regulations periodically and to provide the Board with information related to operation status.
- (2) The Company has completed the performance evaluation of the Board of Directors and functional committees, and the self-evaluation of the Board of Directors for 2024, and results of which have been submitted to the Board of Directors on March 7, 2025.
- (3) On November 7, 2023, the company revised the Director Election Procedure, clearly defining the director nomination process and considering the overall composition of the board of directors.
- (4) The Company has amended the "Regulations Governing Procedure for Board of Directors

Meetings” and “Audit Committee Charter” on March 8, 2024 to specify the organizational regulations for the Board of Directors and the Audit Committee.

- (5) The Company conducted an Ethical Corporate Management Best Practice Principles and insider trading prevention advocacy for the directors on November 22, 2024, and reminded the directors not to trade their shares during the blackout period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.

(2) Audit committee

The Audit Committee of the company consists of three independent directors. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities regarding the quality and integrity of the company's accounting, auditing, financial reporting processes, and financial controls.

The matters reviewed by the Audit Committee primarily include:

1. Internal control systems and related policies and procedures.
2. Financial statement audits and accounting policies and procedures.
3. Significant acquisitions or disposals of assets.
4. Significant endorsements or guarantees.
5. Fundraising or issuance of securities.
6. Qualifications, independence, and suitability of auditors.
7. Appointment or compensation of auditors.
8. Performance of duties by the Audit Committee.
9. Self-assessment questionnaire for evaluating the performance of the Audit Committee.

● Reviewing financial reports

The Board of Directors has prepared the annual business report, financial statements, and earnings distribution proposal for 2023. The financial statements have been audited by the appointed accounting firm, KPMG, and an audit report has been issued. The Audit Committee has reviewed the aforementioned business report, financial statements, and earnings distribution proposal and determined that there are no significant discrepancies.

● Assessing the effectiveness of the internal control system

The Audit Committee has evaluated the effectiveness of the company's internal control system, including policies and procedures related to financial, operational, risk management, information security, outsourcing, compliance with laws and regulations, and other control measures. The committee has reviewed the audit department, auditors, and management's regular reports, including risk management and compliance with laws and regulations. The Audit Committee considers the company's risk management and internal control system to be effective. The company has implemented necessary control mechanisms to monitor and rectify any non-compliant behavior.

● Appointment of the external auditors

The Audit Committee is entrusted with the responsibility of overseeing the independence of the external auditing firm to ensure the fairness of the financial statements. Generally, except for tax-related services or specifically approved engagements, the auditing firm is not permitted to provide any other services to our company. All services provided by the auditing firm require approval from the Audit Committee.

To ensure the independence of the auditing firm, the Audit Committee has developed an independence assessment form based on Article 47 of the Accountants Act and Bulletin No. 10 of the Code of Professional Ethics for Accountants, which addresses "Integrity, Objectivity, Fairness, and Independence." The assessment evaluates the independence, professionalism, and suitability of the auditors, considering factors such as whether they have any relationships, business interests, or financial interests with the company. On May

10, 2024, during the 11th meeting of the 3rd term of the Audit Committee and the 12th meeting of the 13th term of the Board of Directors, it was determined that both Wu Tsao-Jen and Chen Chun-Kuang from KPMG met the criteria of the independence and comply with the reference audit quality indicator(AQI). They are qualified to serve as the financial auditors for the company.

A total of 5 Audit Committee meetings (A) were held in the previous period. The attendance of the independent directors was as follows :

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Independent director	Chang Wu-Yi	3	2	60%	
Independent director	Kuo Yu-Chia	5	0	100%	
Independent director	Chan Chien-Lung	5	0	100%	

Other mentionable items:

1. If any of the following circumstances, the dates of the meetings, sessions, contents of motion, Audit Committee's resolutions and the Company's response to the Audit Committee's opinion should be specified:
 (1) For items listed in Article 14-5 of the Securities and Exchange Act: Please see the below table.
 (2) Except the items in the preceding issues, other resolutions which was not approved by the Audit Committee but approved by two-thirds of all Board of Directors members: None.

For items listed in Article 14-5 of the Securities and Exchange Act

Audit committee Session and Date		Content	Resolution of the Audit Committee	The Company's Response to the Opinions of the Audit Committee
The 10th meeting of the 3rd term	2024.03.08	1.Preparation 2023 Internal Control System Statement of the Company. 2.The Company's 2023 Financial Statements. 3.The Company's 2023 earnings distribution proposal. 4.The Company to issue new shares for capital increase by earnings recapitalization. 5.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd. 6.Proposal of amendment of "Regulations Governing Procedure for Board of Directors Meetings", "Audit Committee Charter" and "Internal Control - Other Cycles".	Approved by the Audit Committee and submitted to the Board of Directors for approval.	All motions were unanimously approved by all attending Directors without dissidence.
The 11th meeting of the 3rd term	2024.05.10	1.Proposal of the evaluation results for the independence and suitability of the Company's CPA. 2.The 2024 Q1 consolidated financial report. 3.The Company to provide endorsements/ guarantees for new financing credit of peso \$50 million from Manila Branch of Cathay United Bank on behalf of EG Healthcare, Inc. 4.The Company to provide endorsements/ guarantees for new financing credit of USD \$1 million from Manila Branch of First Commercial Bank on behalf of EG Healthcare, Inc. 5.The Company to provide contract performance guarantee for transacting counterparty Bestchain	Approved by the Audit Committee and submitted to the Board of Directors for approval.	All motions were unanimously approved by all attending Directors without dissidence.

		<p>Healthtaiwan Co., Ltd.</p> <p>6. The Company originally to provide endorsements /guarantees for financing credit extension of NT\$300 million from Taipei Branch of Taiwan Cooperative Bank on behalf of Bestchain Healthtaiwan Co., Ltd., It is now proposed to increase the endorsed guarantee amount to NT\$400 million.</p> <p>7.The Company to provide endorsements/guarantees for financing credit extension of NT\$200 million from CitiBank Taiwan on behalf of Bestchain Healthtaiwan Co., Ltd.</p> <p>8.Proposal of The company intending to dispose of part of its shares in Dynamic Medical Technologies Inc.</p>		
The 12th meeting of the 3rd term	2024.08.09	<p>1.Routine review of the 2024 CPA audit fee.</p> <p>2.The 2024 Q2 consolidated financial report.</p> <p>3.Setting details for the issuance of new shares for capital increase by earnings recapitalization in 2024.</p> <p>4.The Company to provide endorsements/guarantees for new financing credit of NT\$150 million from Corporate Banking Division of Industrial Finance II Regional Center of Cathay United Bank on behalf of Excelsior Asset Management Co., Ltd.</p> <p>5.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd.</p> <p>6.The Company originally provide endorsements /guarantees for financing credit extension of NT\$200 million from Citibank Taiwan on behalf of Bestchain Healthtaiwan Co., Ltd. It is now proposed to increase the endorsement/guarantee amount to NT\$300 million.</p> <p>7.The Company to provide endorsements/guarantees for financing credit extension of NT\$100 million from Cathay United Bank Industrial Finance Division, Region 2 Center on behalf of Bestchain Healthtaiwan Co., Ltd.</p> <p>8.The Company to provide endorsements/guarantees for a new approved financing credit of NT\$100 million from E.Sun Commercial Bank, Ltd. on behalf of Bestchain Healthtaiwan Co., Ltd.</p> <p>9.The Company to provide endorsements/guarantees for financing credit extension of US\$2.5 million from Citibank Taiwan on behalf of Renal Laboratories Sdn. Bhd.</p> <p>10.The Company to provide endorsements/guarantees for financing credit extension of US\$500 thousand from Citibank Taiwan on behalf of Medi-Chem Systems Sdn. Bhd.</p>	Approved by the Audit Committee and submitted to the Board of Directors for approval.	All motions were unanimously approved by all attending Directors without dissidence.
The 13th meeting of the 3rd term	2024.11.08	<p>1.The 2024 Q3 consolidated financial report.</p> <p>2.Proposal of amendment of "Internal Control System", "Internal Audit Procedure" and management regulations.</p> <p>3.Proposal of amendment of "Sustainable Development Committee Charter" and "Corporate Governance Best Practice Principles".</p> <p>4.The Company proposes to establish an Internal Control System titled "Sustainable Information Management Operations."</p> <p>5.To establish the Company's 2025 audit plan.</p> <p>6.The Company proposes to increase the capital expenditure budget for fiscal year 2024.</p>	Approved by the Audit Committee and submitted to the Board of Directors for approval.	All motions were unanimously approved by all attending Directors without dissidence.

		<p>7.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd.</p> <p>8.The Company to provide endorsements/guarantees for financing credit extension of NT\$400 million from Taipei Branch of Taiwan Cooperative Bank on behalf of Bestchain Healthtaiwan Co., Ltd.</p> <p>9.The Company proposes to cancel endorsements /guarantees for financing credit extension of NT\$100 million from Corporate Banking Division of Industrial Finance II Regional Center of Cathay United Bank on behalf of Bestchain Healthtaiwan Co., Ltd.</p>		
The 14th meeting of the 3rd term	2024.12.26	<p>1.The Company's 2025 budget report.</p> <p>2.The Company proposes to acquire a partial equity interest in Chi Sheng Pharma & Biotech Co., Ltd.</p> <p>3.The Company to provide endorsements/guarantees for financing credit extension of NT\$50 million from Nanjing East Road Branch of Hua Nan Bank on behalf of Excelsior Asset Management Co., Ltd.</p> <p>4.The Company to provide endorsements/guarantees for financing credit extension of NT\$370 million from Taipei Branch of Taiwan Cooperative Bank on behalf of Excelsior Asset Management Co., Ltd.</p> <p>5.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd.</p> <p>6.The Company proposes to make a donation to the Excelsior Health Foundation in 2025.</p>	Approved by the Audit Committee and submitted to the Board of Directors for approval.	All motions were unanimously approved by all attending Directors without dissidence.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.):

Communication matters between independent directors, chief internal auditor, and CPAs in the year 2024.

Principles of communication between the independent directors, chief internal auditor and CPAs:

1. Hold separate meetings with chief internal auditor and CPAs at least twice a year to discuss the findings of internal audit reports and external audit opinions, as well as to address any deficiencies identified during the audits. The current communication situation is satisfactory.
2. In addition to regular updates on audit status and follow-up reports, the independent directors also receive important audit reports on the company and its subsidiaries directly from chief internal auditor. Adequate communication has taken place regarding the execution and effectiveness of audits.
3. CPAs arrange separate meetings with the independent directors to report on the audit of financial statements, compliance with corporate governance practices, and updates on relevant regulations.

Communication matters with chief internal auditor

Meeting date	Attendees	Communication matters	Communication outcome
2024.05.10	Independent Director: Chang Wu-I (Independent Director Chan Chien-Lung was designated to attend on May 10, 2024.)	1. Audit status of overseas subsidiaries 2. Report and discussion on audit content	No further comments
2024.11.08	Independent Director: Kuo Yu-Chia Independent Director: Chan Chien-Lung Chief Internal Auditor : Liu Hsin-Yen		

Communication matters with CPAs

Meeting date	Attendees	Communication matters	Communication outcome
2024.03.08	Independent Director :Chang Wu-I (Independent Director Chan Chien-Lung was designated to attend on May 10, 2024	1. Key audit matters	No further comments
2024.05.10		2. Audit quality indicators (AQI)	

2024.08.09	and August 9, 2024.)	3. Financial Statement	
	Independent Director: Kuo Yu-Chia	Audit Matters	
2024.11.08	Independent Director: Chan Chien-Lung	4. Regulation update	
	CPA : WU,CHAO-JEN	report	

(3) The state of the Company's implementation of corporate governance, any variance from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Evaluation Item	Implementation status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
A. Does the Company establish and disclose the Corporate Governance Best Practice Principles based on "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	V		<p>1. To formulate a positive corporate governance system and to comply with the indicators of the corporate governance evaluation, the Company's Board of Directors has approved the "Corporate Governance Best Practice Principles" in reference to the regulations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" collectively formulated by the Taiwan Stock Exchange and the Taipei Exchange (GreTai Securities Market) and in line with the Company's current practices on May 7, 2015 and has updated as of November 8, 2024.</p> <p>2. The Company has implemented the relevant standards in the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and its own "Ethical Corporate Management Best Practice Principles" in day-to-day operations, and regularly reviews the status of implementing corporate governance and improves accordingly. There is no significant variance found in relevant implementations. Principles and standards on corporate governance have been disclosed on the Governance Section of the Company's website (http://www.excelsiormedical.com.tw/) and the Market Observation Post System (MOPS).</p>	Comply
B. Shareholding structure & shareholders' rights				

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
a. Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure?	V		Spokesperson and deputy spokesperson have been set up at the Company, Dynamic Medical Technologies Inc. (hereinafter “DMT”) and Arich Enterprise Co., Ltd. (hereinafter “Arich”) to answer suggestions from the shareholders. No disputes have occurred up to the date of publication of the Report.	Comply
b. 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?	V		The Company, DMT, and Arich maintain a register of major shareholders with controlling power as well as register of persons exercising ultimate control over those major shareholders via the reporting on shares and pledges from insiders as well as the shareholders' register provided by the Taiwan Depository & Clearing Corporation.	Comply
c. Does the Company establish and enforce risk control and firewall systems with its affiliates?	V		On top of implementations in accordance with various procedures, the Company also enforces risk control mechanism through appointing legal representatives to participate in the decision-making and management of various affiliated businesses.	Comply
d. Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	V		The Company, DMT and Arich have established “Procedures for Handling Material Inside Information” and disclosure of the handling of all material inside information is carried out accordingly. In addition, to facilitate compliance with relevant regulations, “Handbook on Guidelines for Equity Transaction from Company Insiders” is distributed to all newly appointed Directors and managers of the Company.	Comply

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
<p>C. Composition and responsibilities of the Board of Directors</p> <p>a. Has the Board of Directors formulate diversity policies, specific management objectives and implemented them?</p>	V		<p>The current board of directors of the company consists of nine directors, the Company had three independent directors accounting for 33%, two external directors accounting for 22%, and directors without the company managers accounted for more than one-half of the number of directors, and the attendance rate of independent directors in the current board of directors has reached 95.6%. The board of directors should generally possess the knowledge, skills and qualities necessary for the performance of their duties ,and should have as the following :</p> <ol style="list-style-type: none"> 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct operational management. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. An international market perspective. 7. Ability to lead. 8. Ability to make policy decisions. <p>The nomination of directors of the Company adopts the candidate nomination system, considers background diversity, professional competence and experience. To sum up, the board of directors of the company should have its independence.</p> <p>In addition, DMT and Arich have also set up three seats of Independent Directors each, and all companies’ relevant</p>	Comply

Evaluation Item	Implementation status					Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons																																																																																																																																																																																																																				
	Yes	No	Explanation																																																																																																																																																																																																																							
			<p>practices are in line with applicable laws. The following table demonstrates the implementation of the diversity policy for Board members:</p> <table><tr><th rowspan="3">Diversification Name</th><th colspan="6">Basic composition</th><th colspan="3">Experience in industry</th><th colspan="4">Professional Knowledge</th></tr><tr><th rowspan="2">Country</th><th rowspan="2">Gender</th><th rowspan="2">Employed by the Company</th><th colspan="3">Age</th><th colspan="3">Terms Years of Independent Director</th><th rowspan="2">Medical</th><th rowspan="2">Industry</th><th rowspan="2">Accounting</th><th rowspan="2">Law</th><th rowspan="2">Business management</th><th rowspan="2">Accounting financial</th><th rowspan="2">Leadership</th><th rowspan="2">Decision-making</th><th rowspan="2">Risk management</th></tr><tr><th>40-50</th><th>50-60</th><th>60-70</th><th>70 above</th><th>0-3 years</th><th>6-9 years</th><th>9 years or above</th></tr><tr><td>Fu Hui-Tung</td><td>TW</td><td>M</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Chen Tun-Ling</td><td>TW</td><td>M</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Chang Hsien-Cheng</td><td>TW</td><td>M</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Chang Ming-Cheng</td><td>TW</td><td>M</td><td>V</td><td></td><td>V</td><td></td><td></td><td></td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Hsieh Yen-Sheng</td><td>TW</td><td>M</td><td></td><td></td><td></td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Fu Jo-Hsuan</td><td>TW</td><td>M</td><td></td><td>V</td><td></td><td></td><td></td><td></td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Chang Wu-I</td><td>TW</td><td>M</td><td></td><td></td><td></td><td></td><td>V</td><td></td><td></td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td>V</td><td>V</td><td>V</td></tr><tr><td>Kuo Yu-Chia</td><td>TW</td><td>M</td><td></td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Chan Chien-Lung</td><td>TW</td><td>M</td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td>V</td><td>V</td><td>V</td></tr></table>					Diversification Name	Basic composition						Experience in industry			Professional Knowledge				Country	Gender	Employed by the Company	Age			Terms Years of Independent Director			Medical	Industry	Accounting	Law	Business management	Accounting financial	Leadership	Decision-making	Risk management	40-50	50-60	60-70	70 above	0-3 years	6-9 years	9 years or above	Fu Hui-Tung	TW	M				V				V	V			V		V	V	V	Chen Tun-Ling	TW	M				V				V	V			V		V	V	V	Chang Hsien-Cheng	TW	M				V				V	V			V		V	V	V	Chang Ming-Cheng	TW	M	V		V					V	V			V		V	V	V	Hsieh Yen-Sheng	TW	M					V				V			V		V	V	V	Fu Jo-Hsuan	TW	M		V						V	V			V		V	V	V	Chang Wu-I	TW	M					V					V			V	V	V	V	Kuo Yu-Chia	TW	M			V				V				V			V	V	V	Chan Chien-Lung	TW	M				V		V				V			V	V	V	V	
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Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
b. In addition to the Remuneration Committee and Audit Committee set according to law, has the Company voluntarily set up other functional committees?	V		The Company has established the Remuneration Committee in December 2011 and the Audit Committee in June 2016. DMT has established the Remuneration Committee in December 2011 and the Audit committee in June 2012, while Arich has established the Remuneration Committee in December 2011 and Audit Committee in June 2012. The Company, DMT, and Arich have established the Corporate Sustainability Development Committee in August 2022 and it was resolved at the board meeting to establish the Sustainable Development Committee under the Board of Directors, aimed at strengthening the promotion of sustainable development in December 2023.	Comply
c. Does the Company formulate rules and procedures for the Board of Directors to regularly perform assessments of the Board of Directors in each year, and submits the results of such assessments to the Board meeting, and to use them as reference toward compensations for individual Board members and nominations for re-elections?	V		The Company has established the “Regulations Governing the Evaluation of the Performance of the Board of Directors” and will regularly evaluate the performance of the Board in each year. Each Director will assess aspects including operations, culture, internal and external relationship management, and self-assessment of Directors, and results will be statistically compiled and submitted to the Board. The internal evaluation (Board of Directors, Audit Committee, Remuneration Committee, and Directors) for 2024 has been completed and results of which have been submitted to the Board of Directors on March 7, 2025.	Comply
d. Does the Company regularly evaluate the independence of the CPA	V		The Company has established the “Corporate Governance Best Practice Principles” and regularly evaluates the independence and suitability (Note 1) of the CPA based on	Comply

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
engaged by the Company?			the Audit quality indicators (AQI) and “Evaluation of the Independence and Competence of CPAs” in each year. A Statement of Independence is also required of the CPA, and the evaluation results are also submitted to the Board of Directors.	
D. Does the TWSE/TPEX listed company have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and to appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, handling matters relating to Board meetings and Shareholders' Meetings according to laws, and producing minutes of Board	V		The Company, DMT, and Arich have decided at the board meeting in August 2022 to establish a Corporate Governance Officer to safeguard shareholders' rights and strengthen the functions of the board of directors. The main responsibilities of the Corporate Governance Officer include handling matters related to board of directors and shareholders' meetings in compliance with laws, preparing minutes of board of directors and shareholders' meetings, assisting directors and independent directors in their appointments and continuous education, providing necessary information for directors and independent directors to carry out their duties, and assisting directors and independent directors in complying with laws and regulations. For details regarding the professional development of the Corporate Governance Officer, please refer to the provided explanation.(Note 2)	Comply

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
meetings and Shareholders' Meetings)?				
E. Has the company established a channel to communicate with stakeholders (including but not limited to the shareholders, employees, customers and suppliers), and set up a stakeholder section on the Company's website, and appropriately responded to the important corporate social responsibility issues that are essential to stakeholders?	V		<p>The Company, DMT, and Arich have each established a spokesperson system to emphasize communication with various stakeholders. The Company actively responds and engages through multiple channels and mechanisms based on the issues of concern to stakeholders.</p> <p>For employees, mainly concerns include employee benefits, performance evaluation systems, and occupational safety. The Company has built communication platforms through regular announcements, labor-management meetings, and suggestion mailboxes. Specific measures are implemented, such as semi-annual performance appraisals, distribution of holiday gifts, health check-ups, and job rotations.</p> <p>In terms of customer communication, the Company prioritizes service quality and information security. A customer complaint handling mechanism has been established, and product training sessions and trial feedback activities are conducted on an irregular basis to enhance customer satisfaction.</p> <p>Regarding suppliers, the Company emphasizes supply chain management and regulatory compliance through business</p>	Comply

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
F. Has the Company commissioned a professional stock affair agency to manage Shareholders’ Meetings and other relevant affairs?	V		<p>review meetings and market evaluations to ensure the quality of partnerships.</p> <p>In addition, the Company holds quarterly investor conferences and has established an investor relations contact point to actively communicate with shareholders and investors on sustainability strategies and operational performance.</p> <p>In dealing with government and regulatory authorities, the Company strengthens corporate governance and compliance through participation in promotional briefings, seminars, and official correspondence. The Company also continues to align with new accounting standards by gradually implementing an ERP system.</p> <p>The Company, DMT, and Arich have all appointed President Securities Corporation as the professional stock affair agency to manage Shareholders’ Meetings and other relevant affairs.</p>	Comply
G. Information disclosure a. Does the Company establish a website to disclose information on financial operations and corporate governance?	V		<p>The Company, DMT, and Arich have all set up dedicated websites to disclose financial business and corporate governance information.</p> <p>The website of the Company is: http://www.excelsiormedical.com.tw</p>	Comply

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
b. Does the Company adopt other means of information disclosure (such as establish-ing an English language website, delegating a profes-sional to collect and disclose Company information, im-plement a spokesperson sys-tem, and disclosing the pro-cess of investor conferences on the Company website)?	V		The Company, DMT, and Arich have all set up dedicated personnel to be in charge of collecting and disclosing Company information, have implemented spokesperson system, and regularly held investor conferences. The above disclosure is on the company website to improve the transparency of company information.	Comply
c. Does the Company publish and file its annual financial report within two months af-ter the end of a fiscal year, and publish and file its fi-nancial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	V		The Company, DMT, and Arich all publish and file annual financial report within three months after the end of a fiscal year, and publish and file financial reports for the first, second and third quarters as well as the operating status of each month before the specified deadline.	Partially comply

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
H. Does the Company have other important information on the implementation of corporate governance (including but not limited to rights and interests of employees, employee care, investor relations, supplier relations, rights of stakeholders, continuing education of Directors and Supervisors, implementation status of risk management policies and risk measurement standards, implementation status of customer policies, and purchase of liability insurance for Directors and Supervisors)?	V		<p>1. Rights and interest of employees: On top of establishing the legally stipulated Employee Welfare Committee and Supervisory Committee of Labor Retirement Reserve to coordinate employee benefits and the planning, appropriations, safekeeping, usage, and related legal standards related to pension reserve as well as to serve as channels of communication with the Company, all measures to protect and implement employees' rights and benefits are carried out pursuant to legal standards.</p> <p>2. Employee care: the Group is focused on the safety and physical and mental well-being of our employees. In terms of office design and furnishing, besides taking earthquake prevention, fire prevention, and soundproof into consideration to provide the most comfortable and safest environment to our employees, access control, security system, and surveillance cameras are also implemented on all entrances and exits on each floor. Moreover, we focus on sanitation and cleanliness of the office environment is emphasized and regularly carry out cleaning and disinfectant procedures. Air purifiers are also placed at each office to enhance the quality of workplace environment. Moreover, free health checkup is provided to each employee in each year in order to assist employees to be more aware of and to improve their health conditions. Whenever employees are faced with either difficulties, stress, or setbacks during their personal lives or at work and require assistance or wish to report, the Company also arranges their immediate supervisors and the Human</p>	Comply

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			<p>Resources Personnel as channels of communication to assist in problem-solving.</p> <p>3. Investor relations: to protect the rights and interests of shareholders and for investors and the public to better understand the operating status of the Group, besides complying with applicable laws in disclosing relevant information on the MOPS, the Company, DMT, and Arich have further established the "Investors" section on respective company websites, and regularly update various share and financial information which the investors can query.</p> <p>4. Supplier relations: the Group maintains positive interactions with all suppliers and appoints professional personnel to participate in product training and promotions with suppliers to learn about relevant knowledge on products and equipment. These engagements help to enhance quality, build partnerships, and create win-win for both parties.</p> <p>5. Rights and interests of stakeholders: The websites of the Company, DMT and Arich have all established service mailbox and points of contact on the Investors section. Besides designating spokesperson and deputy spokesperson, the stock affair agency President Securities Corporation is also responsible for handling inquiries and suggestions from shareholders and stakeholders of the Company. When an inquiry concerns a legal issue, a lawyer is appointed by the Company or a legal personnel will handle appropriately to maintain the rights and</p>	

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			<p>interests of stakeholders.</p> <p>6. Continuous studies from Directors, Supervisors, and managers: The Company, DMT, and Arich provide applicable legal information and courses on professional knowledge organized by relevant units to Directors and managers from time to time, and the required continuous studies have been fulfilled in accordance with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". The summary of continuous studies for 2024 please see Note 3.</p> <p>7. Execution Status of Risk Management Policy and Risk Measurement Standards: The highest responsible unit for risk management in the company is the Board of Directors. On December 29, 2023, the Board of Directors passed a resolution to formulate the "Risk Management Policy and Procedures." Under this, the Sustainable Development Committee's Corporate Governance Unit is established. Annually, the committee reports the operational status of risk management to the Board of Directors. Additionally, the audit unit devises an audit plan focused on risk, reviewing existing or potential risks in various operations. The risk management operations for the year 2024 were reported to the Board of Directors by the Sustainable Development Committee on December 26, 2024.</p> <p>8. Implementation status of customer policies: The Group maintains positive relations and interactions with customers in order to maintain long-term, stable</p>	

Evaluation Item	Implementation status			Deviations from the “Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			<p>partnership, thereby creating win-win synergies for both the Company and our customers.</p> <p>9. Purchase of liability insurance for Directors and Supervisors</p> <p>(1)The Company has purchased liability insurance for each Director, Supervisor, and important employee, and the insured terms are from November 2024 to November 2025, and the total insured amount is US\$10 million.</p> <p>(2)DMT has purchased liability insurance for each Director, Supervisor, and important employee, and the insured terms are from February 2025 to February 2026, and the total insured amount is US\$3 million.</p> <p>(3)Arich has purchased liability insurance for each Director, Supervisor, and important employee, and the insured terms are from December 2024 to December 2025, and the total insured amount is US\$3 million.</p>	
<p>I. Please provide information on the status of improvement regarding the results of Corporate Governance evaluation published by the TWSE Corporate Governance Center in the most recent year, and specify priorities and measures to improve those items that have not been improved yet:</p> <p>The Company will strengthen disclosure of relevant information on the Company's website to comply with standards of corporate governance. Other items that have not been improved yet will be gradually improved and implemented based on the Company's plans.</p>				

Excelsior Medical Co., Ltd.

Evaluation of the Independence and Competence of CPAs

Evaluation Indicators		Yes	No
Effect on independence from self-interest (refers to acquiring financial interests from an audit client or has a conflict of interest with audit client through other interests or relationships with the client)			
The certified public accountant (CPA) doesn't hold securities from the Company or its related companies.	v		
The Company doesn't have a direct or indirect material financial interest with the CPA.	v		
The Company doesn't have a material and intimate business relationship with the CPA.	v		
The Company doesn't have a potential employment relationship with the CPA.	v		
Effect on independence from self-review (Refers to reports or judgments submitted by the CPA for non-auditing services which constitute important basis in the audit or review process of financial information; or if a member of the audit service team had once served as the Company's director, supervisor, or a position in the Company with significant influence over the audited case)			
The original data isn't prepared by the CPA used toward material or significant items for assurance engagement.	v		
The CPA audit service team members haven't served or had served within the past two years as the Company's directors, supervisors, managers, or other positions that could seriously impact the audit.	v		
The non-audit services performed by the CPA or its firm directly don't affect a material item of the audit.	v		
Effect of advocacy on independence (refers to when a member of the audit team acts as an advocate in support of the audit client's position or opinion, resulting in the CPA's objectivity being challenged)			
The CPA hasn't advocated or mediated shares or other securities issued by the Company.	v		
Except for legally authorized business, the CPA hasn't made defense on behalf of the Company for legal cases or other disputes with any other third party.	v		
Effect of familiarity on independence (refers to a close relationship with either the director, supervisor, or manager of the audit client, influencing a CPA or a member of the audit service team to be excessively concerned or sympathize with the audit client's interest)			
A member of the audit service team isn't a family member or relative of the Company's director, supervisor, or manager, or any other person in a position that could materially impact the audit.	v		
The CPA, who is a former partner from the firm, hasn't joined the Company as a director, supervisor, manager, or in a key position to exert material influence over the audit within one year of disassociating from the firm.	v		
The CPA hasn't accepted gifts of material value or preferential treatment from the Company's director, supervisors, managers, or substantial shareholders.	v		
Effect on independence from threat. (refers to actual or perceived pressures, including attempts to exercise undue influence over members of the audit team and causing the members to be deterred from acting objectively or to clarify professional doubt)			
The CPA and its firm hasn't been threatened with litigation by the Company.	v		
The CPA hasn't provided audit assurance for the same company for seven consecutive years.	v		
The CPA hasn't been threatened with dismissal from a client engagement.	v		
The Company hasn't put pressure of reducing fees on any CPA to inappropriately contract the extent of the audit work performed.	v		
The CPA has issued a Statement of Independence?	v		
Evaluation results	All of the aforementioned evaluation indicators comply with independence and competence.		

Note 2 : Corporate Governance Officer' training status:

Comp any	Title	Name	Date	Organizer	Course Name	Hours
Excelsior Medical Co., Ltd	Corporate Governance Officer	Chou Cheng-Hsiao	2024/10/04	Securities and Futures Institute	The 2024 Seminar on preventing insider trading	3
			2024/04/10	Taiwan Institute of Directors	Steering the ship of corporate intelligence, leading the way in corporate governance.	3
			2024/03/28	Taipei Foundation Of Finance	Corporate Governance – Engaging with Stakeholders How Listed Companies Can Bridge the Gap with Capital Markets	3
			2024/01/23	Taiwan Institute of Directors	Benchmarking – How to Leverage the Experience of International Leaders to Accelerate Growth	3

Note 3: Directors' training status (the positions are listed as of December 31, 2024)

Compa ny	Title	Name	Date	Organizer	Course Name	Hours
Excelsior Medical Co., Ltd	Chairman	Fu Hui-Tung	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Director	Chang Ming-Cheng	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
			2024/09/30	Taiwan Stock Exchange	Taiwan Capital Market Summit for Growth	3
	Director	Hsieh Yen-Sheng	2024/12/05	Securities and Futures Institute	Carbon Credit Trading Mechanisms and Applications of Carbon Management	3
			2024/12/03	Securities and Futures Institute	Holistic and Balanced Personal Finance – Financial Strategies Everyone Can Practice	3
		Excelsior Group Holdings Co., Ltd.	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3

Company	Title	Name	Date	Organizer	Course Name	Hours
	Juristic-person director representative	Representative: Chen Tun-Ling	2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Juristic-person director representative	Excelsior Group Holdings Co., Ltd. Representative: Chang Hsien-Cheng	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Director	Fu Jo-Hsuan	2024/12/06	Securities and Futures Institute	A Corporate Perspective on Emerging Fintech Crimes and Anti-Money Laundering Prevention	3
			2024/12/06	Securities and Futures Institute	Practical Cases of Insider Trading and Related Legal Liabilities	3
	Independent director	Chang Wu-I	2024/12/10	Securities and Futures Institute	Emerging Corporate Risk Management: Insights from Ransomware, Trade Secret Protection, and Ethical Business Practices	3
			2024/12/10	Securities and Futures Institute	Advanced Topics in Corporate Governance: ESG	3
	Independent director	Kuo Yu-Chia	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Independent director	Chan Chien-Lung	2024/09/24	Securities and Futures Institute	Corporate ESG Sustainable Governance Awareness and Connotations –Global Net-Zero Carbon Emission Trends and Corporate Response Strategies	3
			2024/09/24	Securities and Futures Institute	AI Development and Information Security Risks	3
Dynamic Medical Technologies Inc.	Chairman	Fu Hui-Tung	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Director	Fu Jo-Hsuan	2024/12/06	Securities and Futures Institute	A Corporate Perspective on Emerging Fintech Crimes and Anti-Money Laundering Prevention.	3

Company	Title	Name	Date	Organizer	Course Name	Hours
			2024/12/06	Securities and Futures Institute	Practical Cases of Insider Trading and Related Legal Liabilities.	3
	Director	Chang Ming-Cheng	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
			2024/09/30	Taiwan Stock Exchange	Taiwan Capital Market Summit for Growth	3
	Juristic-person director representative	Excelsior Medical Co., Ltd. Representative: Wu Kuo-Lon	2024/11/22	Corporate Governance Association	Sustainable Governance Practices in Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Juristic-person director representative	Excelsior Medical Co., Ltd. Representative: Chou Chen-Hsiao	2024/12/18	Securities and Futures Institute	Sustainable Supply Strategies Amidst the Surge in Global Risks	3
			2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
			2024/10/08	Taiwan Stock Exchange	2024 WIW Forum "The Digital Finance and Sustainable Finance Concer to Under the AI Boom" Special Lecture	3
	Juristic-person director representative	Excelsior Medical Co., Ltd. Representative: Xue Fu-Quan	2024/11/22	Corporate Governance Association	Sustainable Governance Practices in Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Independent director	Liao Yi-Hsing	2024/11/22	Corporate Governance Association	Sustainable Governance Practices in Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3

Company	Title	Name	Date	Organizer	Course Name	Hours
	Independent director	Tseng Tsui-Chen	2024/11/22	Corporate Governance Association	Sustainable Governance Practices in Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Independent director	Lin Feng-Jyh	2024/09/26	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
			2024/08/07	Taiwan Investor Relations Institute	Facing the Era of ESG	3
Arich Enterprise Co., Ltd.	Juristic-person chairman representative	Excelsior Medical Co., Ltd. Representative: Chang Ming-Cheng	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
			2024/09/30	Taiwan Stock Exchange	Taiwan Capital Market Summit for Growth	3
	Juristic-person director representative	Excelsior Medical Co., Ltd. Representative: Chang Hsien-Cheng	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Juristic-person director representative	Excelsior Medical Co., Ltd. Representative: Chou Cheng-Hsiao	2024/12/18	Securities and Futures Institute	Sustainable Supply Strategies Amidst the Surge in Global Risks	3
			2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
			2024/10/08	Taiwan Stock Exchange	2024 WIW Forum "The Digital Finance and Sustainable Finance Concer to Under the AI Boom" Special Lecture	3
	Juristic-person director	Excelsior Medical Co., Ltd.	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3

Company	Title	Name	Date	Organizer	Course Name	Hours
	representative	Representative: Hsueh Fu-Chuan	2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
	Juristic-person director representative	Xuan Hui Investment Co., Ltd. Representative: Su Wen- Lynn	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/09/10	Taipei Exchange	Seminar to insiders of listed/registered companies	3
			2024/04/10	Taiwan Institute of Directors	Steering the ship of corporate intelligence, leading the way in corporate governance	3
	Director	Fu Jo-Hsuan	2024/12/06	Securities and Futures Institute	A Company Perspective on Emerging Fintech Crimes and Anti-Money Laundering Prevention	3
			2024/12/06	Securities and Futures Institute	Practical Cases of Insider Trading and Related Legal Liabilities	3
	Independent director	Wang Chang-Sheng	2024/11/26	Accounting Research and Development Foundation	Common Issues in Financial Statement Review and Acquisition/Disposition of Assets	3
			2024/11/23	Accounting Research and Development Foundation	Effective Internal Controls for Sustainable Reporting	3
	Independent director	Hsu Shui-Sheng	2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence.	3
			2024/09/12	Taipei Exchange	Seminar to insiders of listed/registered companies	3
	Independent director	Dong De-Tai	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3

Note 3 : Managers' training records: (the positions are listed as of December 31, 2024)

Compa ny	Title	Name	Date	Organizer	Course Name	Hours
Excelisior Medical Co., Ltd	General Manager	Chang Ming-Cheng	2024/11/22	Corporate Governance Association	Sustainable Governance Practices for Corporate Succession and Transformation	3
			2024/11/22	Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
			2024/09/30	Taiwan Stock Exchange	Taiwan Capital Market Summit for Growth	3
	Deputy General Manager of Finance	Chou Cheng-Hsiao	2024/12/09 to 2024/12/06	Accounting Research and Development Foundation	Continuing Education Program for Issuers, Securities Dealers, and Securities Exchange Accounting Managers	12
	Corporate Governance Officer		2024/10/04	Securities and Futures Institute	The 2024 Seminar on preventing insider trading	3
			2024/04/10	Taiwan Institute of Directors	Steering the ship of corporate intelligence, leading the way in corporate governance.	3
			2024/03/28	Taipei Foundation Of Finance	Corporate Governance - Engaging with Stakeholders How Listed Companies Can Bridge the Gap with Capital Markets	3
			2024/01/23	Taiwan Institute of Directors	Benchmarking – How to Leverage the Experience of International Leaders to Accelerate Growth	3

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

The Remuneration Committee assists the Board in discharging its responsibilities relating to the Company's compensation and benefits policies, plans and programs, and the evaluation of the directors' and executives' compensation.

A. Members of the Remuneration Committee

Condition Name and identity (Note 1)		Professional Qualifications and Experiences	Independence Analysis	Number of Companies Concurrently Serve as a Remuneration Committee Member
Independent Director Convener	Chang Wu-I	Please refer to "1.(1).A Director" in the annual report for professional qualifications and experiences of Independent Director. (Page 12)	In compliance with the relevant provisions of Article 6 of the " Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange "(Note2)	None
Independent Director	Kuo Yu-Chia			None
Independent Director	Chan Chien-Lung			None

Note 1: None of the Board members is under any of the circumstances in Article 30 of the Company Act.

Note 2: During the two years before being elected and during the term of office, meet any of the following situations:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. Not applicable in cases where the person is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. But not applicable in cases where the person is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent.
- (6) Not a director, supervisor, or employee of that other company that the company's director seats or voting shares and those of any other company are controlled by the same person. But not applicable in cases where the person is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent.
- (7) Not a director (or governor), supervisor, or employee of that other company or institution that a chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. But not applicable in cases where the person is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent.
- (8) Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company. But not applicable in cases where the person holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company or is an independent director appointed in accordance with the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

B. Members of the Remuneration Committee

- a. There are three members in the Remuneration Committee
- b. The term of office for current members runs from 14 July 2022 through 20 June 2025 As of publication of the Annual Report, there had been a total of 3 meetings (A) of the Remuneration Committee over the past fiscal year. Member attendance is detailed as below:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (B/A)	Remark
Convener	Chang Wu-I	3	0	100%	
Committee Member	Kuo Yu-Chia	3	0	100%	
Committee Member	Chan Chien-Lung	3	0	100%	

Other mentionable items:

- (a) If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified):
None.
- (b) Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
- (c) Operations of the Remuneration Committee in the most recent year:

Remuneration Committee Session and Date		Content	Resolution	The Company's handling of the opinion of the remuneration committee members
The 6th Meeting in the 5th term	2024.03.08	The distribution of employees' compensations and Directors' remuneration for 2023.	Approved by the Remuneration Committee.	All motions were unanimously approved by all attending directors without dissidence.
The 7th Meeting in the 5th term	2024.08.09	The distribution of directors' remuneration in 2023.	Approved by the Remuneration Committee.	All motions were unanimously approved by all attending directors without dissidence.
The 8th Meeting in the 5th term	2024.12.26	1.The distribution of employees' compensations for managers in 2023. 2.The distribution of year-end bonus for managers in 2024.	Approved by the Remuneration Committee.	All motions were unanimously approved by all attending directors without dissidence.

(5) Composition, Responsibilities, and Operations of the Sustainable Development

Committee

- a. There are four members in the Sustainable Development Committee.
- b. The term of office for current members runs from 29 December 2023 through 20 June 2025. As of publication of the Annual Report, there had been a total of 3 meetings (A) of the Sustainable Development Committee over the past fiscal year. Member attendance is detailed as below:

Title	Name	Professional Qualifications and Experiences	Attendance in Person(B)	By Proxy	Attendance Rate (B/ A)	Remark
Chairperson of the Committee	Chou Cheng-Hsiao	Please refer to "1.(1).A Director" (Page 12), "1.(1).D Management team" (Page 19) in the annual report.	3	0	100%	
Committee Member	Chang Wu-I		3	0	100%	
Committee Member	Kuo Yu-Chia		3	0	100%	
Committee Member	Chan Chien-Lung		3	0	100%	

Other mentionable items: None.

Operations of the Remuneration Committee in the most recent year:

Remuneration Committee Session and Date		Content	Resolution	The Company's handling of the opinion of the sustainable development committee members
The 1st Meeting in the 1st term	2024.03.08	Proposal of the 2024 sustainability development goals and reporting on the implementation of the plans for the company.	Approved by the committee.	All motions were unanimously approved by all attending directors without dissidence.
The 2nd Meeting in the 1st term	2024.08.09	The Company's 2023 sustainability report	Approved by the committee.	All motions were unanimously approved by all attending directors without dissidence.
The 3rd Meeting in the 1st term	2024.12.26	1. Proposed sustainability development execution plan for the Company in 2025. 2. Proposed greenhouse gas emission reduction targets for the Company.	Approved by the committee.	All motions were unanimously approved by all attending directors without dissidence.

(6) Fulfillment of SDGs

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
A. Has the company established exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		<p>To enhance the management principles of ESG corporate sustainable development, the company, along with DMT and Arich, established the "Corporate Sustainable Development Committee" in August of 2022. In December 2023, the board of directors passed a resolution to set up a Sustainable Development Committee under the board of directors, with three independent directors and the corporate governance officer serving as members. The CGO acts as the chairman of the committee, overseeing the Corporate Governance Unit, Cooperation Partnership Unit, Employee Rights Unit, Environmental Sustainability Unit, and Social Engagement Unit.</p> <p>The committee convenes regular meetings with department heads to develop response measures and strategies for environmental (E), social (S), and governance (G). In addition to meetings of various units and related working groups, the entire committee holds quarterly ESG meetings to review goal achievements and progress, verified by the internal audit supervisor, and reports periodically to the chairman and the board of directors on implementation effectiveness and improvement directions.</p>	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			The "Sustainable Development Committee" regularly reports to the board of directors on the execution results and future work plans of sustainable development. In the fiscal year 2024, the committee reported to the board of directors three times, with agenda items including the outlining the annual sustainability development plan, setting a greenhouse gas emission intensity reduction target of at least 1% per year – accumulating to a 10% reduction over five years, reviewing the company’s sustainability report and urges adjustments to the management team when necessary.	
B. Has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operations based on the materiality principle and establish the relevant risk management policies or strategies?	V		To mitigate potential losses resulting from risks, The company has established a risk management policy based on the business philosophy and significant principles. This policy covers fulfilling corporate social responsibilities, prioritizing the interests of stakeholders, and addressing environmental, social, and governance topics. We identify, assess, address, and monitor potential risks to the company, and regularly track these risks. The highest responsible unit for risk management in the company is the Board of Directors, which approves the risk management policy and related regulations and oversees the overall	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			implementation of risk management to ensure effective risk control. The Corporate Governance Unit of the Sustainable Development Committee serves as members of the risk management team to ensure that each operating unit effectively implements the risk management system. Personnel from each operating unit are designated as risk management executives responsible for executing risk management procedures. They conduct risk assessments related to environmental, social, and governance topics relevant to the company's operations. Additionally, they present the status of risk management operations to the Board of Directors annually.	
C. Environmental issues a. Has the company established proper environmental management systems based on the characteristics of their industries?	V		The Company is not a manufacturing company and is therefore not applicable for ISO 14001 or other similar environmental management system certification. Nevertheless, the Company is dedicated to promoting environmental protection activities and strongly promotes water and power conservation to reduce damages and burdens to the environment. Products related to the Group do not generate waste, and the remaining garbage disposal is carried out in line with relevant	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			regulations from the management committee of the office building. In addition, The company has established the “Employee Safety and Health Manual” as management guidelines for the workplace environment.	
b. Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		As a non-manufacturing company, the primary source of carbon emissions for the company is the electricity consumption in various office facilities. To achieve continuous carbon reduction, we are actively replacing old lighting fixtures with energy-efficient LED. We have implemented a planned schedule to update glass insulation films to improve cooling efficiency and reduce power consumption. Furthermore, we are assessing the replacement of outdated air conditioner. Intelligent energy-saving devices are being considered for the public electricity usage in the office building in the northern region and installing the water-saving device on faucets. By implementing the energy-saving measures mentioned above, the Group views promoting energy and power-saving products while reducing redundant packaging as a priority. Internally, we also promote energy and water conservation to reduce the harms and burden on	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			the environment.	
c. Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		<p>The company assesses the potential risks of climate change on present and future operations, primarily impacting business operations and the environment: climate extreme events leading to resource shortages and restricted product transportation resulting in increased costs can directly or indirectly affect operational efficiency. Recognizing climate change as a significant future issue, we have developed specific strategies to implement energy-saving and carbon reduction policies. The company has established the "Energy-Conservation and Carbon Reduction Management Procedures," strengthened recycling efforts to reduce waste, periodically conducted energy-saving and resource recycling advocacy, promoted paperless operations, and reduced water consumption as response measures. In the future, we will incorporate climate change risk management into our overall risk management policy to mitigate the impact of climate change on the company.</p> <p>In 2024, the company completed ISO 14064-1 greenhouse gas inventory and verification to</p>	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			<p>assess its emissions and the impacts on operations. Upholding its commitment to ESG principles, the company actively promoted various carbon reduction and energy-saving initiatives throughout the year. In addition to continuing ISO 14064-1 GHG inventory efforts across its subsidiaries, the company upgraded its office environment by replacing lighting fixtures and elevators with energy-efficient models, with elevator replacement completed in early 2025. Other initiatives included adopting energy-efficient appliances certified for performance, phasing out outdated company vehicles to reduce energy consumption, and implementing an electronic approval system to minimize paper use. The company also continued to promote energy-saving and carbon-reduction awareness, improve water and electricity efficiency, and reduce waste. Furthermore, it proactively participated in public advocacy events organized by E.SUN Bank, demonstrating its commitment to sustainable corporate operations.</p>	
d. Did the company take inventory of its greenhouse gas emissions, water consumption, and total weight of	V		The Company has established the “Energy Conservation and Carbon Reduction Management Procedures” and advocates that the	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			temperature of air conditioner shall not be lower than 26 degree Celsius. Employees shall appropriately turn off the air conditioners and lights at office areas that are either unmanned or with very few people; in addition, the replacement of lights shall be mostly for energy-saving LED lighting, and energy conservation and recycling are also promoted from time to time. The Company’s carbon dioxide emissions, already announced on the MOPS, were 204,101kg in 2023 and 217,133kg in 2024. In addition, the total water consumption were 1,720 cubic meters in 2023 and 2,035 cubic meters in 2024 and the total weight of waste shared by the office building were 72,710kg in 2023 and 74,143kg in 2024. On December 26, 2024, the company’s board of directors approved a greenhouse gas (GHG) emission intensity reduction target of at least 1% per year, aiming for a cumulative 10% reduction over five years. In alignment with the government’s net-zero carbon goals, the company completed ISO 14064-1 GHG inventory and verification in 2024, establishing a basis for future carbon reduction efforts.	

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
D. Social issues				
a. Has the company established appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Group complies with applicable laws and standards, including the Labor Standards Act and Act of Gender Equality in Employment. In addition, the Company has also established the “Employee Work Rules” to provide employees a friendly work environment through equal recruitment principles and mutually-respectful work attitude. In 2023, The company formulated the human rights policy based on the principles of the "Universal Declaration of Human Rights," the "United Nations Global Compact," and the "International Labour Organization conventions." This policy aims to uphold and protect the rights of our employees.	Comply
b. Has the company had reasonable employee benefit measures (including salaries, leave, and other benefits), and reflected business performance or results in employee compensations?	V		The Company has already established and implemented various employee benefit measures. Please refer to the description of “Chapter IV. Business Overview-5. Labor Relations.” In addition, according to the Article 25 of the Company’s Articles of Incorporation, the Company should contribute no less than 1% of the profit as employee compensation when there is profit for the year. Employee compensation amount in 2024 was NT\$47,984,547.	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			On March 7, 2025, the Company’s Board of Directors approved an amendment to the company’s Articles of Incorporation, stipulating that if the Company has any annual profit, it shall contribute an amount no less than 1% for employee compensation (at least 30% shall be allocated for salary adjustments or compensation distributions for its junior employees). The company has a female employee representation of 50% of the total workforce, and the proportion of female executives is 44%. We are committed to promoting workplace diversity and gender equality.	
c. Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		The Company views great importance to the safety of employees’ work environment and conducts fire safety campaigns twice a year. There have been no workplace accidents this year. In addition, the Employee Welfare Committee has also been set up to organize various benefit measures, including annual employee health checkup and provides various allowances. Moreover, labor insurance, national health insurance, and group insurance are also filed in line with the law to protect employees' rights and interests.	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
d. Does the company provide its employees with career development and training sessions?	V		The Group regularly organizes “teaching by experience” training to effectively enhance employees’ occupational competences and to develop their professional skills.	Comply
e. Does the company comply with relevant regulations and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and establish consumer right protection policy and grievance procedure?	V		The Company has established the “Handling Procedures for Reporting Illegal, Unethical and Dishonest Conduct” to fulfill corporate social responsibility in practice and to protect the privacy and rights of customers. The Procedures also include after-sale customer service and maintenance warranty. In addition, special areas for product registration and inquiry on maintenance progress are also available on the Company’s website, and a 0800 toll-free hotline is set up, where professional customer service personnel will be available to answer all queries. Furthermore, the Group is non-manufacturing, so there is no research and development or production procedures.	Comply
f. Does the company implement supplier management policies, requiring suppliers to follow relevant regulations on issues such as environmental protection, occupational health and safety, or labor and human rights? If so,	V		Most of the Company’s major suppliers are medical principals in Europe, USA, and Japan. Therefore, the Company always practices due care in evaluating whether the products comply with domestic and foreign legal requirements before purchases are made. In addition, during signing of contracts, based on the requirement in	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
describe the results.			the “Ethical Corporate Management Best Practice Principles,” contracts shall clearly specify compliance with ethical corporate management policy and both shall strive to enhance the corporate social responsibilities. In 2023, The company established the "Supplier Sustainable Development Management Procedures" to assist suppliers in promoting environmental, social, and governance sustainability. Before entering into written contracts with suppliers, the company requires them to fill out a "Supplier Commitment Form" before proceeding with substantive transactions. In 2024, for significant contracts amounting to NT\$10 million or more, the company obtained signed commitment letters from 100% of suppliers and supplier self-assessment forms from 89% of them.	
E. Does the company refer to internationally accepted reporting standards or guidelines to compile reports that disclose non-financial information of the company, such as corporate social responsibility reports? Has the reports above obtained assurance from a third-party	V		In 2024, The company referred to internationally recognized reporting standards or guidelines to prepare sustainability reports. The report were assured by third-party verification institution to ensure their accuracy and reliability.	Comply.

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
verification organization?				
<p>F. If the Company has established its own corporate social responsibility principles in accordance with “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please state the difference between actual practice and principles.</p> <p>The Company has established “ Sustainable Development Best Practice Principles” and will actively fulfill corporate social responsibilities in practice to meet international trends for balanced environmental, social, and governance developments. The overall business activities of the Group are carried out in accordance with the regulations from “Sustainable Development Best Practice Principles.”</p>				
<p>G. Other important information that helps to understand the status of sustainable development practices:</p> <p>In addition to committing to core business development, the Company also pays great attention to social welfare and adheres the spirit of giving back to society. In 2024, we continued to carry out various donation activities, such as donating to Tainan Sin-Lau Hospital of Sin-Lau Medical Foundation, Taiwan Society of Nephrology, Taiwan Wound Ostomy and Continence Nursing Association, Taiwan Clinical Dialysis Association and blood centers throughout Taiwan.</p> <p>The Company, to deepen corporate social responsibility, actively promotes diverse public welfare and human-centered care initiatives. Organizing and encouraging participation in blood donation drives and volunteer services, demonstrating a positive corporate influence. Led by the “Excelsior Health Foundation,” holding outreach events for the elderly and providing scholarships to students from economically disadvantaged families and dialysis patients, supporting them in completing their education. Internally, strengthening employee awareness of human rights and equality by continuously educating directors, managers, and all staff on gender equality, sexual harassment prevention, and human rights policies – highlighting the Company’s commitment to social welfare and a friendly workplace environment.</p> <p>The Company continues to enhance corporate governance and information security management, comprehensively improving operational transparency and sustainable resilience. Promoting the Ethical Corporate Management Best Practice Principles and insider trading prevention guidelines among directors, insiders, and employees, while providing targeted training for senior executives to foster sustainable development talent. Advancing bilingual reporting of financial and business information, completing</p>				

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
English versions of interim financial reports and sustainability reports to strengthen international communication. In terms of risk management, conducting risk identification and strategy development actively, achieving ISO 27001 certification for information security. Completing offsite backup and system recovery drills, and enhancing information security training for IT personnel and all staff. Holding quarterly investor conferences to strengthen investor relations management, and continuously promoting supplier commitment through signed sustainability pledges and self-assessment submissions.				

Climate-Related Information of TWSE/TPEX Listed Company

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The company's climate change discussions and management are conducted by the Sustainable Development Committee, with related decisions approved by the Board of Directors. The Environmental Sustainability unit under the committee coordinate data collection and investigations. Additionally, annual reports on TCFD climate governance measures, such as greenhouse gas inventories, are presented to the Board.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	To address climate-related risks and opportunities in strategy and financial planning, the company uses the IPCC Sixth Assessment Report (AR6) scenarios SSP1-2.6 and SSP5-8.5 as the basis for climate analysis, referencing the 1850-1900 baseline to model temperature changes over the next 200 years. We align with the Science Based Target initiative (SBTi) to set emission reduction goals and estimate future carbon cuts for operational strategy adjustments. We also utilize TCCIP tools to assess physical risks under ideal-case (SSP1-2.6) and worst-case (SSP5-8.5) scenarios, evaluating potential operational impacts and financial consequences. Measures include hardware investments and system optimizations to reduce electricity use and costs because Globe warming-related increased demand. The timeframes are short-term (1-3 years), mid-term (3-5 years), and long-term (6-10 years).
3. Describe the financial impact of extreme weather events and transformative actions.	There are five identified transition and physical risks: 1. Increased greenhouse gas emission pricing by the government leads to higher operating costs for the company. 2. Due to rising raw material costs, resource supply has decreased or become limited, resulting in increased operating costs. 3. Changes in rainfall patterns and extreme climate variations cause higher operating costs. 4. Increased severity of extreme weather events like typhoons and floods disrupt operations (e.g., production halts, transportation difficulties, supply chain interruptions).

	5. Strengthened emission reporting requirements raise compliance costs and premiums, increasing operating costs.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>TCFD Risk Management Process</p> <p>Step 1 The Sustainable Development Committee members collect climate and environmental background data and assess climate risks and operational scope.</p> <p>Step 2 Create a list of climate risks and opportunities and develop an internal operational impact survey.</p> <p>Step 3 The Sustainable Development Committee members analyze climate risks, opportunities, and operational impacts, and identify major risks.</p> <p>Step 4 Develop implementation strategies and set goals.</p> <p>Step 5 Annually review the effectiveness of strategies and goals through Sustainable Development Committee meetings.</p>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described	The company's Sustainable Development Committee discusses climate change risks and opportunities under the SSP5-8.5 scenario, covering transition risks (policy, technology, market, reputation), physical risks (immediate and long-term), and opportunities (resource efficiency, energy sources, products/services, market, resilience). External trends in market, regulations, technology, and physical climate are collected to identify potential risks and opportunities. Risks with potential financial impacts over NT\$5 million annually are prioritized and addressed. Higher-risk items undergo climate scenario analysis to assess potential financial impacts based on current operations. The committee convenes relevant members to discuss and identify climate-related risks and opportunities affecting the company's operations.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and	Climate change risks and opportunities include 5 physical and transition risks: 1. To address risks and opportunities from increased greenhouse gas emission

<p>the indicators and targets used to identify and manage physical risks and transition risks</p>	<p>pricing, the company implements ISO 14064-1 for GHG inventory, measure emissions, and take voluntary reduction actions.</p> <ol style="list-style-type: none"> 2. To manage risks and opportunities from rising raw material costs, the company builds closer relationships with suppliers, negotiate better terms, or find alternative suppliers to reduce cost fluctuations. 3. To respond to changes in rainfall and extreme climate patterns, the company replaces equipment with more energy-efficient models to handle increased water and electricity use due to rising average temperatures. 4. To prepare for more severe extreme weather events like typhoons and floods, the company establishes emergency response plans detailing employee roles, evacuation routes, and contact methods to ensure quick response and minimize losses. 5. To strengthen emission reporting obligations, the company conducts annual GHG inventories with third-party verification, disclose results in ESG reports, and include subsidiaries in the process. <p>Our company, based on TCFD climate risks and opportunities indicators, sets the following goals:</p> <ol style="list-style-type: none"> 1. Complete an annual third-party verified greenhouse gas inventory report in accordance with ISO 14064-1. 2. Reduce carbon intensity by at least 1% annually, achieving a cumulative 10% reduction over five years.
<p>7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The company has not implemented it yet.</p>
<p>8.If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>Climate change risks and opportunities measures and established indicators are reviewed annually through the Sustainable Development Committee meetings to assess the effectiveness of strategies and goals. In the future, the feasibility of carbon offsets or Renewable Energy Certificates (RECs) will be evaluated to achieve related targets.</p>

9.Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Please refer to the attached table below.
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Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.			
Greenhouse gas emission intensity	Operating revenue (NT\$ million)	Total Emissions (metric tons CO ₂ e)	Emission intensity (metric tons CO ₂ e/NT\$ million)
YEAR 2023	5,246.87	742.1366	0.1414
YEAR 2024	5,290.98	783.6113	0.1481
The data covers the following locations of The company: Headquarters, Taichung, Tainan, Kaohsiung offices.			

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
<p>YEAR 2023 、2024</p> <p>Scope of Assurance: Headquarters , Taichung, Tainan, Kaohsiung offices</p> <p>Assurance Provider: Greentech International Verification Limited</p> <p>Assurance Standard: ISO 14064-1 standard:2019</p>

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

The baseline year is 2022. In 2024, the board approved a target to reduce greenhouse gas emission intensity by at least 1% annually, with a total reduction of 10% over five years. Actions included activating smart energy-saving measures for cooling water pumps, replacing with energy-efficient lighting and elevators, phasing out old company vehicles, and obtaining energy efficiency labels for branded appliances. GHG emission intensity significantly decreased in 2023 but slightly increased in 2024 due to expanded office space from increased business activity. In 2024, emission intensity was 5.85% lower than the 2022 baseline.

(7) Fulfillment of ethical corporate management

Evaluation Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
<p>A. Establishment of ethical corporate management policies and programs</p> <p>a. Has the company established ethical corporate management policy approved by the board of directors and stated the ethical corporate management policy and practices in its regulations and external documents, as well as the commitment from the board of directors and executives to actively implement the policies?</p>	V		<p>The Company and DMT have both established "Ethical Corporate Management Best Practice Principles." Alternatively, Arich has established the "Procedures for Ethical Management and Guidelines for Conduct." All aforesaid principles and procedures have been approved by the Board of Directors, and is overseen by the Corporate Sustainable Development Committee to promote integrity management within the company. The committee assists the Board of Directors and management in formulating and supervising the implementation of integrity management policies and preventive measures, ensuring the adherence to the Code of Conduct for Integrity Management, and reports to the Board of Directors at least once a year.</p>	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
b. Has the company established mechanisms in place to assess the risk of unethical conduct, and regularly analyze and assess business activities with higher risk of unethical conduct within the scope of business? Has the company implemented programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		In order to prevent unethical conduct, the Company has established the “Handling Procedures for Reporting Illegal and Unethical Conduct,” enacted specific and effective reward and disciplinary system, and utilized the procedures to carry out relevant audits, analysis, and assessments.	Comply
c. Has the company clearly established operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Did the company carry out the implementation and regularly review and revise them?	V		The “Ethical Corporate Management Best Practice Principles” specifies prevention against various unreasonable transfer of interest, and appropriately organizes educational training and advocacy for directors, managers, and substantial business controllers. In 2024, promoting the Ethical Corporate Management Best Practice Principles and insider trading prevention to the Board of Directors. In addition, the Company has established the “Handling Procedures for Reporting Illegal and Unethical Conduct” and implement it.	Comply
B. Fulfill ethical corporate management				

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
a. Has the company evaluated business partners’ ethical records and included ethics-related clauses in business contracts?	V		The Group has established evaluation system for all transacting customers and suppliers. To fulfill ethical corporate management, when signing contracts with counterparties, rights and obligations of both parties are specified in detail along with compliance with the “Ethical Corporate Management Best Practice Principles.”	Comply
b. Has the company set up a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		In 2022, the company established the "Corporate Sustainable Development Committee," In 2023, it was resolved by the Board of Directors to establish a Sustainable Development Committee under the board of directors, which includes the Corporate Governance unit responsible for promoting ethical business practices. The head of the Corporate Governance Division, is in charge of assisting the Board of Directors and management in formulating and overseeing the implementation of policies and preventive measures for ethical business practices. They ensure the implementation of ethical business guidelines and report to the Board of Directors at least once a year. In 2024, conducted three Sustainable Development Committee meetings, with reports presented to the Board of Directors on the progress of sustainability initiatives.	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
c. Has the company established policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		The Company has established the “Handling Procedures for Reporting Illegal and Unethical Conduct,” and internal personnel can report to their direct supervisors as well as submit whistle-blowing reports to responsible units in case of matters concerning conflict of interests.	Comply
d. Has the company established effective accounting and internal control systems in place to implement ethical corporate management? Has the internal audit unit followed the results of unethical conduct risk assessments and devised audit plans to audit the systems accordingly to prevent unethical conduct, or has it hired a CPA to perform the audits?	V		To ensure the implementation of ethical corporate management, the Group has established effective accounting and internal control systems and its compliance is regularly audited by the internal auditors.	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
e. Does the company regularly hold internal and external educational trainings on ethical corporate management?	V		<p>In 2024, The company conducted integrity training for employees via an online education platform, followed by assessments. Additionally, the company provided insider trading prevention courses covering regulatory analysis, elements and identification of insider trading, confidentiality procedures, consequences of insider trading violations, and practical case studies, with a total of 198 employees participating in the training.</p> <p>In 2024, The company also conducted integrity training and insider trading prevention sessions for the board of directors. Directors were reminded not to trade company stocks during the thirty days preceding the announcement of annual financial reports and the fifteen days preceding the announcement of quarterly financial reports.</p>	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
C. Operation of the whistle-blowing channel a. Has the company established both a reward/punishment system, set up convenient whistle-blowing channels and designated appropriate personnel for follow-up?	V		The Company has established the “Handling Procedures for Reporting Illegal and Unethical Conduct” and the Company’s stakeholders such as shareholders and investors can report to the spokesperson and deputy spokesperson for matters related to violation of ethical corporate management and Codes of Ethical Conduct; customers, suppliers, and contractors can report to the CFO and audit supervisor, while Company employees can report to the HR department. After investigations, if the incident was found to be true, disciplinary actions will be taken based on the severity of the violation.	Comply

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
b. Has the company established standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		In case Company employees discover unethical conduct such as a breach of ethics, unlawful act, or breach of fiduciary duty from any director, manager, employee, or person with substantial control, the employee shall submit substantial information on the incident and submit a whistle-blowing report to the unit responsible for receiving such reports. An investigation report will be submitted to the Board of Directors after investigation has been completed, and the Board of Directors shall determine the method of disciplinary action and listen to any appeals from the subject of the investigation.	Comply
c. Has the company provided proper whistleblower protection?	V		The Company shall keep the identity of whistleblowers and the content of reported cases confidential.	Comply
D. Strengthening information disclosure Has the company disclosed its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		The Company, DMT and Arich have established corporate websites that disclose information on corporate culture, management objectives, and ethical corporate management.	Comply
E. If the company has established the ethical corporate management policies based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the policies and their implementation. The Company, DMT and Arich have established “Ethical Corporate Management Best Practice Principles” based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” and have implemented it indeed, so there are no difference.				

Evaluation Item	Implementation Status			Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Explanation	
F. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies).				
a. As the basis for implementing ethical corporate management in practice, the Group adheres to the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, relevant policies for TWSE/TPEx listed companies and other business laws and bylaws pursuant to business conduct.				
b. The Company, DMT and Arich have established “Procedures for Handling Material Inside Information” and disclosure of the handling of all material inside information is carried out accordingly. The following is a summary of the Procedures:				
(a)Designate an exclusive unit to be in charge of handling matters related to material inside information, and all documents related to material information comply with the Company’s internal approval processes.				
(b)The company’s directors, managers and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements. No director, manager, or employee with knowledge of material inside information of this company may divulge the information to others.				
(c)Any organization or person outside of the Company that is involved in any corporate action of the Company relating to a merger or acquisition, major memorandum, strategic alliance, other business partnership plans, or the signing of a major contract shall be required to sign a confidentiality agreement, and may not disclose to another party any material inside information of the Company thus acquired.				
(d) Directors of the company are prohibited from trading their stocks during a blackout period of thirty days before the announcement of the annual financial report and fifteen days before the announcement of each quarterly financial report.				
(e) External disclosure of material inside information shall comply with the following principles: (i) the information disclosed shall be accurate, complete, and timely; (ii) there shall be a well-founded basis for the information disclosure; and (iii) the information shall be disclosed fairly.				
(f) Any disclosure of the Company’s material inside information, except as otherwise provided by law or regulation, shall be made by the Company’s spokesperson, or by a deputy spokesperson acting in a confirmed sequential order. When necessary, the disclosure may be made directly by the chairman of the Company. The Company’s spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the Company, and no personnel of the Company other than those serving as the Company’s chairman, spokesperson, or deputy spokesperson may disclose any material inside information of the Company to outside parties without authorization.				

- (8) The Company shall disclose how to search for its corporate governance best practice principles or related regulations.

Information on Corporate Governance is available under the Investor section at the Company's website

(<http://www.excelsiormedical.com.tw>.) Articles of Incorporation, Regulations Governing the Acquisition and Disposal of Assets, and Regulations Making of Endorsements/Guarantees are disclosed and available for investors and other related parties to query.

Please see the Market Observation Post System (MOPS) for corporate governance policies and related standards and procedures from DMT and Arich. (<http://mops.twse.com.tw/mops/web/index>)

- (9) Other important information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed.

The Company, DMT and Arich have all established three seats of independent directors respectively, and all supervise the operations of corporate governance in practice through setting an Audit committee, Remuneration Committee and Sustainable Development Committee. Material information and various matters to be declared by TWSE/TPEX listed companies are all announced on a timely basis, and on top of fulfilling the corporate governance system in practice, three companies also strive to achieve various indicators on the TWSE/TPEX listed companies information assessment.

(10) Internal control systems

A. Statement of internal control system

Excelsior Medical Co., Ltd.
Statement of Internal Control System

Date: March 7, 2025

Based on the findings of self-assessment, the Company states the following with regard to its internal control system during the year 2024:

- I. The Company fully understands that the establishment, implementation, and maintenance of Internal Control System (ICS) are the responsibilities of the Company's Board of Directors and managers, and have established the said system accordingly. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. All ICS are bound by natural limitations and regardless of the robustness of designs, effective ICS can only provide reasonable assurance for the three objectives listed above. Efficacy of the ICS will also change with the changing environment or context. However, the ICS of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.
- III. The Company will refer to the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as "ICS Regulations") to identify assessment items for determining the effectiveness of ICS as well as the performance of design and implementation of the system. Based on the process of control, the assessment items specified in the Regulations divide the internal control system into five constituent elements: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element includes a certain number of items. For more information on such items, refer to the Regulations.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- V. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as of December 31, 2024 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of reporting, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
- VI. This statement will constitute the main content of the Company's Annual Report and the Prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This statement has been approved on March 7, 2025, by the Board and out of the nine (9) Board members in attendance, none had objected to the statement and all consented to the content expressed herein.

EXCELSIOR MEDICAL CO., LTD.

Chairman : Fu Hui-Tung

General Manager : Chang Ming-Cheng

B. If CPA has been hired to carry out a special audit of the internal control system, the company shall furnish the CPA audit report: None.

(11)Major resolutions of the shareholders meeting and board of directors meeting from last year up to the time of report publication:

A. Major resolutions of the shareholders meeting

Classification	Date	Major Resolutions	Resolution of the Shareholders Meeting	Implementation Status
Shareholders' Meeting	2024.06.21	1.Adoption of the Company's 2023 financial statements.	Voting results: 94,513,663 ballots in favor; 98.51% (including 61,831,774 ballots submitted through e-voting); 26,807 ballots against; 0.03% (including 26,807 ballots submitted through e-voting); 1,404,429 ballots forfeit/ did not vote; 1.46% (including 1,294,886 ballots submitted through e-voting); 0 void ballots; 0%. Ballots in favor have exceeded one-half of all voting rights, and the motion is passed without amendment.	Approved by resolution of the Shareholders' Meeting.
		2.Adoption of the proposal for distribution of 2023 profits.	Voting results: 94,642,559 ballots in favor; 98.64% (including 61,960,670 ballots submitted through e-voting); 35,287 ballots against; 0.04% (including 35,287 ballots submitted through e-voting); 1,267,053 ballots forfeit/ did not vote; 1.32% (including 1,157,510 ballots submitted through e-voting); 0 void ballots; 0%. Ballots in favor have exceeded one-half of all voting rights, and the motion is passed without amendment.	The Shareholders' Meeting approved the distribution of NT\$591,343,612 of cash dividends, or NT\$3.80 per share. The distribution was completed on May 23, 2024.
		3. Issuing new shares for capital increase by earnings recapitalization.	Voting results: 94,577,266 ballots in favor; 98.58% (including 61,895,377 ballots submitted through e-voting); 97,740 ballots against; 0.10% (including 97,740 ballots submitted through e-voting); 1,269,893 ballots forfeit/ did not vote; 1.32% (including 1,160,350 ballots submitted through e-voting); 0 void ballots; 0%. Ballots in favor have exceeded two-thirds of all voting rights, and the motion is passed without amendment.	The Shareholders' Meeting approved the distribution of NT\$77,808,370 of stock dividends, or NT\$0.5 per share. The distribution was completed on October 3, 2024.
		4. Release the prohibition on directors from participation in competition businesses.	Voting results: 94,504,907 ballots in favor; 98.50% (including 61,823,018 ballots submitted through e-voting); 169,899 ballots against; 0.18% (including 169,899 ballots submitted through e-voting); 1,270,093 ballots forfeit/ did not vote; 1.32% (including 1,160,550 ballots submitted through e-voting); 0 void ballots; 0%. Ballots in favor have exceeded two-thirds of all voting rights, and the motion is passed without amendment.	Approved by resolution of the Shareholders' Meeting.
		5. Amending part of the articles of the Company's "Procedure for Election of the Directors".	Voting results: 94,622,188 ballots in favor; 98.62% (including 61,940,299 ballots submitted through e-voting); 38,981 ballots against; 0.04% (including 38,981 ballots submitted through e-voting); 1,283,730 ballots forfeit/ did not vote; 1.34% (including 1,174,187 ballots submitted through e-voting); 0 void ballots; 0%. Ballots in favor have exceeded one-half of all voting rights, and the motion is passed without amendment.	Approved by resolution of the Shareholders' Meeting.
		6. Amending part of the articles of the Company's "Rules of Procedure for Shareholders Meetings".	Voting results: 94,625,991 ballots in favor; 98.63% (including 61,944,102 ballots submitted through e-voting); 31,413 ballots against; 0.03% (including 31,413 ballots submitted through e-voting); 1,287,495 ballots forfeit/ did not vote; 1.34% (including 1,177,952 ballots submitted through e-voting); 0 void ballots; 0%. Ballots in favor have exceeded one-half of all voting rights, and the motion is passed without amendment.	Approved by resolution of the Shareholders' Meeting.

B. Major resolutions of the Board of Directors' Meetings from last year up to the time of report publication

The Company has convened seven Board of Directors meetings in 2024 up to the time of annual report publication. Major resolutions have been listed in the following:

Board of Directors' Meetings		Content	Opinion of the Independent Director	Dissenting Opinion or Qualified Opinion of Independent Directors	Company's handling of the opinions of the Independent Directors	Resolution Result
The 11th Meeting in the 13th term	2024.3.8	1.Preparation 2023 Internal Control System Statement of the Company. 2.The distribution of employees' compensations for managers and directors' remuneration for 2023. 3.The Company's 2023 Financial Statements. 4.The Company's 2023 earnings distribution proposal. 5.The Company to issue new shares for capital increase by earnings recapitalization. 6.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd. 7.Proposal of releasing the prohibition on directors from participation in competition businesses. 8.Proposal of releasing the prohibition on the Company's managers from participation in competitive business. 9. Proposal of amendment of "Regulations Governing Procedure for Board of Directors Meetings", "Audit Committee Charter" and "Internal Control - Other Cycles". 10. Proposal of the 2024 sustainability development goals and reporting on the implementation of the plans for the company. 11.The motion to convene the Company's 2024 Annual Shareholders' General meeting and to establish related matters including accepting shareholders' proposals.	Motions approved without amendment.	None	N/A	All motions were unanimously approved by all attending Directors without dissidence.
The 12th Meeting in the 13th term	2024.5.10	1.Proposal of the evaluation results for the independence and suitability of the Company's CPA. 2.The Company's 2024 Q1 consolidated financial report. 3.The Company's application for credit extension due to expiration of the syndicated credit line and foreign exchange and derivatives trading limit from Citibank Taiwan. 4.The Company's application for credit extension due to expiration of the syndicated credit line from Cathay United Bank Industrial Finance Division, Region 2 Center. 5.The Company to provide endorsements/guarantees for new financing credit of peso \$50 million from Manila Branch of Cathay United Bank on behalf of EG Healthcare, Inc. 6.The Company to provide endorsements/guarantees for new financing credit of USD \$1 million from Manila Branch of First Commercial Bank on behalf of EG Healthcare, Inc.	Motions approved without amendment.	None	N/A	All motions were unanimously approved by All attending Directors without dissidence.

Board of Directors' Meetings		Content	Opinion of the Independent Director	Dissenting Opinion or Qualified Opinion of Independent Directors	Company's handling of the opinions of the Independent Directors	Resolution Result
		<p>7.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd.</p> <p>8.The Company originally to provide endorsements /guarantees for financing credit extension of NT\$300 million from Taipei Branch of Taiwan Cooperative Bank on behalf of Bestchain Healthtaiwan Co., Ltd., It is now proposed to increase the endorsed guarantee amount to NT\$400 million.</p> <p>9.The Company to provide endorsements/guarantees for financing credit extension of NT\$200 million from CitiBank Taiwan on behalf of Bestchain Healthtaiwan Co., Ltd.</p> <p>10. Proposal of The company intending to dispose of part of its shares in Dynamic Medical Technologies Inc.</p> <p>11. Proposal of release the prohibition on directors from participation in competition businesses.</p> <p>12. Proposal of releasing the prohibition on the Company's managers from participation in competitive business.</p>				
The 13th Meeting in the 13th term	2024.8.9	<p>1.Routine review of the 2024 CPA audit fee.</p> <p>2.The Company's 2024 Q2 consolidated financial report.</p> <p>3.Setting details for the issuance of new shares for capital increase by earnings in 2024.</p> <p>4.The Company's application for credit extension and the increase in the limit due to expiration of the syndicated credit line from Taipei Branch of Taiwan Cooperative Bank.</p> <p>5.The Company to provide endorsements/guarantees for new financing credit of NT\$150 million from Cathay United Bank Industrial Finance Division, Region 2 Center on behalf of Excelsior Asset Management Co., Ltd.</p> <p>6.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd.</p> <p>7.The Company originally provide endorsements/guarantees for financing credit extension of NT\$200 million from Citibank Taiwan on behalf of Bestchain Healthtaiwan Co., Ltd. It is now proposed to increase the endorsement/guarantee amount to NT\$300 million.</p> <p>8. The Company to provide endorsements/guarantees for financing credit extension of NT\$100 million from Cathay United Bank Industrial Finance Division, Region 2 Center on behalf of Bestchain Healthtaiwan Co., Ltd.</p> <p>9. The Company to provide endorsements/guarantees for a new approved financing credit of NT\$100 million from E.Sun Commercial Bank, Ltd. on behalf of Bestchain Healthtaiwan</p>	Motions approved without amendment.	None	N/A	All motions were unanimously approved by All attending Directors without dissidence.

Board of Directors' Meetings		Content	Opinion of the Independent Director	Dissenting Opinion or Qualified Opinion of Independent Directors	Company's handling of the opinions of the Independent Directors	Resolution Result
		<p>Co., Ltd.</p> <p>10.The Company to provide endorsements/guarantees for financing credit extension of US\$2.5 million from Citibank Taiwan on behalf of Renal Laboratories Sdn. Bhd.</p> <p>11.The Company to provide endorsements/guarantees for financing credit extension of US\$500 thousand from Citibank Taiwan on behalf of Medi-Chem Systems Sdn. Bhd.</p> <p>12.The Company's 2023 sustainability report</p> <p>13.The promotion of CFO Chou Chen-Hsiao to Deputy General Manager of Finance.</p> <p>14.Reviewing and approving of the director's remuneration in 2023.</p>				
The 14th Meeting in the 13th term	2024.11.8	<p>1.The Company's 2024 Q3 consolidated financial report.</p> <p>2.Proposal of amendment of "Internal Control System", "Internal Audit Procedure" and management regulations.</p> <p>3.Proposal of amendment of "Sustainable Development Committee Charter" and "Corporate Governance Best Practice Principles".</p> <p>4.The Company proposes to establish an Internal Control System titled "Sustainable Information Management Operations."</p> <p>5.To establish the Company's 2025 audit plan.</p> <p>6.The Company proposes to increase the capital expenditure budget for fiscal year 2024.</p> <p>7.The Company's application for credit extension and the increase in the limit due to expiration of the syndicated credit line from Nanjing East Road Branch of Hua Nan Bank.</p> <p>8.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd.</p> <p>9.The Company to provide endorsements/guarantees for financing credit extension of NT\$400 million from Taipei Branch of Taiwan Cooperative Bank on behalf of Bestchain Healthtaiwan Co., Ltd.</p> <p>10.The Company proposes to cancel endorsements /guarantees for financing credit extension of NT\$100 million from Corporate Banking Division of Industrial Finance II Regional Center of Cathay United Bank on behalf of Bestchain Healthtaiwan Co., Ltd.</p>	Motions approved without amendment..	None	N/A	All motions were unanimously approved by all attending Directors without dissidence.
The 15th Meeting in the	2024.12.26	<p>1.The Company's 2025 budget report.</p> <p>2. The Company proposes to acquire a partial equity interest in Chi Sheng Pharma & Biotech Co., Ltd.</p> <p>3.The Company's application for credit extension due to expiration of the syndicated credit line from Zhonghe Branch of First Bank.</p>	Motions approved without amendment.	None	N/A	All motions were unanimously approved by all attending

Board of Directors' Meetings		Content	Opinion of the Independent Director	Dissenting Opinion or Qualified Opinion of Independent Directors	Company's handling of the opinions of the Independent Directors	Resolution Result
13th term		4.The Company to provide endorsements/guarantees for financing credit extension of NT\$50 million from Nanjing East Road Branch of Hua Nan Bank on behalf of Excelsior Asset Management Co., Ltd. 5.The Company to provide endorsements/guarantees for new financing credit of NT\$370 million from Taipei Branch of Taiwan Cooperative Bank on behalf of Excelsior Asset Management Co., Ltd. 6.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd." 7.The Company proposes to make a donation to the Excelsior Health Foundation in 2025. 8.Proposed sustainability development execution plan for the Company in 2025. 9.Proposed greenhouse gas emission reduction targets for the Company. 10.The distribution of employees' compensations for managers in 2023. 11.The distribution of year-end bonus for managers in 2024.				Directors without dissidence.
The 16th Meeting in the 13th term	2025.3.7	1.Preparation 2024 Internal Control System Statement of the Company. 2.The distribution of employees' compensations for managers and directors' remuneration for 2024. 3.The Company's 2024 Financial Statements. 4.The Company's 2024 earnings distribution proposal. 5.The Company to issue new shares for capital increase by earnings recapitalization. 6.Change of the Company's certified public accountant (CPA) for audit engagement. 7.The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd. 8.The Company's matters related to the election of the 14th Board of Directors (including independent directors). 9.Amending part of the articles of the Company's "Articles of Incorporation". 10.The motion to convene the Company's 2025 Annual Shareholders' General meeting and to establish related matters including accepting shareholders' proposals and nominations.	Motions approved without amendment.	None	N/A	All motions were unanimously approved by all attending Directors without dissidence.
The 17th Meeting in the 13th	2025.5.9	1.Proposal of the evaluation results for the independence and suitability of the Company's CPA. 2.The Company's 2025 Q1 consolidated financial report. 3.Proposal for the nomination of candidates for the Company's 14th Board of Directors (including independent directors).	Motions approved without amendment.	None	N/A	All motions were unanimously approved by all attending Directors

Board of Directors' Meetings		Content	Opinion of the Independent Director	Dissenting Opinion or Qualified Opinion of Independent Directors	Company's handling of the opinions of the Independent Directors	Resolution Result
term		4. Review of the qualifications of nominees for the Company's 14th Board of Directors (including independent directors) for the shareholders' meeting. 5. Proposal of releasing the prohibition on newly appointed directors from participation in competition businesses. 6. The Company's application for credit extension due to expiration of the syndicated credit line and foreign exchange and derivatives trading limit from Citibank Taiwan. 7. The Company to provide contract performance guarantee for transacting counterparty Bestchain Healthtaiwan Co., Ltd. 8. The Company to provide endorsements/guarantees for financing credit extension of NT\$300 million from CitiBank Taiwan on behalf of Bestchain Healthtaiwan Co., Ltd. 9. The Company to provide endorsements/guarantees for new financing credit of USD \$2 million from CitiBank on behalf of EG Healthcare, Inc. 10. The Company to provide endorsements/guarantees for new financing credit of USD \$1 million from Manila Branch of First Commercial Bank on behalf of EG Healthcare, Inc. 11. Amending part of the articles of the Company's "Internal Control System". 12. The Company proposes to increase the Capital expenditure budget .				without dissidence.

- (12) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a resolution approved by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.
- (13) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the Company's chairman, general manager, principal accounting officer, principal financial officer, chief internal auditor, and principal research and development officer: None.

4. Information on Fees to CPA

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPA	Audit Period	Audit fee	Non-audit fee (Note)	Total	Remarks
KPMG International	Wu Tsao-Jen	2024.01.01-2024.12.31	4,000	450	4,450	None
	Chen Jun-Guang	2024.10.01-2024.12.31				

Note: Non-audit fees were NT\$450 in thousands, and included the following items:

- (1) Review of transfer pricing; (2) salary information checklist; (3) verification of direct tax deductions for business tax for concurrent businesspersons; (4) CPA's opinion for issuing new shares for capital increase by earnings recapitalization

5. Replacement of CPA: The company changed its accounting firm in the first quarter of 2025 due to internal organizational adjustment within the accounting firm.
6. The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates in the past year: None.

7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Supervisor, Managerial Officer; or Shareholder with a Stake of More than 10 Percent during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report:

(1) Changes in Shareholding of directors, supervisors, managers, and major shareholders

Unit: shares

Title	Name	2024		As of May 9, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Fu Hui-Tung	25,908	0	0	0
Director and major shareholder	Excelsior Group Holdings Co., Ltd.	831,301	0	0	0
Juristic-person director representative	Excelsior Group Holdings Co., Ltd. Representative: Chen Tun-Ling	30,125	0	0	0
Juristic-person director representative	Excelsior Group Holdings Co., Ltd. Representative: Chang Hsien-Cheng	826	0	0	0
Director and general manager	Chang Ming-Cheng	8,546	0	0	0
Director	Hsieh Yen-Sheng	35,346	0	0	0
Director	Fu Jo-Hsuan	5,512	0	0	0
Indepent Director	Chang Wu-I	0	0	0	0
Indepent Director	Kuo Yu-Chia	0	0	0	0
Indepent Director	Chan Chien-Lung	0	0	0	0
CFO and CGO	Chou Cheng-Hsiao	0	0	0	0
Major shareholder (Note 1)	Excelsior Investment Co., Ltd.	869,511	0	0	0

Note 1: Shareholders with more than 10% of the Company's shares shall be listed as major shareholders.

(2) Information on equity transfer or equity pledge: None.

8. Information on Relationship between any of the Top Ten Shareholders

As of April 28, 2025 (Last Record Date)

Name	Current Shareholding		Spouse's/minor's 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	Relation	
Excelsior Investment Co., Ltd	18,259,743	11.18%	0	0	0	0	1. Excelsior Group Holdings Co., Ltd. And Xuan Hui Investment Co., Ltd. 2. Bestchain Healthtaiwan Co., Ltd	1. Investment company to Excelsior Investment Co., Ltd. accounted for using equity method. 2. Investee of Bestchain Healthtaiwan Co., Ltd. accounted for using equity method.	
Chairman : FU JO-HSUAN	115,762	0.07%	0	0	0	0	1. Excelsior Group Holdings Co., Ltd. 2. Bestchain Healthtaiwan Co., Ltd	1. Serves as a Director of Excelsior Group Holdings Co., Ltd. 2. Serves as a Director of Bestchain Healthtaiwan Co., Ltd.	
Excelsior Group Holdings Co., Ltd	17,287,235	10.58%	0	0	0	0	1. Excelsior Investment Co., Ltd 2. Bestchain Healthtaiwan Co., Ltd 3. Xuan Hui Investment Co., Ltd.	1. Investee of Excelsior Investment Co., Ltd. accounted for using equity method. 2. Investee of Bestchain Healthtaiwan Co., Ltd. accounted for using equity method. 3. The same chairman as that of Xuan Hui Investment Co., Ltd.	
Chairman : FU HUI-TUNG	544,074	0.33%	1,903	0.00%	4,421,475 (Note 4)	2.71% (Note 4)	1. Bestchain Healthtaiwan Co., Ltd 2. Xuan Hui Investment Co., Ltd.	1. Serves as a Director of Bestchain Healthtaiwan Co., Ltd. 2. Serves as the Chairman of Xuan Hui Investment Co., Ltd.	
Bestchain Healthtaiwan Co., Ltd	16,050,753	9.82%	0	0	0	0	1. Excelsior Group Holdings Co., Ltd. And Excelsior Investment Co., Ltd 2. Xuan Hui Investment Co., Ltd.	1. Investment company to Bestchain Healthtaiwan Co., Ltd. accounted for using equity method. 2. Investment company to Bestchain Healthtaiwan Co., Ltd. accounted for using cost method.	
Chairman : CHANG HSIEN-CHENG	17,363	0.01%	0	0	0	0	None	None	
Arich Investment Co., Ltd.	4,862,025	2.98%	0	0	0	0	None	None	
Chairman : CHANG CHUN-	615	0.00%	0	0	0	0	None	None	

Name	Current Shareholding		Spouse's/minor's 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	Relation	
JEN									
Xuan Hui Investment Co., Ltd.	4,421,475	2.71%	0	0	0	0	1.Excelsior Group Holdings Co., Ltd. 2.Excelsior Investment Co., Ltd. 3.Bestchain Healthtaiwan Co., Ltd.	1. The same chairman as that of Excelsior Group Holdings Co., Ltd. 2. Investee of Excelsior Investment Co., Ltd. accounted for using equity method. 3. Investee of Bestchain Healthtaiwan Co., Ltd. accounted for using cost method.	
Chairman : FU HUI-TUNG	544,074	0.33%	1,903	0.00%	4,421,475 (Note 4)	2.71% (Note 4)	1.Excelsior Group Holdings Co., Ltd 2.Bestchain Healthtaiwan Co., Ltd	1. Serves as the Chairman of Excelsior Group Holdings Co., Ltd. 2. Serves as a Director of Bestchain Healthtaiwan Co., Ltd.	
LIN JUN-YAO	1,736,000	1.06%	0	0	0	0	None	None	
Bank Sinopac Company Limited	1,007,133	0.62%	0	0	0	0	None	None	
City Bank trusteeship of DFA securities account	906,393	0.55%	0	0	0	0	None	None	
Taiwan Bank Custody ING Retirement Fund Investment Account	834,562	0.51%	0	0	0	0	None	None	
HSIEH YEN-SHENG	742,269	0.45%	213,432	0.13%	0	0	None	None	

Note 1: List out the top ten shareholders. For institutional shareholders, list out the names of the institutional shareholders and also the names of the representatives separately.

Note 2: The calculation of the proportion of shares in holding is based on the holding of shares by the person, spouse, children who are minors, or in the name of a third party.

Note 3: List out the shareholders who are institutions and natural persons, and disclose their relation in accordance with the Criteria for the Compilation of Financial statements by Securities Issuers.

Note 4: Xuan Hui Investment Co., Ltd. holds 4,421,475 shares, with a shareholding ratio of 2.71%.

9. The number of shares of the same invested company held by the Company, the Company's directors, supervisors, and executive officers, and the businesses controlled directly or indirectly by the Company, and the consolidated shareholding ratio.

Ownership of Shares in Affiliated Enterprises

March 31, 2025 / Unit: shares, %

Affiliated Enterprises (Note 1)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Bestchain Healthtaiwan Co., Ltd	55,235,590	44.7%	29,143,847	23.6%	84,379,437	68.3%
Arich Enterprise Co., Ltd.	29,829,742	40.0%	37,000	0.1%	29,866,742	40.1%
Dynamic Medical Technologies Inc.	12,328,785	34.0%	81,000	0.21%	12,409,785	34.2%
Excelsior Healthcare Co., Limited	28,695,856	100.0%	0	0.0%	28,695,856	100.0%
Sunrise Health Care Company	2,085,547	24.0%	0	0.0%	2,085,547	24.0%
Excelsior Medical (HK) Co., Ltd.	33,807,013	64.4%	18,724,062	35.6%	52,531,075	100.0%
Excelsior Beauty Co., Ltd.	5,190,662	41.0%	6,819,523	53.9%	12,010,185	94.9%
Excelsior Asset Management Co., Ltd.	85,509,500	100.0%	0	0.0%	85,509,500	100.0%
Asia Best Life Care Co., Ltd.	84,633,340	49.4%	19,484,150	11.4%	104,117,490	60.8%
Medifly Co., Ltd.	3,615,976	28.7%	0	0.0%	3,615,976	28.7%
Dynamic Medical Technologies (Hong Kong) Ltd.	0	0.0%	13,061,783	100.0%	13,061,783	100.0%
Guangzhou Dynamic Inc.	Note 2	0.0%	Note 2	100.0%	Note 2	100.0%
Medytox Taiwan Inc.	0	0.0%	1,800,000	40.0%	1,800,000	40.0%
TOUCE BIOTECH CO., LTD	0	0.0%	420,000	35.0%	420,000	35.0%
CYJ International Taiwan Inc.	0	0.0%	20,777,390	83.11%	20,777,390	83.11%
EG Healthcare Inc.	0	0.0%	9,427,489	99.9%	9,427,489	99.9%
Excelsior Renal Service Co., Limited	0	0.0%	73,375,728	49.0%	73,375,728	49.0%
NephroCare Limited	0	0.0%	151,801,588	49.0%	151,801,588	49.0%
Cardinal Medical Services Ltd.	0	0.0%	9,800	49.0%	9,800	49.0%
Excelsior Investment (Malaysia) Co., Ltd.	0	0.0%	11,171,271	100%	11,171,271	100.0%
Renal Laboratories Sdn. Bhd.	0	0.0%	32,523,586	81.9%	32,523,586	81.9%
Medi-Chem Systems Sdn. Bhd.	0	0.0%	350,000	70.0%	350,000	70.0%
Renal Management Sdn. Bhd	0	0.0%	200,000	100.0%	200,000	100.0%
Sino Excelsior Investment Incorporation	Note 2	0.0%	Note 2	100.0%	Note 2	100.0%
Asia Best Healthcare Co., Ltd.	0	0.0%	156,229	58.5%	156,229	58.5%

Note 1: This table is based on the Company's investments accounted for using equity method.

Note 2: The invested company has not issued shares, so there are no shares held.

III. Capital Overview

1. Source of Capital

(1) Source of capital

Year /Month	Issue Price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount (NT\$ in thousands)	Shares	Amount (NT\$ in thousands)	Source of Capital	Capital Increase by Assets Other than Cash	Other
1988.01	10	500,000	5,000	500,000	5,000	Capital at establishment	None	
1990.04	10	2,500,000	25,000	2,500,000	25,000	Capital increase by cash	None	
1991.06	10	6,500,000	65,000	6,500,000	65,000	Capital increase by cash	None	
1993.11	10	11,500,000	115,000	11,500,000	115,000	Capital increase by cash	None	
1993.11	10	12,000,000	120,000	12,000,000	120,000	Capital increase by earnings	None	
1997.02	10	16,000,000	160,000	16,000,000	160,000	Capital increase by cash	None	
1997.05	35	19,990,000	199,900	19,990,000	199,900	Capital increase by cash	None	
1998.07	10	60,000,000	600,000	30,000,000	300,000	Capital increase by cash	None	
2001.06	10	60,000,000	600,000	36,000,000	360,000	Capital increase by earnings and employees' share compensation	None	1998.07.17(87),TCZ(1) No. 59134
2002.07	10	70,000,000	700,000	43,058,057	430,580	Capital increase by earnings , employees' share compensation and conversion of convertible bonds	None	Convertible bonds of NTD 4,000,000 were converted into 64,834 ordinary shares.
2003.01	10	70,000,000	700,000	43,073,660	430,737	Conversion of convertible bonds	None	Convertible bonds of NTD 900,000 were converted into 15,603 ordinary shares.
2003.01	50	70,000,000	700,000	53,073,660	530,737	Capital increase by cash	None	2002.11.29,TCZ(1) No. 0910162126
2003.02	10	70,000,000	700,000	53,074,050	530,741	Conversion price adjustment and issuance of additional shares	None	Convertible bonds were adjusted and issued into more 390 ordinary shares.
2003.06	10	100,000,000	1,000,000	62,316,544	623,165	Capital increase by earnings and employees' share compensation	None	2003.04.17,TCZ(1) No. 0920113020
2004.05	10	100,000,000	1,000,000	62,470,676	624,707	Conversion of convertible bonds	None	Convertible bonds of USD 200,000 were converted into 154,132 ordinary shares.
2004.09	10	103,000,000	1,030,000	68,047,942	680,479	Capital increase by earnings and employees' share compensation	None	2004.07.15, JGZYZ No.0930131436
2005.04	10	103,000,000	1,030,000	68,257,948	682,579	Conversion of convertible bonds	None	Convertible bonds of USD 200,000 were converted into 210,006 ordinary shares.
2005.09	10	112,650,000	1,126,500	70,671,307	706,713	Capital increase by earnings and employees' share compensation	None	2005.07.26, JGZYZ No. 0940128764
2006.04	10	112,650,000	1,126,500	72,161,419	721,614	Conversion of convertible bonds	None	Convertible bonds of USD 1,370,000 were converted into 1,490,112 ordinary shares.

Year /Month	Issue Price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount (NT\$ in thousands)	Shares	Amount (NT\$ in thousands)	Source of Capital	Capital Increase by Assets Other than Cash	Other
2006.07	10	112,650,000	1,126,500	72,324,569	723,246	Conversion of convertible bonds	None	Convertible bonds of USD 150,000 were converted into 163,150 ordinary shares.
2006.08	10	112,650,000	1,126,500	77,993,569	779,936	Capital increase by earnings and employees' share compensation	None	2006.06.30, JGZYZ No. 0950127700
2006.10	10	112,650,000	1,126,500	78,047,952	780,479	Conversion of convertible bonds	None	Convertible bonds of USD 50,000 were converted into 54,383 ordinary shares.
2007.01	10	112,650,000	1,126,500	91,987,264	919,873	Conversion of convertible bonds	None	Convertible bonds of USD 11,880,000 were converted into 13,939,312 ordinary shares.
2007.04	10	112,650,000	1,126,500	100,141,997	1,001,420	Conversion of convertible bonds	None	Convertible bonds of USD 6,950,000 were converted into 8,154,733 ordinary shares.
2007.10	10	112,650,000	1,126,500	80,113,597	801,136	Capital reduction by cash	None	2007.10.29, JGZYZ No. 0960052676
2009.01	10	112,650,000	1,126,500	84,866,099	848,661	Issue new shares to acquire ordinary shares of Arich	Stocks of other companies	2008.12.22, JGZYZ No. 0970067548
2009.10	10	200,000,000	2,000,000	89,108,471	891,085	Conversion of convertible bonds	None	Convertible bonds of NTD 207,200,000 were converted into 4,242,372 ordinary shares.
2010.01	10	200,000,000	2,000,000	92,991,295	929,913	Conversion of convertible bonds	None	Convertible bonds of NTD 185,600,000 were converted into 3,882,824 ordinary shares.
2010.04	10	200,000,000	2,000,000	94,618,899	946,189	Conversion of convertible bonds	None	Convertible bonds of NTD 77,800,000 were converted into 1,627,604 ordinary shares.
2010.08	10	200,000,000	2,000,000	95,026,841	950,268	Conversion of convertible bonds	None	Convertible bonds of NTD 19,500,000 were converted into 407,942 ordinary shares.
2010.10	10	200,000,000	2,000,000	95,233,952	952,340	Conversion of convertible bonds	None	Convertible bonds of NTD 9,900,000 were converted into 207,111 ordinary shares.
2010.11	78	200,000,000	2,000,000	102,983,952	1,029,840	Capital increase by cash	None	2010.10.19, JGZFY No. 0990055485

Year /Month	Issue Price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount (NT\$ in thousands)	Shares	Amount (NT\$ in thousands)	Source of Capital	Capital Increase by Assets Other than Cash	Other
2012.10	10	200,000,000	2,000,000	113,252,348	1,132,523	Capital increase by earnings	None	2012.08.20, JGZFFZ No. 1010036655
2014.10	10	200,000,000	2,000,000	112,952,348	1,129,523	Cancellation of treasury shares	None	2014.10.03, JSSZ No. 10301207220
2015.09	10	200,000,000	2,000,000	120,452,348	1,204,523	Capital increase by cash	None	2015.06.16, JGZFFZ No. 1040021860
2016.01	10	200,000,000	2,000,000	121,780,560	1,217,806	Conversion of convertible bonds	None	Convertible bonds of NTD 52,200,000 were converted into 1,328,212 ordinary shares.
2016.05	10	200,000,000	2,000,000	125,569,358	1,255,694	Conversion of convertible bonds	None	Convertible bonds of NTD 148,900,000 were converted into 3,788,798 ordinary shares.
2016.08	10	200,000,000	2,000,000	127,205,487	1,272,055	Conversion of convertible bonds	None	Convertible bonds of NTD 64,300,000 were converted into 1,636,129 ordinary shares.
2016.11	10	200,000,000	2,000,000	127,581,485	1,275,815	Conversion of convertible bonds	None	Convertible bonds of NTD 14,100,000 were converted into 375,998 ordinary shares.
2017.03	10	200,000,000	2,000,000	127,626,817	1,276,268	Conversion of convertible bonds	None	Convertible bonds of NTD 1,700,000 were converted into 45,332 ordinary shares.
2017.08	10	200,000,000	2,000,000	127,765,483	1,277,655	Conversion of convertible bonds	None	Convertible bonds of NTD 5,200,000 were converted into 138,666 ordinary shares.
2018.02	10	200,000,000	2,000,000	127,827,385	1,278,274	Conversion of convertible bonds	None	Convertible bonds of NTD 2,200,000 were converted into 61,902 ordinary shares.
2018.05	10	200,000,000	2,000,000	127,990,578	1,279,906	Conversion of convertible bonds	None	Convertible bonds of NTD 5,800,000 were converted into 163,193 ordinary shares.
2018.07	10	200,000,000	2,000,000	128,134,077	1,281,341	Conversion of convertible bonds	None	Convertible bonds of NTD 5,100,000 were converted into 143,499 ordinary shares.
2018.11	10	200,000,000	2,000,000	128,148,970	1,281,490	Conversion of convertible bonds	None	Convertible bonds of NTD 500,000 were converted into 14,893 ordinary shares.
2020.01	10	200,000,000	2,000,000	141,148,970	1,411,490	Capital increase by cash	None	2019.12.11, JGZFFZ No. 1080339288
2022.10	10	200,000,000	2,000,000	148,206,419	1,482,064	Capital increase by earnings	None	Approved by Securities and Futures Bureau on Aug.4,2022.

Year /Month	Issue Price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount (NT\$ in thousands)	Shares	Amount (NT\$ in thousands)	Source of Capital	Capital Increase by Assets Other than Cash	Other
2023.10	10	200,000,000	2,000,000	155,616,740	1,556,167	Capital increase by earnings	None	Approved by Securities and Futures Bureau on JUL.25,2023.
2024.10	10	200,000,000	2,000,000	163,397,577	1,633,976	Capital increase by earnings	None	Approved by Securities and Futures Bureau on JUL.30,2024.

(2) Type of stock

April 28, 2025

Type of Stock	Authorized Capital			Remarks
	Outstanding shares (Note)	Unissued Shares	Total Shares	
Common Stock	163,397,577	36,602,423	200,000,000	

Note: Outstanding shares issued by the Company are publicly traded on TWSE.

(3) Shelf-registration : None.

(4) List of Major Shareholders

List all shareholders with a stake of 5 percent or greater, and all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list.

As of April 28,2025 Unit: shares.

Name	Shares	Number of shares held	Shareholding percentage(%)
Excelsior Investment Co., Ltd.		18,259,743	11.18%
Excelsior Group Holdings Co., Ltd.		17,287,235	10.58%
Bestchain Healthtaiwan Co., Ltd.		16,050,753	9.82%
Arich Investment Co., Ltd.		4,862,025	2.98%
Xuan Hui Investment Co., Ltd.		4,421,475	2.71%
Lin,Jun-Yao		1,736,000	1.06%
Bank Sinopac Company Limited		1,007,133	0.62%
City Bank trusteeship of DFA securities account		906,393	0.55%
Taiwan Bank Custody ING Retirement Fund Investment Account		834,562	0.51%
Hsieh Yen-Sheng		742,269	0.45%

(5) Dividend Policy and Implementation Status

(1) Dividend policy

According to Article 26 of the company's Articles of Incorporation, The dividend policy as follows:

The Company sets up its dividend policy in conjunction with its current and future development plan and by taking the investment environment, capital requirements and local and foreign competition status into account, whereas the Company also concurrently considers shareholders' interests. The annual dividend payable to shareholders from the cumulative distributable earnings shall be not less than 20% of current year after-tax profit. The shareholder dividend can be distributed by either cash or stock, in which the cash dividend shall be no less than 20% of the total dividend amount.

(2) Proposed distribution of dividend

Year \ Item	Cash dividends	Stock dividends
2020	3.5000	None
2021	3.5000	0.050000003 shares
2022	3.6500	0.05 shares
2023	3.8000	0.05 shares
2024(Note)	3.8000	0.05 shares

Note: The cash dividend of per share is proposed to be distributed NT\$3.80 by the Board of Directors on March 7, 2025. The stock dividend of per share is proposed to be distributed NT\$0.5, it will take effect after the resolution of the 2025 Annual Shareholders' General meeting is passed.

(3) The material change in the expected dividend policy: None.

(6) Impact of the Proposed Stock Dividends in Shareholders Meeting on Business Performances and EPS

In accordance with the “Regulations Governing the Publication of Financial Forecasts of Public Companies,” the company is not required to disclose financial forecasts for the year 2025; therefore, no estimated financial data for 2025 is available.

(7) Employee Compensation and Directors’ Remuneration

(1) Scope of employee compensation and directors’ remuneration referred to in the Articles of Incorporation:

The Company should contribute no less than 1% of the profit as employee compensation and no higher than 5% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficits.

The preceding employee compensation shall be distributed by stock or cash, and the recipients shall cover the employees of subordinate companies the terms set up by the Board of Directors. The preceding directors’ remuneration shall be paid in cash only.

Both the employee compensation and directors’ remuneration should be approved by the Board of Directors and reported during the shareholders' meeting.

On March 7, 2025, the board of directors approved the following amendments to the company’s Articles of Incorporation:

If the Company has any annual profit, it shall contribute an amount no less than 1% for employee compensation (At least 30% shall be allocated for salary adjustments or compensation distributions for its junior employees) and no more than 5% as director remuneration. However, in the circumstance where the Company has accumulated loss, an allowance for the loss shall be set aside in advance.

(2) The basis for estimating the remuneration to employees and directors for calculating the number of shares to be distributed as remuneration to employees, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

As adopted by the Company’s Board of Directors on March 7, 2025, 5% of the Company’s 2024 profits in an amount of NT\$47,984,547 shall be distributed to employees as their compensation, whereas 2.5% of the profits in an amount of NT\$23,992,273 shall be distributed to directors as their remuneration. The preceding amounts shall be distributed in cash.

If the amount of the annual individual financial report is still changed after the date of publication, there is a difference between the actual amount and the estimated amount, it is classified as the profit and loss of the following year.

(3) Distribution of compensation approved by the Board of Directors

The 2024 Distribution report of employees’ compensations and directors remuneration approved by the Company’s Board of Directors on March 7, 2025. Approved appropriations were as follows:

A. The compensations to employees and remuneration to Directors

Item	Amount(NT\$ in thousands)
Directors' Remuneration	23,992
Employee Compensation in Cash	47,985
Employee Compensation in Stock	None

The aforementioned amounts of employees compensations and directors' remuneration approved by the Company's Board of Directors are totally the same with that accrued expenses in the 2024 financial Statements.

B. Ratio of recommended employee stock bonus to capitalization of earnings:
Not applicable.

(4) Information for employee compensation and directors' remuneration in previous fiscal year:

On March 8, 2024, the Board of Directors of Company approved of employees' compensations and Directors' remuneration in 2023 of NT\$47,244 in thousands and NT\$23,622 in thousands respectively. There is no difference between the amounts recognized in the 2023 individual financial statements.

(8) Buyback of Treasury Stocks: None.

2. Issuance of Corporate Bonds:

None.

3. Issuance of preferred shares, global depositary receipts (GDR), employee stock option and employee restricted stock:

None.

4. Issuance of New Shares Acquisition or Exchange of other Company's Shares

None.

5. Status of Capital Utilization Plan

(1) Finance plans:

For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits, the annual report shall provide a detailed description of the plan for each such public issue and private placement: Not applicable.

(2) Implementation Plans: Not applicable.

IV. Business Overview

1. Business Scope

(1) Major business scope

A.The Group's primary business content

The Group operates in the following businesses:

- a. Sales, maintenance, lease of medical devices and medical management consultancy.
- b.Sales and maintenance of aesthetic medical and lifestyle beauty devices, consumables, equipment maintenance, and lifestyle beauty treatment services.
- c.Sales, promotions, distribution and logistics services of medicine.

B.Percentage of sales revenue of the Group

Unit: NT\$ thousands

Major Product Categories	2024	Percentage of Sales Revenue
Surgical consumables	2,179,030	25.52%
Dialyzers, blood tubing set and A.V. fistula needles	1,256,122	14.71%
Erythropoietin (EPO), concentrated solution and powders	1,022,906	11.98%
Medicine	1,005,678	11.78%
Aesthetic medical consumables and spare parts	857,472	10.04%
Aesthetic medical devices	289,704	3.39%
Lifestyle beauty products and treatment services	277,680	3.25%
Blood bags ,wound and ostomy products	246,327	2.88%
Home appliances	161,933	1.90%
Medical devices	148,179	1.74%
Others	1,093,515	12.81%
Total	8,538,546	100.00%

C.The Group's Current products and services

- a. Dialyzers
- b. Blood tubing set and A.V. fistula needles
- c. Hemodialysis concentrated solution and powders and normal saline
- d. Disinfectant for hemodialysis machine
- e. Hemodialysis machine and RO central system
- f. Erythropoietin (EPO) and anticoagulant etc.
- g. Healthcare home appliances including air purifiers
- h. Blood bags and related products
- i. Wound and ostomy products
- j. Agency sales of surgical devices and consumables
- k. Self-pay medicine related to hemodialysis patients
- l. Laser aesthetic medical devices

- m. Pulsed light aesthetic medical devices
 - n. Skin tightening aesthetic medical devices
 - o. Body shaping devices
 - p. Dermal fillers
 - q. Cosmetic neurotoxins injection
 - r. Aesthetic medical lifestyle beauty equipment maintenance
 - s. Lifestyle beauty products and treatment services
 - t. Sales and promotion of medicine related to internal, family, urology, obstetrics and gynecology, dermatology, hepatobiliary and gastroenterology, ophthalmology, and psychiatry.
 - u. Sales and promotion of medicine related to hair growth, anti-dandruff shampoo, and quit smoking.
 - v. Anti-dandruff shampoo and skincare products
 - w. Comprehensive integrated distribution and logistics services including customer service, tender/bidding, information flow, cash flow and logistics
- D. The Group's New products (services) to be developed
- a. Medical consumables and devices related to wound caring
 - b. Medical consumables and devices related to blood banks
 - c. New home appliances products of own brand "ULTRACLEAN"
 - d. Agency and distribution of products from foreign renowned home appliances brands
 - e. New hemodialysis products of own brand "FASFLO"
 - f. Sales of products and services related to hair growth and hair care products
 - g. Develop home beauty products
 - h. Develop in-house licensed prescription/non-prescription drugs
 - i. Develop new pharmaceutical distribution and logistics business

(2) Industry overview

A. Current status and development of the industry

● **Medical device sector**

The Company is a comprehensive medical devices provider. Our major businesses include trading of medical products used in hemodialysis treatment, surgeries and diagnosis, air purifiers, blood bags, and wound and ostomy products. Below is a summary of the domestic medical device industry and the hemodialysis industry that is the Company's major products:

a. Overview and development in the medical device industry

Medical devices can broadly mean various products, and in the boundaries defined by Industrial Technology Research Institute's Industrial Economics & Knowledge Center (IEK), could encompass diagnostic and monitoring devices, assistive and repair devices, surgical and treatment devices, in vitro diagnostic devices (IVD), and other relevant medical products. Technologies involved in manufacturing medical devices include electronics, electrical engineering, biotechnology, biochemistry, medical engineering, measurement and chemical

engineering. In addition, research and development (R&D) require extensive time, and product assurance and clinical testing are also required, creating high barrier to entry. In terms of the market, the medical device industry is significantly influenced by government policies; and in particular, policies on health insurance benefits will directly impact the market demand. Hence, the demand for medical devices mostly comes from regions with developed countries such as North America, Europe, and Japan. Additionally, since safety specification requirements and medical insurance benefit systems also vary from country to country, market penetration is very difficult. Nevertheless, after a product has been introduced to the market, thanks to patent and certification protection and the longer product life cycle, profits can be higher compared to other industries.

b. Overview and development in the hemodialysis industry

Hemodialysis, or more commonly known as kidney dialysis in Taiwan, is a critical life-supporting treatment for patients with chronic kidney disease. When a terminally ill kidney disease patient fails to filter wastes and water from his/her body due to gradual or complete loss of kidney functions, the patient would have to rely on hemodialysis machine to pump blood out to expose the wastes and excess to the dialysate through the hemodialysis machine. This process cleanses the blood and removes water to reduce symptoms of toxin overload. It is common for patients to receive three times of hemodialysis treatment in every week. According to statistics from the National Kidney Foundation R.O.C., as of the fourth quarter (Q4) in 2024, the cumulative number of patients receiving hemodialysis and peritoneal dialysis in Taiwan had reached more than 97,000 persons, and the demand for the hemodialysis market continues to grow; as the technology and quality of hemodialysis both become more mature, the survival rates of patients are also increasing accordingly. In addition, entities in hemodialysis treatment as well as the number of hemodialysis machines are also continuing to grow. In order to enhance operational effectiveness and patient satisfaction for treatment, in addition to supplying the hardware facilities of hemodialysis centers, comprehensive medical devices providers also began to provide softwares including personnel training, cost analysis, and medical quality analysis and more. Additionally, in recent years, certain end-stage renal failure patients are also opting for peritoneal dialysis treatment. Nevertheless, after a few years of receiving peritoneal dialysis treatment, most peritoneal dialysis patients still need to switch over to hemodialysis treatment to extend their lives.

● **Aesthetic medical sector**

With technological advances, many effective medical beauty treatments with short recovery times have emerged. Social media has sped up and increased transparency in sharing information, making more people see visits to clinics as part of regular self-care. In Taiwan, there's high demand for the latest technology equipment and minimally invasive procedures like fillers, collagen boosters, and

Botox. Marketing and information spread have led consumers to focus on results, safety, and cost, while also being influenced by advertising. Younger people are increasingly seeking these treatments, fueling overall market growth.

● Pharmaceutical sales promotion and distribution logistics sector

The Group is a pharmaceutical channel provider and most of our businesses concern the sales promotions, and distribution logistics services of pharmaceutical products in Taiwan. In terms of pharmaceutical sales and promotions, we mostly sell pharmaceutical products to medical institutions, clinics, pharmacies, chain drugstores and hypermarkets based on the individual needs of such institutions. In terms of distribution and logistics, besides providing warehousing and shipping of medicine that comply with applicable pharmaceutical regulations, we also provide well-rounded services including customer services, acting for pharmaceutical principals to tender hospital offers, information flow, cash flow, and logistics services. The following is a description of the market overview of the industry:

a. Pharmaceutical sales promotion and distribution logistics

As the coverage of national health insurance (NHI) in Taiwan has nearly reached 100% and approximately a quarter of NHI's total expenditures covers medicine, the National Health Insurance Administration has in effect become the biggest buyer of prescription drugs in Taiwan. Statistics from IQVIA indicated that, most of the revenues from Taiwan's pharmaceutical market came from hospitals, clinics, and pharmacies. In recent years, the National Health Insurance Administration (NHIA) has been actively launching the "2nd Generation NHI". By encouraging hospitals to transfer patients to clinics and to release chronic illness prescription refill slip, the clinics could acquire more patients. Nevertheless, the clinics could potentially lose the patients, if patients are switched from brand-name drugs at hospitals to locally-produced generic drugs at the clinics. Since clinics do not have restrictions on the number of medicine, doctors could be asked to prescribe both brand and generic drugs of the same ingredients, so that the market shares of both clinics and pharmacies could both grow in the future.

Though Taiwan's pharmaceutical market continues to grow, but as the prices of NHI medicine continue to be reduced in each year, major global pharmaceutical principals have continued to outsource their sales promotions and distribution logistics in consideration of costs and maintaining profit margins. To target the increasingly active global pharmaceutical market, and seeing that the international market has extended the quality management of medicine from manufacturing processes to logistics and distribution, the Ministry of Health and Welfare in Taiwan has also emphasized on the reinforced control over medicine distribution and logistics. A phased GDP compliance inspection has commenced since 2016, and subjects of which include local medicine manufacturers in Taiwan, logistics service providers that label and package medicine, and pharmaceutical suppliers that hold medicine licenses. In particular, inspections for those with elevated risks, such as businesses with

licenses for cold-chain and restricted medicine will be prioritized.

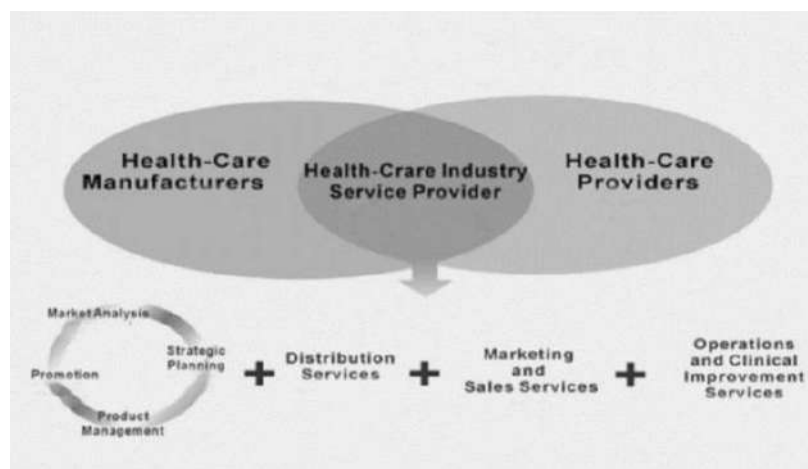
b. Industry development

In 2022, COVID-19 and the Russia-Ukraine conflict caused instability in supplies of natural gas, oil, and food, leading to global price fluctuations and inflation, impacting the world economy. However, post-pandemic, the pharmaceutical market is expected to continue growing due to supply chain disruptions of drugs and an aging population increasing demand for chronic disease medications. Rapidly growing areas include diabetes and anticoagulants, followed by cancer, autoimmune, and immune disorders. Clinical trials mainly focus on cancer, central nervous system, and cardiovascular diseases. However, government price controls aimed at reducing healthcare costs may hinder future market growth.

B. Correlations throughout the industry chain

● **Medical device sector**

As a medical product system integration provider, the Company's primary operational model is to integrate resources and provide services except medical treatment. They also take on the role of healthcare management consultants for healthcare institutions. Using a "healthcare management" approach, they construct healthcare-related channel systems. The correlations throughout this channel system is shown in the following diagram:



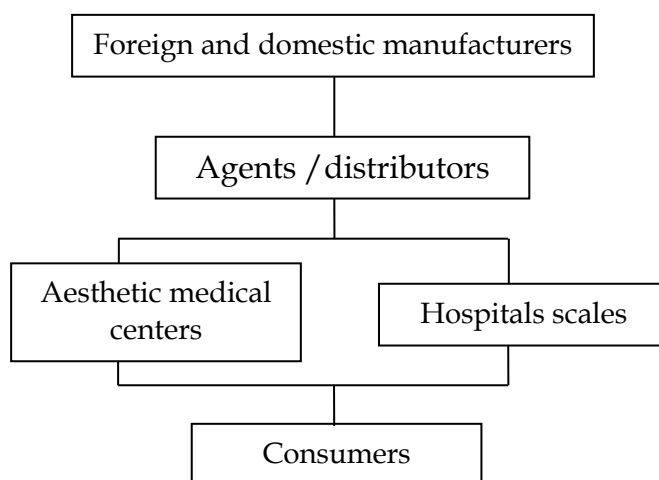
● **Aesthetic medical sector**

The aesthetic medical industry is largely dominated by laser/light-based equipment, injectable fillers, and botulinum toxin products, which are primarily developed and manufactured by brands from Europe, the US, and increasingly, Korea. Korean manufacturers have been able to produce similar aesthetic medical products at lower prices, gaining competitive advantage in the market. This has changed the dynamics of the aesthetic medical market in Taiwan, as more competing products enter the market.

In recent years, the industry has shifted towards strong brand marketing to increase awareness and demand for their products and treatments. Aesthetic medical providers

have also begun to integrate vertically, with clinics importing and distributing their own product lines, and distributors expanding their aesthetic medical sales channels. These vertical integrations have helped strengthen the overall marketing and promotional efforts, driving the growth of the broader aesthetic medical market.

The relationship between the upper, middle and lower reaches of aesthetic devices and dermal filler



Pharmaceutical sales promotion and distribution logistics sector

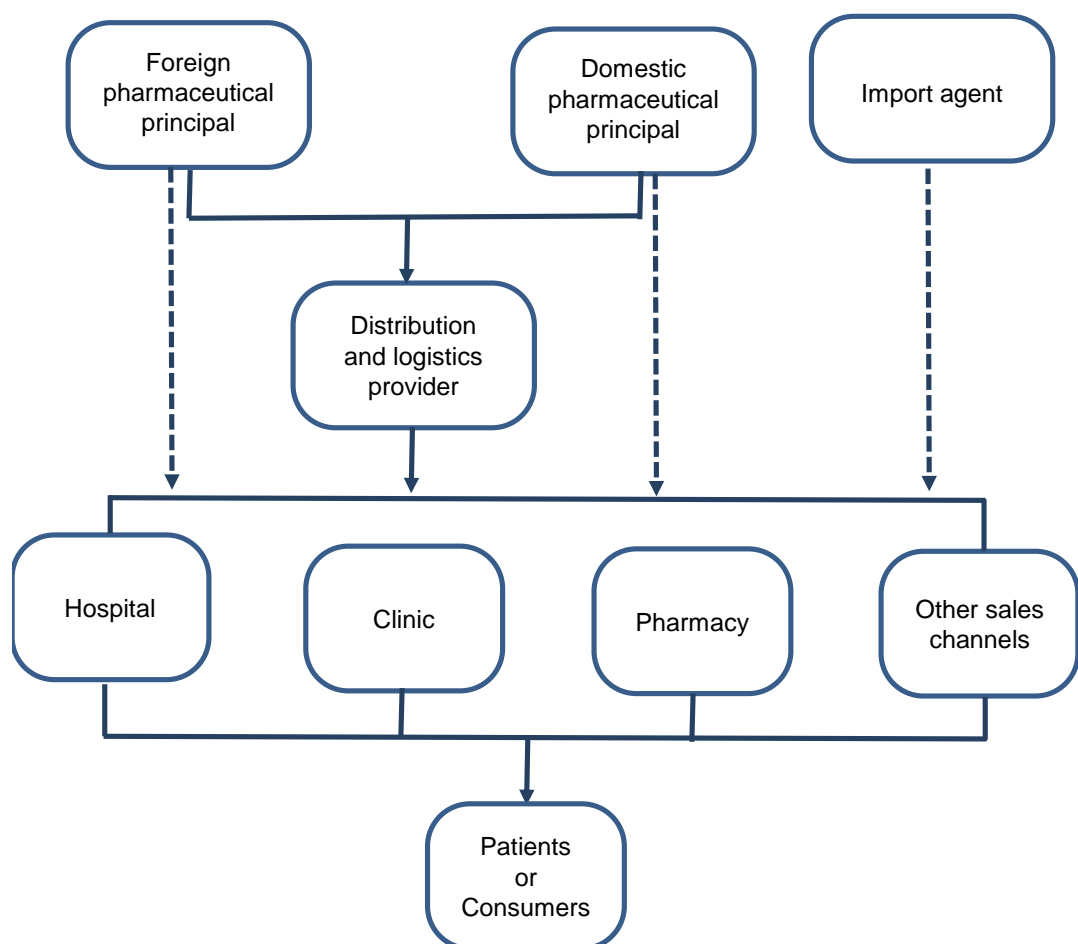
The industry structure of Taiwan's pharmaceutical market can be divided into upstream suppliers (medicine permit holders) such as local or foreign pharmaceutical principals or agents, midstream distributors or logistics providers, and downstream medical institutions. The Group is a pharmaceutical sales promotion and distribution logistics provider, which is in the midstream of the industry.

In terms of pharmaceutical sales and promotions, the pharmaceutical channel provider will directly sell various medicine products based on the demand from medical institutions. Key operations include raising the image of medicine products, providing professional education related to treatment, disseminating the clinical use, effects, side effects and other clinical matters related to the medicine, organizing medical conferences and other promotional activities, and effectively and efficiently delivering various medicine from thousands of suppliers to distribution points located throughout Taiwan.

From the pharmaceutical channel providers' standpoint, there may be the demands that provide distribution and logistics services, but since medical institutions ranging from hospitals, clinics, to pharmacies, have very diverse demands (for instance, mid to large-scale hospitals usually procure medicine through tender, demand from clinics vary from department to department, while pharmacies usually have sparse medicine needs), these services are usually provided to areas close to their sites of operation. Since pharmaceutical principals need to focus on R&D, manufacturing, and marketing of medicine products, they cannot cater to individual demands from all medical institutions. Therefore,

pharmaceutical channel providers provide comprehensively-planned services ranging from inventory management, value-added processing, logistics and delivery, customer complaint, and transportation and shipping within Taiwan. Pharmaceutical channel providers are critical in supporting pharmaceutical principals in selling their medicine to various medical institutions.

For the pharmaceutical principals, collaborating with pharmaceutical channel provider can enhance the supply chain's efficiency, thereby allowing them to focus on the R&D, manufacturing, and marketing of medicine products. Alternatively, by having medical institutions dealing with channel provider and setting them as suppliers, the pharmaceutical supply can be more stabilized and helps medical institutions to save more on costs. This industry structure helps to integrate various channels, and links the resources throughout the supply chain, thereby helping each end of the industry to achieve optimized cost management. The relationship between the upper, middle and lower reaches of pharmaceutical market



C. Products development trends

● Medical device sector

a. Hemodialysis Products

The soaring material prices around the world have led to significant cost increase in imported medical consumables. With the exception of hemodialysis machines and dialyzers, most of the medical consumables can be made in Taiwan

without relying on imports. However, medical institutions still favor imported products. Therefore, we have opted for OEM from overseas suppliers for our own brand, and collaborated with locally produced products in sales package in marketing our products to achieve a competitive edge.

b. Surgical consumables and devices

With the global trend towards minimally invasive surgical procedures, aimed at reducing surgical incisions and decreasing patient recovery time, Medtronic surgical robotic-assisted surgical systems and related products, including the Hugo robotic-assisted surgical system, sutures, auto suture, endoscopic surgical instruments, energy-based devices, radiofrequency ablation therapeutic devices, bipolar electrosurgical devices (Ligasure), to cordless ultrasonic dissection devices (Sonicision)., is expected to contribute to sustained business growth.

Aesthetic medical sector

The Asia-Pacific aesthetic medical market is categorized by product types: laser/IPL, body sculpting/skin tightening, Botox injections, and subdermal fillers. Currently, non-invasive treatments are dominant, with popular procedures including facial lifting and pigment correction. As acceptance and demand for minimally invasive treatments grow, facial injection procedures like hyaluronic acid fillers and collagen stimulators are fast-growing segments.

According to Data Bridge Market Research, the Asia-Pacific aesthetic medical market is projected to expand from us \$4.5 billion in 2024 to us \$12.64 billion in 2032, with an average annual growth rate of 13.8% from 2024 to 2032.

● Pharmaceutical sales promotion and distribution logistics sector

a. Pharmaceutical sales and promotions

With the emphasis on national health education and access to medical information, the public has become more aware of self-medication. The non-prescription drugs market (e.g. comprehensive cold medicine, pain relief, hair growth products, quit smoking, deep scalp treatment, stomach medicine and antacids, skin creams, eye drops etc.) has shown high levels of growth in each year. In the future, as the NHI's budget narrows and the government encourages the public to practice self-medication, the ratio of non-prescription drugs will continue to show significant growth.

b. Pharmaceutical distribution and logistics

To ensure the public's safety and quality in medicine use, the pharmaceutical distribution and logistics industry is highly professional and concentrated. On top of building vast and complex pharmaceutical logistics supply chain system to understand the demands from downstream domestic medical institutions and changes in upstream pharmaceutical suppliers, all distribution and logistics provider also need to receive permits, including the cGMP, PIC/S GDP, ISO from Ministry of Health and Welfare, international ISO certification, and pass rigorous audits from pharmaceutical principals.

D. Product market competition

● Medical device sector

a. Hemodialysis Products

As the hemodialysis is a mature industry, competition is intense both at home and abroad. The Company has achieved a competitive edge since we have acquired sales channels and adopted diversified agency or distributor strategies. Major products are separately described in the following:

- (a) Dialyzers: the Company is an agent distributor for mostly AsahiKasei and FMC. In addition to promoting our own brand, Fasflo, which is a artificial kidney manufactured by AsahiKasei. We also sell numerous other brands in the market.
- (b) Hemodialysis machine: we focus on Japanese-based Nikkiso brand, and we have also strengthened our market competitiveness by acquiring the FMC brand machine from the partner Fresenius.
- (c) Blood tubing set and A.V. fistula needles: focused on supplying the market and creating market segmentation by outsourcing the own brand Fasflo manufactured by JMS in Japan and Sunder Biomedical in Taiwan.
- (d) Dialysates, powders and normal saline: created own brand Renabio and outsourced (OEM) to a renowned pharmaceutical manufacturer in Taiwan to expand the market, and achieve more effectiveness.
- (e) Erythropoietin (EPO): competition is divided between long-term and short-term EPO, and the Company is presently an agent for Kyowa Kirin long-term product. The comprehensive product line makes it more competitive than the others.

b. Surgical consumables and devices

- (a) Outstanding cooperation with Medtronic has prompted us to scale the market, and Medtronic provides a comprehensive range of surgical products ranging from surgical suture, auto suture, energy-based devices, radiofrequency ablation therapeutic devices, bipolar electrosurgical devices (Ligasure), to cordless ultrasonic dissection devices (Sonicision).
- (b) Blood bags: the company sell Japan's JMS brand and supply blood bags to blood centers throughout Taiwan and biotech companies for storing cord blood, approximately 40% of the market share.
- (c) Wound and ostomy: the company sell Hollister brand and supply wound and ostomy medical products to patients in various hospitals around Taiwan.
- (d) Electric beds and air mattress beds: cooperated with a well-known domestic medical equipment manufacturer to OEM manufacture electric beds and air mattress beds to expand the market.

● Aesthetic medical sector

a. Aesthetic medical devices

Taiwan's aesthetic medical laser and light-based equipment industry is mainly focused on importing from overseas, and the source countries are no

longer primarily the European and American global leaders in the aesthetic medical industry. In recent years, manufacturers have largely introduced machines manufactured in Korea, targeting the mid-to-low-priced market. The market share of Korean-made aesthetic medical equipment is estimated to have exceeded 50%, leading to a polarization of treatment prices in Taiwan's aesthetic medical market. There is a need to strengthen consumers' awareness of brand, quality, authenticity, and safety in order to maintain Taiwan's high-end aesthetic medical quality.

Adhering to its core philosophy, the Group steadfastly represents the most competitive and safest high-specification aesthetic medical products internationally. Additionally, the Group has also introduced good Korean brand products, providing more diverse options to enhance competitiveness.

b. Dermal fillers

Major players in the global dermal filler industry include Allergan, Galderma, and MerzAesthetics. In Taiwan, the Group sells the hyaluronic acid dermal fillers developed and produced by SciVision Biotech Inc, which include the brands "Hyadermis" and "Animers." Additionally, the Group also sells the hyaluronic acid fillers "Neuramis" from Medytox, a South Korean company. The availability of different brands and formulations of hyaluronic acid fillers provides customers with a diverse range of choices; in recent years, the Taiwanese market has seen the introduction of many low-priced Korean hyaluronic acid products, leading to increased competition based on price. The overall market sales situation is still being closely observed. In addition, since collagen regeneration stimulators (commonly known as "baby face shots" in Taiwan) are more naturalistic anti-aging treatments, they have come to be much preferred by end-users in recent years. Products in this category currently launched in the Taiwanese market include Sculptra , Ellanse and AestheFill (distributed by the Group). Currently, the aesthetic medical dermal filler market is still growing. The Group adopts an integrated marketing strategy for dermal fillers and aesthetic medical devices, thereby expanding the overall market demand and provides more choices for the aesthetic medical market.

● **Pharmaceutical sales promotion and distribution logistics sector**

a. Industry competitors

(a) Pharmaceutical sales and promotions

Since there are many different types of medicine, each requiring different sales knowledge and vastly different channels, industry competitors have each sought for different niches. The similarities between different competitors are low, and likelihood of complete substitution is also low. Nevertheless, there are over 10,000 types of NHI-benefit medicine and over 1,000 industry competitors in Taiwan. Competitors are many with distinct selling points. There is no market monopoly or oligopoly; therefore, the in-depth knowledge and professionalism in a single department has become a key factor to stand out among competition.

(b)Pharmaceutical distribution and logistics

Since the pharmaceutical logistics and warehousing environment and channels experience require extremely high entry barriers, operating an international pharmaceutical management and channel service requires significant capital investments in order to build top-notch information technology facilities and automated equipment, to recruit and train professional personnel, and to continuously provide on-the-job employee training concerning local and foreign laws and quality management. As such, currently, the pharmaceutical logistics channel industry in Taiwan is concentrated in the market. In addition, to respond to demands from different medicine suppliers, diverse service systems and characteristics have been devised by different distributors. Substitution is low, and distribution and logistics companies need to form tight partnerships with pharmaceutical principals to be able to provide quality supply chain services.

b. Potential market entrants

(a)Pharmaceutical sales and promotions

Since the targets of medicine sales are doctors/physicians at hospitals or clinics and pharmacists, the level of professionalism required and the hours of training for its sales reps are much higher than that of general industries. This is because medicine have patents, professionalism, and exclusive channels. Because of long-term, stable professional training program, our employees are highly qualified and cohesive, we have a relatively high competitive edge. In case other companies wish to expand to this industry, besides acquiring distribution/agency from pharmaceutical principals, they will also need to recruit talented and experienced personnel and team. Therefore, this industry is relatively difficult to enter.

(b)Pharmaceutical distribution and logistics

To comply applicable permits, including the cGMP, PIC/S GDP, ISO from Ministry of Health and Welfare, international ISO certification, and pass rigorous audits from pharmaceutical principals, a pharmaceutical distribution and logistics center needs to build adequate warehousing space for medicine storage and to flexibly adjust in line with market sales. This will allow them to make timely deliveries to the patients in medical institutions, clinics, and pharmacies. Furthermore, pharmaceutical distribution and logistics services also include integrations of participation in tendering processes at hospitals, price negotiation, low-temperature control, clinical and experimental medicine management, restricted medicine management, information flow, cash flow, logistics, and intelligence process flows. Therefore, it is difficult for the general provider to cross over to this industry without sufficient related experiences and economies of scale.

(3) Technology and R&D overview

● **Medical device sector**

Though the Company is not a manufacturer, we separately plan R&D strategies

based on products with National Health Insurance (NHI) coverage benefits and those without. Fields and businesses that are covered by NHI will plan and adjust future products based on the conditions and status of National Health Insurance Administration's insurance benefit policy. In terms of the self-pay medical market, we maintain positive interactions with international principals and actively introduce and market the latest medical devices.

● **Aesthetic medical sector**

Though the Group is not a manufacturer, we do have several educators and product specialists who are dedicated to developing product strategies and providing technical guidance. In addition, operational assistants are also available to help clients to increase the use of consumables.

● **Pharmaceutical sales promotion and distribution logistics sector**

The major businesses that the Group is focused on sales promotions of medicine and professional pharmaceutical supply chain management services. We are focused on acquiring more agency to new products from principals and achieving innovations in distribution, logistics and warehousing management services and supply chain delivery services. The Group has set up product and business development departments that focus on new medicine developments from pharmaceutical principals, and actively evaluate and compete for distribution as well as the creation of new businesses.

In terms of pharmaceutical logistics management, on top of sending employees to participate in professional courses organized by the government and associations, we also receive on-site audits from international quality management experts and professional consulting advice from principals for multiple times in a year. We are aligned with international pharmaceutical management standards and maintain world-class quality standards. Moreover, we also continuously reform and enhance the service quality and benefits we provide to the principals and medical institutions through new systems, new equipment and new processes devised by inter-departmental service R&D programs.

(4) Short-term and long-term business plans

● **Medical device sector**

A. Short-term business development

In 2022, the company acquired 49% equity of NephroCare Limited and Cardinal Medical Services Ltd. in the field of hemodialysis, expanding its network in the hemodialysis channels. Additionally, we will actively pursue for agency of medical products required, aiming to develop a diversified product sales business.

B. Long-term business development

Externally, the Company will integrate medical resources, introduce competitive new products related to medical and healthcare, increase number of strategic partners, continue to expand medical channels, and to expand to the rest of Asia from our base in Taiwan to solidify a long-term, profitable basis. Internally, we will simplify the organizational structure to reduce various administrative and

marketing costs and increase operation performance.

● **Aesthetic medical sector**

A. Short-term business development

- a. Multi-category consumable products to meet the comprehensive needs of the aesthetic medical market.

The Group distributes Korea's Medytox brand, which has two flagship products: Neuronox, an BOTOX injection, and Neuramis, a hyaluronic acid dermal filler. Currently, Neuramis offers two formulations; the new formulation Deep received TFDA approval in July 2024. Using both formulations together allows targeted treatments at different skin layers for various conditions, enabling more comprehensive care. With strong market presence, competitive pricing, and high cost-performance, these products are gaining attention and sales continue to grow.

The Group also plans to actively promote existing consumable products, including star items like AestheFill, a self-ovoid collagen booster, as well as Hyadermis, a particulate hyaluronic acid filler, and Animers, a gel hyaluronic acid filler. By offering diverse consumable products, the Group aims to meet customer needs and drive overall growth in the consumables segment.

- b. Promotion of “PlaDuo P Plasma”

Plasma is the highest energy state of matter, known as the fourth state. Its technology works completely differently from traditional laser treatments because it doesn't rely on absorption media, meaning it isn't limited by skin type. Although plasma has been used in aesthetics medical for years, older Plasma techniques had too much energy and longer recovery times, limiting clinical use. In Q3 2024, the Group launched a new P Plasma that overcomes these limitations, providing painless, scarless skin improvement. It can be combined with various aesthetic treatments for maximum results. The clinic's reputation is growing, and sales are steadily increasing.

- c. Promotion of the Focus Dual Lightning Micro-Needle X Lightning Ultrasound device

The Group will gradually launch in the second half of 2024: Focus Dual Lightning Micro-Needle X Lightning Ultrasound. Focus Dual combines HIFU high-intensity focused ultrasound and RF micro-needle technology, meeting consumer demands for non-invasive and minimally invasive treatments. Its wide application range and high cost-performance make Focus Dual popular among clinics and consumers, boosting the Group's sales momentum.

- d. Expanded Lifestyle Beauty Product Line

In response to market trends, the Group has expanded into lifestyle beauty products. Unlike medical beauty's quick results, these products focus on gentle, nourishing care to protect consumers' skin. We've recently introduced deep-

cleansing and skincare products, and will continue to grow this line to offer more comprehensive services.

e. Lifestyle Beauty Brand Operations

The Group, in partnership with Korea's publicly traded biotech firm Caregen Co., LTD. (KOSDAQ: 214370), has invested in CYJ International Taiwan Inc. (CYJ Taiwan) Through e-commerce and 34 physical stores, they sell the DR CYJ Hair Vitality hair growth series and provide scalp beauty treatments, achieving significant growth in the hair care market. To offer consumers more beauty options, they have expanded into facial cleansing, skincare, and hair styling products, launching a new brand called Yiboo that combines AI technology to deliver a unique facial beauty experience for the modern consumer.

In summary, the Group's short-term goals are focused on expanding sales from product portfolio, and will be dedicated to trending aesthetic medical products with high growth and high margin in order to increase our profit margin. In addition, the Group will stabilize revenues with business development by actively expanding from aesthetic medical and other non-aesthetic medical products. By utilizing our strengths in repairs and maintenance teams, we will also strengthen customer service.

B. Long-term business development

a. Market leader in aesthetic medical products

As a market pioneer, the Group will continue to develop and introduce products that meet the latest and safest aesthetic medical trends to provide a comprehensive range of skin and slimming aesthetic medical products. We will expand our product range and contents to achieve the goal of becoming a leader in aesthetic medical market in Taiwan.

b. Establish a comprehensive aesthetic medical consumables product line

The Group establishes the four major star products in the aesthetics medical industry "laser/IPL"," body sculpting/skin tightening"," Botox injections" and "subdermal fillers". With stable growth in the fields of "laser/IPL"," body sculpting/skin tightening" and "subdermal fillers" in the aesthetics medical sector, the Group is actively expanding its product in the field of " Botox injections ". This strategic expansion aims to meet the diverse beauty needs of consumers. By providing a wide range of products, the Group aims to cater to the evolving demands of its customers and enhance customer loyalty.

c. One-stop aesthetic treatment provider

The Group is actively developing e-commerce channels. Scalp and skin beauty products are sold through lively and diverse marketing strategies that meet customer needs. In addition, to provide head-to-toe "beauty services" for customers, the Group will actively integrate resources for beauty treatment services from "Excelsior Beauty" and "DR CYJ", "Beauty At Ease" channels and provide one-stop "beauty" experiences to customers.

In summary, the Group's long-term development plan is focused on continuing to introduce competitive aesthetic medical consumables and products with new technologies and trends. The Group will develop and expand the channels for hair growth treatment and enhance the overall competitiveness and professional image in the Asian aesthetic medical market.

● **Pharmaceutical sales promotion and distribution logistics sector**

A. Short-term business development

Pharmaceutical sales and promotions

a. Prescription drugs

Reinforce the existing product portfolio related to internal, family, dermatology, and ophthalmology, such as hypertension, anti-infectives, anti-allergic, and gastrointestinal medications.

In 2023, the Group will expand into the fields of psychiatry, obstetrics and gynecology, and urology, establishing dedicated sales teams for medical centers and regional hospitals.

The Group will also expand into the self-pay market for influenza antivirals and sleep disorder treatments.

b. Non-prescription drugs

Refine operation of non-prescription drugs by expanding product lines at existing channels for hair growth products, scalp care, quit smoking, oral care, analgesics, cold medicine, stomach and antacids, dermatological treatment and more.

Pharmaceutical distribution and logistics

a. Reinforce the Group own national cold chain and temperature-regulated delivery fleet. To ensure the quality and safety of temperature-sensitive products, temperature control and inspection will be conducted from purchasing, storage, packaging, tallying, to delivery to the medical institutions.

b. Besides serving the existing pharmaceutical principals and CDC, the Group will also adopt differentiated strategies to segment the market. Needs from various major hospitals will be aligned with the pharmaceutical principals in order to develop more competitive value chain services. The Group will strive to acquire distribution and logistics services from domestic and foreign pharmaceutical principals and clinical medicine companies.

B. Long-term business development

Pharmaceutical sales and promotions

Besides expanding the product lines to become more well-rounded, we will actively seek for strategic partners and plan to horizontally expand into other related specialist fields. Concurrently, by relying on the long-term development with the Excelsior Group, we will seek agency and investment, and channel sales and promotions of related pharmaceutical products. The Group will introduce international high-quality medicine to local niche markets to achieve special

synergistic, competitive strengths.

Pharmaceutical distribution and logistics

- a. Build and expand high-quality, high-efficiency, and high-satisfaction international-scale temperature-controlled logistics center; sign long-term contracts with pharmaceutical principals and develop more partners; connect the medical service systems with major hospitals throughout Taiwan to expand the value chain and to provide even more quality services.
- b. Continue to invest toward developing automated IT and warehousing management system; maintain leading strengths and service standards by providing customized information and effective delivery; and provide even better information and more satisfying logistics services for pharmaceutical and medical device suppliers.
- c. Form strategic cooperation with local transportation companies to build an integrated logistics service with professional division of work and synergies in business. The Group will mutually expand and optimize the efficiency and quality of distribution and logistics services in Taiwan in order to enhance operational performance.

2. Market and Sales Overview

(1) Market analysis

A. Major products and service regions

Unit: NTD\$ thousands

Region \ Year	2023		2024	
	Sales amount	%	Sales amount	%
Domestic Sales	7,890,280	96%	8,067,217	94%
Export Sales	343,124	4%	471,329	6%
Total	8,233,404	100%	8,538,546	100%

B. Market share

● Medical device sector

- a. Below are separate descriptions of the product market shares for sales and marketing of hemodialysis products that the Company sells, which are distributed to hemodialysis centers, hospitals and clinics throughout Taiwan:

Product Category	Product Brands	Market Share
Dialyzer	Asahikasei, FMC, Nikkiso, Scientillence、BBRAUN	approximatrlly 30%

Blood tubing set	FASFLO, Sunder
A.V. fistula needle	FASFLO, Sunder
Dialysate	CHI SHENG, E-STRONG
Transducer Protector	Sunder
Hemodialysis machine	Nikkiso, FMC

- b. The major products from the range of surgical consumables that the Company sells on behalf of Medtronic are auto suture and energy-based devices. Currently, nearly all medical institutions with operating rooms in Taiwan are our customers:

Product Category	Product Brands	Market Share
Auto suture and energy-based devices	Medtronic	approximatrly 60%

● Aesthetic medical sector

The Group aims to build a comprehensive aesthetic medical industry chain, providing customers with medical and lifestyle beauty equipment, consumables, equipment maintenance, as well as lifestyle beauty treatments and services. Currently, there are no similar industry data or sales statistics available domestically.

Based on DMT's 2023 revenue of NT\$1.59 billion, and according to the statistics from Medical Insight Inc. that the overall Asia-Pacific aesthetic medical market sales amount to US\$4.5 billion, DMT's revenue is estimated to account for approximately 1% of the Asian market.

● Pharmaceutical sales promotion and distribution logistics sector

Currently, we serve customers throughout Taiwan and the outlying islands including Penghu, Kinmen, and Matsu. Our customers include medical centers, regional hospitals, local hospitals, clinics, pharmacies, and hypermarkets. Based on data from IQVIA, in terms of promotions for specialized areas, the Group owns the No. 1 market share in marketing and promotions for specialized divisions such as erectile dysfunction, while our hair growth and quit smoking products have also achieved market leadership positions.

C. Future supply and demand of the market and its potential

● Medical device sector

a. Medical device market

In perspective of supply, major production regions for medical devices worldwide include America, Europe, and East Asia. In terms of country, the United States, Japan, and Germany are the key players in global medical devices industry. Since the aforementioned three countries have been developing this industry for many years and both scaled their businesses as well as continue to

invest in R&D in each year to innovate products to satisfy the latest medical needs, as well as having achieved various product patents and certifications around the world, they can maintain their market leader positions in terms of supply in the precision medical devices market.

As for demand, most of the need for medical devices come from developed countries, and there is a high positive correlation between the medical and healthcare needs and income. As the economy grows, gross domestic product (GDP) increases and social medical insurance becomes more comprehensive, the percentage of medical expense on the national income also increases accordingly. Therefore, developed countries would have the highest need for healthcare.

The Industrial Economics & Knowledge Center (IEK) from the Industrial Technology Research Institute (ITRI) has also indicated in its research report on healthcare industry development that, as we approach an aging society, the need to care for patients with chronic illnesses and related medical expenses will increase year-by-year. The global populations aged 65+ will reach a peak between 2011 to 2029, and this will rapidly change the structure of the population pyramid, leading the percentage of overall medical and healthcare expenditure on the GDP to grow in each year. Thereby leading to substantial needs for medical devices and related healthcare products, the medical device industry is expected to show robust growth in line with aging societies and the gradual awareness for health around the world.

b. Taiwan's hemodialysis market

In terms of supply, according to reports from the Central Health Insurance Administration and the Taiwan Kidney Medical Association, there are 778 dialysis clinics in Taiwan. The northern region (including Eastern District) has the most at 353, followed by the southern region (including outlying islands) with 222, and the central region with 203. These include 27 medical centers, 63 regional hospitals, 171 local hospitals, and 517 clinics. Overall, the number of dialysis centers has remained stable.

Regarding demand, thanks to Taiwan's National Health Insurance system, the cost for end-stage renal failure patients to undergo dialysis has been significantly reduced, allowing long-term treatment. With advancements in dialysis technology and quality, patient survival rates have improved. According to data from the Taiwan Kidney Foundation, the total number of dialysis patients has reached 97,000, with an annual growth rate of about 1.3% over the past five years, indicating steady growth in dialysis patients.

● Aesthetic medical sector

In terms of supply, China's Aesthetic medical equipment and injectable fillers mainly rely on imports from Europe, America, and South Korea. On the demand side, the medical aesthetic market is highly related to income levels. Different age groups and treatments include tightening and lifting for mature adults, collagen

and skin brightening treatments for those over 25, and contouring procedures for shape sculpting. With social media spreading information faster and more transparently, more consumers now view medical beauty visits as part of their regular beauty routine, driving market growth.

● **Pharmaceutical sales promotion and distribution logistics sector**

a. Pharmaceutical sales and promotions

(a) Estimates based on data from IQVIA have indicated that, the CAGR of pharmaceutical market in Taiwan can be maintained at steady 3-5%. Moreover, since Taiwan has reached an aging society and citizens' average life expectancy is over 80 years old, medicine use for chronic illnesses will gradually increase, making the pharmaceutical market in Taiwan a steadily growing market.

(b) Since the approval and launch of new medicine from major international pharmaceutical principals are often slow, coupled with patents from numerous best-selling medicine expiring, it has become necessary for many international principals to cut down on HR costs and operating expenses to effectively control costs in dealing with price competitions from generic drugs. Furthermore, as the expenditure of NHI medicine are reduced, many of the international pharmaceutical principals that operate in Taiwan are choosing to outsource their sales and promotions in the future. The possibility of collaborating with specialized channel with high coverage is also increasing accordingly. In other words, having a specialized, long-term operated professional team is the critical factor to achieving specialized treatment fields. Besides creating the maximum value and benefits in the industry, it also makes the Group the most competitive, unique, and difficult to imitate or replace.

b. Pharmaceutical distribution and logistics

(a) Drastic changes in business models of pharmaceutical principals; increasingly reliant on outsourcing

Since the approval and launch of new medicine from major international pharmaceutical principals are often slow, coupled with patents from numerous best-selling medicine expiring, it has become necessary for many international principals to cut down on costs in dealing with price competitions from generic drugs. In addition, under Taiwan's National Health Insurance system, the National Health Insurance Administration has come to dramatically reduce medicine expenditure every other year, leading major foreign pharmaceutical principals have come to utilize external resources and strengths by outsourcing both pharmaceutical storage and management and delivery to large-scale professional logistics distributors to significantly reduce their own operating costs and to enjoy quality services under a professional division of work system. Having established a trend of outsourcing distribution and logistics management, the multinational pharmaceutical principals can better focus on their core competences. Their reliance on distribution and logistics companies capable of accepting and

integrating logistics and distribution services and have mapped out comprehensive, high-coverage channels, will only continue to grow. Providers capable of meeting compliant standards will also become more concentrated.

(b) Sustainable development of the National Health Insurance system

To promote the sustainable development of the NHI system, besides amending relevant benefits system, the National Health Insurance Administration has also reduced the expenditure of NHI medicine and materials. This has already impacted the revenues of medical institutions, and to reduce operating costs and enhance service quality, more and more hospitals have opted to outsource non-core businesses. Following this trend, hospitals will have even higher demands and form more partnerships with providers capable of integrating the pharmaceutical supply chain.

D. Competitive niches, favorable and unfavorable factors for future development and countermeasures

a. Competitive niche

● **Medical device sector**

Through establishing a comprehensive channel system using healthcare management model and building positive, symbiotic relations with both domestic and foreign medical manufacturers, the Company can solidify its position between the demand side and the supply chain and is in a better position to acquire quality products at lower price. As a whole, the Company has a more competitive niche over the industry competitors.

● **Aesthetic medical sector**

Having built mutual-beneficial relations with both domestic and foreign aesthetic medical suppliers for many years, the Group has a firm presence in the supply and demand chains. Since we provide many products and services, including “laser/IPL”, “body sculpting/skin tightening”, “Botox injections” and “subdermal fillers”, we can provide more diverse and competitive products and services to customers.

All engineers in our excellent repair and maintenance team have received equipment repairs and maintenance training from both principals and the Group. In addition, the Group has a complete range of parts and components, and all service calls can be completed within 48 hours. On top of positive reviews from customers regarding our quality and speed of repair/maintenance, we have also gained many accolades from the principals.

Equipped with a marketing and education/training team, most of our training concerns specifications and operation, advertising and promotions. We also organize various education and training courses for beauty consultants and nurses, and collaborate with the principals to instruct doctors to use aesthetic medical devices. In addition, we also cooperate with major medical centers throughout Taiwan to train doctors’ professional skills in laser treatment.

The Group has a dedicated marketing and training team. The main content of their training program includes instruction on the specifications and usage of medical equipment, advertising and marketing guidance, various educational training courses targeted at beauty consultants and nursing staff, collaborative guidance with original equipment manufacturers to train doctors on the professional operation of related medical devices

All in all, the Group's core abilities lie in leading market trends, enhancing marketing services, providing quick repair/maintenance services, and sparing no effort in operational consultation. We provide continuous service to support customers' market competitiveness, and have a better competitive edge over our industry competitors.

● **Pharmaceutical sales promotion and distribution logistics sector**

(a) Strong pharmaceutical sales network

The Group's pharmaceutical sales network is extensive in both breadth and depth. Our customers include medical institutions of varying hierarchy, clinics, chain drugstores, single-store pharmacies, and hypermarkets (currently, we have nearly 10,000 customers and cover almost 12,000 sites), enabling us to provide strong channel coverage and specialized promotional teams of international service standards for principals.

To maintain competitive strength and quality customer service, all members of the sales team use the latest technological tools (e.g. tablet computers and cloud-based sales management system). Besides comprehensively providing real-time marketing information, the customer relations management (CRM) system also provides real-time updates on professional knowledge including international medical conferences, clinical reports, product information, and new medical knowledge to doctors and pharmacists, thereby enhancing our service speed and efficiency.

(b) High barriers to entry in professional fields

The Group has been deeply involved in the treatment of erectile dysfunction in family medicine and urology for many years. Due to the professional and experienced sales capabilities of the management team, this core expertise is not easy for competitors to copy. Coupled with the reinforcement of peripheral products, the products are more complete and competitive.

(c) The Group's highly integrated medical channel operations help to create synergies

Having years of experience in marketing and sales, our Marketing and Sales team works closely with various departments, including New Product Development, verification and Registration, Customer Service, Tender, Channel Development, Legal Compliance, and IT. We also actively participate in medical conferences in each year to understand the latest pharmaceutical development and seize new trends and opportunities in product development. In addition, by utilizing the Excelsior Group's strong resources in Taiwan's

medical market, our expansions into various medical channels in Taiwan have been very competitive.

(d) High customer satisfaction

Having achieved high customer satisfaction over the years, our market shares have often trumped products in the same categories, which helped us to win positive recognition from the pharmaceutical principals. In addition, to give back to the community, we also strove to provide healthcare education to communities as well as continuing education for medical professionals, winning many praises from National Pharmacist Pharmacy.

(e) Service quality meets international standards

Partners of the Group are all renowned major international pharmaceutical principals. Due to their rigorous requirements for pharmaceutical storage and delivery, audits from international quality management experts would be carried out by the pharmaceutical principals in each year. Relevant evaluation on service performance is also conducted. Our service performance and audit results have both satisfied our partners, indicating that besides meeting local service requirements, our service quality are also on a par with international standards.

b. Favorable factors affecting the Group's development prospects

(a) Government actively supporting biotech industry, and medical industry has a favorable prospect

The "Three-Year Spring Plan of the Economy Development Vision 2015," approved by the Executive Yuan in 2006, has listed the biotechnology industry as a "key development manufacturing industry". The "Biotech and New Pharmaceutical Development Act," announced in 2007, encourages private investment in an effort to focus on developing the biotech industry. It is expected to drive economic transformation in the future. Fundamentally speaking, the government's proactive attitude will help to develop industries related to medical and healthcare.

(b) Increases in GDP, changes in lifestyle, and the aging society

In recent years, the national GDP in Taiwan has continuously increased in line with economic growth. The public is increasingly focused on healthcare, leading to significant increase in the demand for medical devices and products from related healthcare businesses. Statistical data from the Ministry of the Interior, Executive Yuan has indicated that, as of 2024, 4.48 million of Taiwan's population was aged 65 or more. This new historical record accounts for 19.18% of the total population. It can be anticipated that the increasing severity of the aging population issue in Taiwan will expand the demand for domestic and foreign medical products, leading to even better development opportunities for healthcare related industries.

(c) Sound financial structure helps business expansion

After going through public issuance processes, the Company and Group

are now aligned with the capital market and our shares are now either listed on the TWSE or the TPEX. These efforts indicate our operation efforts are obvious, and that our shareholding structure is robust. With sound management and indications of industry value, we can further cultivate the medical business in the future.

(d) Effective resource integration

The Company's management philosophy is to build a comprehensive medical and healthcare enterprise. In essence, the Company operates as a system integration channels distributor. Hence, the Group has adopted diverse agency means to acquire distribution rights of quality products through investments, and in line with diverse marketing and management and consulting services provided to medical institutions, we have extended our core business and cultivated the market channels, allowing us to effectively provide comprehensive services to our customers. In the future, we will guide high-quality medical services around the world to enter multinational markets.

(e) Talent employee development, better benefits system, and building strong employee cohesion

On top of continuously building our market competitiveness, we also strive toward developing talent employee. Through diverse training methods including new employee training, professional skills training, management skills training, and team-building, we have developed employees' professional skills, leadership skills, innovative thinking, and management capabilities. Furthermore, to reward employees and to build teamwork, we also regularly organize activities such as annual employee travels and Excelsior Family Day to show teamwork among employees and to foster employee cohesion

c. Unfavorable factors affecting the Group's development prospects

(a) Risk of exchange rate fluctuations

The foreign exchange market experienced dramatic fluctuations in line with global economic changes in 2024. The Company is in an industry with foreign exchange needs, and holds different currencies due to different procurement sources. Therefore, we hold an appropriate portfolio of foreign exchange to seek for the greatest hedging possibility. Relevant countermeasures are as follows:

- i. Purchase forward foreign exchange based on business needs.
- ii. Building consensus with suppliers to mutually share foreign exchange risks; in case the fluctuation in foreign exchange increases, we will renegotiate product prices with suppliers, or to transact with the contracted, fixed exchange rate.
- iii. Adding price differentials due to foreign exchange into the price quotation system to protect the interest.
- iv. The finance department will adjust foreign exchange positions based on fluctuations in foreign exchange.
- v. The hedging of foreign currencies are alternatives to one another, and can be

procured using Euros, USD, and JPY, and will adjust our procurement portfolio based on their relations to NTD.

(b) High product concentration and reliance

Currently, the medical market in Taiwan mostly relies on imports, and we sign distribution contracts with overseas suppliers. In case changes to distribution rights occur, the Company's operations will be affected. Countermeasures to which are as follow:

- i. Win over overseas quality suppliers through our sales performance, and to form a buyer's market through our solid channel strengths, so that overseas suppliers will not easily consider changing distributors from a revenue perspective.
- ii. Form cooperation with upstream suppliers to jointly operate and expand the market through profit-sharing.
- iii. Co-host academic courses with foreign manufacturers, conduct clinical research with medical centers, and establish an Asia-Pacific Teaching Center so that manufacturers will be more reliant on the Group and would need to assist us to develop regional markets.

(c) NHI adopts global budget payment system and shrinks profitability from the medical industry

Though financial challenges for the National Health Insurance Administration were somewhat alleviated due to supplementary premium, but the medical institutions are still faced with pressures related to point values for NHI benefits, leading to unstable revenues in each specialization. This practice will impact the medical industries in Taiwan, and relevant countermeasures are listed as follows:

- i. Reduce the ratio of NHI benefit products and introduce self-pay products such as healthcare home appliances and long-term care.
- ii. Practice market segmentation through providing more delicate and professional self-pay aesthetic medical services, and to expand the market to other overseas Chinese markets.
- iii. In response to expected patent expiration of pharmaceutical products, on top of searching for new items to strengthen our product portfolio, by relying on our unique specialization marketing, we can also effectively, vertically integrate the resources from specialized products from upstream pharmaceutical principals with the demand from downstream end-users. This will also help the Group to practice effective cost control.

(2) Important uses of the main products and the production process

A. Major products in the medical industry include hemodialysis, healthcare home appliances, medical devices, blood bags, wound and ostomy and surgical consumables. Below are descriptions of their important uses:

- a. Hemodialysis products: a kidney disease patient cannot filter water and unwanted nitrogen, creatinine, and uric acid from the human body. By using the hemodialysis machine and dialyzer to filter blood, the patient can regain

short-term physical functions.

b. Blood bags: used to store blood.

c. Wound and Ostomy: after gastrectomy, patients use ostomy in place of the anus or urethra in excrement.

d. Surgical consumables: medical devices and consumables used on patients in surgeries.

B. Major products from aesthetic medical industry are energy-based devices and consumables, which can convey beauty to the users once operated by professional doctors, so that users can achieve physical and mental well-being.

C. The main products of the pharmaceutical sales promotion and distribution logistics industry include prescription drugs, over-the-counter medications, and health consumer products. These are promoted along with customer service, bidding, information, cash flow construction, and warehousing logistics services to achieve comprehensive supply chain integration.

D. The Company and the Group are not manufacturers, and do not have production line processes.

(3) Supply of key material

Neither the company nor the group is a manufacturer, so it is not applicable.

(4) Customers that accounted for more than 10% of the total sales in any of the last two years

A. Major customers' information

Unit: NT\$ thousands

	2023				2024				As of March 31, 2025			
Item	Name	Amount	Percentage of Net Sales (%)	Relationship with Issuer	Name	Amount	Percentage of Net Sales (%)	Relationship with Issuer	Name	Amount	Percentage of Net Sales (%)	Relationship with Issuer
1	Bestchain Healthtaiwan Co., Ltd.	2,520,789	36	Associate	Bestchain Healthtaiwan Co., Ltd.	2,471,348	34	Associate	Bestchain Healthtaiwan Co., Ltd.	601,795	33	Associate
2	Excelsior Renal Service Co., Limited	736,106	10	Associate	Excelsior Renal Service Co., Limited	775,076	11	Associate	Excelsior Renal Service Co., Limited	183,578	10	Associate
	Others	3,828,543	54		Others	4,026,156	55		Others	1,057,303	57	
	Net Sales	7,085,438	100		Net Sales	7,272,580	100		Net Sales	1,842,676	100	

B. Major suppliers' information

Unit: NT\$ thousands

	2023				2024				As of March 31, 2025			
Item	Name	Amount	Percentage of Net purchases (%)	Relationship with Issuer	Name	Amount	Percentage of Net purchases (%)	Relationship with Issuer	Name	Amount	Percentage of Net purchases (%)	Relationship with Issuer
1	MEDTRONIC (TAIWAN) LTD.	2,107,529	34	None	MEDTRONIC (TAIWAN) LTD.	2,187,843	34	None	MEDTRONIC (TAIWAN) LTD.	545,640	35	None
	Others	4,044,872	66		Others	4,247,039	66		Others	1,018,748	65	
	Net purchases	6,152,401	100		Net purchases	6,434,882	100		Net purchases	1,564,388	100	

3. Employees

(1) The following table summarizes the company's workforce as of the printing date of the annual report

Year		2023	2024	As of March 31, 2025
Number of employees	Manager level and above	139	140	145
	Staff level	788	899	916
Total		927	1,039	1,061
Average age		36.26	35.81	36.44
Average years of service		7.59	6.93	7.20
Education background	Ph.D	0.11%	0.10%	0.09%
	Master	5.07%	5.87%	5.94%
	Bachelor	73.68%	72.86%	72.95%
	Senior High School	16.61%	16.17%	15.93%
	Below Senior High School	4.53%	5.00%	5.09%

(2) Certification of employees whose jobs are related to the release of the company's financial information

Certified Internal Auditor (CIA) : 1 person.

4. Disbursements for Environmental Protection

Total losses (including damage awards) and fines for environmental pollution during the most recent years and up to the date of publication of the Annual Report, and the measures (including corrective measures) and possible expenditures to be made in the future: None.

Relevant information in response to the EU Restriction of Hazardous Substances (RoHS): Not applicable.

5. Labor Relations

(1) Employees' welfare policies, continuing education, training, retirement system and its implementation, as well as employment negotiations, and employees' rights and interests

A. Company benefits and measures

- Labor insurance: carried out in accordance with regulations from the Labor Standards Act.
- National health insurance (NHI): carried out in accordance with regulations from the National health Insurance Act.
- Group insurance: The Company covers full group insurance, which includes employees' regular life insurance, accident insurance, hospital medical insurance and occupational injury insurance.
- Employee health examination: To ensure the health and safety of our employees,

the Company regularly organizes free health checkup in every year to assist employees to understand the subtle changes in their bodies.

- e. Employee compensations: Pursuant to the Company's Articles of Incorporation, in case profits are made in a year, the Board of Directors will propose no less than 1 percent of the profits as compensations for employees. The compensations will be approved by the Board of Directors meeting and submitted to the Shareholders' Meeting.
 - f. Year-end bonus: To be appropriated based on the Company's operational performance of the year. The bonus will be appropriated before Lunar New Year and calculated based on the period of an employee's employment with the Company. Targets of bonus will be current employees at the time of distribution.
 - g. Employee benefits system and status (using the Company as an example)
 - (a) 1% was appropriated from the Company's total capital when it was founded.
 - (b) 0.075% is appropriated from the Company's total monthly operating revenue.
 - (c) 0.5% is appropriated from the monthly pay of each employee.
 - (d) Benefits are used toward: benefits and subsidies (marriage, childbirth, employee's birthday, funeral/disease subsidies, and emergency relief and more), activities (employee travels, birthday parties, club activities, and arts and cultural activities etc.), other benefits such as Dragon Boat Festival, Mid-Autumn Festival, and year-end party and more.
- B. Continuous education and training
- a. New recruits
 - (a) The HR Office will walk the new recruits through work rules, provide a company overview, and introduce them to the office environment and acquaint them with coworkers on their first day at the Company.
 - (b) New employee training courses are regularly held by the HR Office, and the courses include: an introduction to the Company's organization and departments/responsibilities, various internal management procedures, Employee Welfare Committee, IT system, network environment, and NOTES system.
 - b. On-the-job training: annual training budget is prepared for all employees, and on-the-job training is coordinated by the HR Office on a quarterly basis.
 - c. Professional training: 1 or 2 sessions of professional training for Company products are provided by product supplier in each year.
 - d. The Group organizes "teaching by experience" internal training via the HR Office on a monthly basis. In addition, the Group also provides additional continuous studies courses to employees based on business needs

C. Retirement system and measures

Retirement system and measures: pursuant to regulations from the Labor Standards Act, 2% is appropriated from the total wage of employees applicable for the pension scheme on a monthly basis, and deposited at dedicated accounts at CTC pursuant to legal regulations. Starting from July 1, 2005, retirement system is implemented in compliance with applicable regulations from the Labor Pension

Act.

(1) Voluntary Retirement Eligibility

Employees who meet any of the following conditions may apply for voluntary retirement:

At least 15 years of service and 55 years of age.

At least 25 years of service.

At least 10 years of service and 60 years of age.

(2) Retirement Application Procedure

Employees must submit a retirement application at least one month in advance by completing the "Retirement Application Form" and obtaining the necessary approvals. Once approved, the form must be submitted to the Human Resources Department to process the retirement payment. Retiring employees must complete all required offboarding procedures before their retirement date.

(3) Retirement Pension Payment Regulations

Retired employees shall receive pension benefits calculated based on their years of service. For each full year of service, two units shall be granted. For service exceeding 15 years (i.e., more than 30 units), one unit shall be granted for each additional year. The total number of units shall not exceed 45. Service periods of less than six months shall be counted as half a year; six months or more shall be counted as one full year. The unit value for pension calculation shall be based on the employee's average monthly salary at the time of approved retirement.

(4) Retirement Pension Payment Regulations

Retired employees shall receive pension benefits calculated based on their years of service. For each full year of service, two units shall be granted. For service exceeding 15 years (i.e., more than 30 units), one unit shall be granted for each additional year. The total number of units shall not exceed 45. Service periods of less than six months shall be counted as half a year; six months or more shall be counted as one full year. The unit value for pension calculation shall be based on the employee's average monthly salary at the time of approved retirement.

(5) Retirement Fund Contribution Method

The company contributes to the retirement fund in accordance with the "Labor Pension Act" as follows:

For employees who choose the retirement system under the Labor Standards Act and wish to retain service years accumulated before switching to the Labor Pension Act, the company shall calculate the contribution rate for the retirement reserve based on actuarial factors including the number of employees, salary levels, years of service, and turnover rate. Contributions shall continue to be made monthly for five years in accordance with Article 56, Paragraph 1 of the Labor Standards Act to ensure sufficient funding for retirement payments.

For employees who choose to be governed under the Labor Pension Act, the company shall contribute 6% of the employee's monthly salary into their individual pension account, based on the "Graded Contribution Table of Monthly Wages" as stipulated in the Labor Pension Act.

D. Employment negotiations

We have always persisted in a mission to care for our employees. We adopt bilateral communications for policy advocacy, employee opinion and employee coaching, and we also regularly organize employment meeting as a channel of bilateral communications. This helps the Company to achieve mutual cooperation, quality improvements, employee competency enhancements, employment conditions improvements, as well as to protect employees' rights and interests, enhance employees' benefits, to look after their daily lives, and to assist the government to implement policies.

E. Measures for protecting employees' rights

On top of establishing the legally stipulated Employee Welfare Committee and Supervisory Committee of Labor Retirement Reserve to coordinate employee benefits and the planning, appropriations, safekeeping, usage, and related legal standards related to pension reserve as well as to serve as channels of communication with the Company, all measures to protect and implement employees' rights and benefits are carried out pursuant to legal standards.

F. Employee code of conduct or ethics

The Company has formulated Employee Work Rules and Information Technology Security Policy as the basis for compliance during employees' day-to-day work and conduct. Employees shall abide by the following Ethical Corporate Management Best Practice Principles:

- a. When engaging in commercial activities, employees shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, facilitation fees, or otherwise offer or accept improper benefits to or from customers, agents, contractors, suppliers, public servants, or other stakeholders. However, this is not limited to actions that comply with local regulations.
- b. When making or offering donations and sponsorship, employees shall comply with relevant laws and regulations and internal operational procedures and shall not surreptitiously engage in bribery.
- c. When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, employees shall comply with the Political Donations Act and the Company's own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.
- d. Employees shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

G. Protective measures of employees' work environment and employee safety, and

implementations

To fulfill corporate social responsibility and to protect the safety of our employees, and seeking the provision of a safe, healthy, and comfortable work environment as our goal, the Company is fully committed to advocating for occupational safety and health policy to foster a positive awareness in our employees and to maintain their physical and mental health.

The following relevant measures have been implemented:

- a. Strengthen occupational training to reduce potential workplace hazards and decrease occurrences of occupational hazards.
 - b. File labor insurance, national health insurance, and group insurance for employees and to establish an Employee Welfare Committee. Organize employee health checkup in every year
 - c. Conducts fire safety campaigns twice a year to implement various disaster prevention and contingency responses.
 - d. Impose strict access control to ensure the personal safety of employee.
 - e. According to § 22 of the Occupational Safety and Health Law, employers provide working workers with the most basic health checkup protection. Since 2024, the company has entrusted the nursing personnel of Xin Tai General Hospital to provide on-site services, such as post-health checkup report evaluation interview, Health consultations and lectures, etc., are for physicians to visit at least twice a year for 2 hours each time, and for nursing personnel at least twice a month for 2 hours each time.
- (2) Losses arising from labor disputes in the most recent year up to the publication date of this Annual Report and disclosure of potential current and future losses and countermeasures therefrom: None.

6. Cyber Security Management

(1).Cyber security policies framework

In 2022, the company established an Cyber Security Management Section. In accordance with the current information security management regulations and guidelines for listed companies, the Company has proceeded to comprehensively strengthen the formulation of the company's information security policies and organizational planning. A complete set of information security-related policies has been developed and will be promulgated and implemented in 2023. During this period, the Company will regularly promote information security awareness and continue to train employees to enhance their knowledge and strengthen their sense of responsibility regarding information security. This is to maintain the secure and stable operation of the Company's mission-critical business information systems. The Company officially obtained the ISO/IEC 27001:2023 international information security certification in 2024 to strengthen the implementation of information security standards.

(2).Specific cyber security management

All employee, outsourced supplier and information systems operators are required to adhere to the guidelines for executing computer processing cycles, and cyber security management measures include:

- (a).Account and Password Management Procedures, and Access Control Management
- (b).System Development and Maintenance Management Procedures
- (c).Information System Access and Authorization Regulations
- (d).Network Security Management Procedures
- (e).Operation Continuity Management Procedures
- (f).System recovery plan
- (g).Information Security and Personal Data Incident Management Procedures
- (h).Physical and Environmental Security Management Procedures
- (i).Cyber security policies
- (j).Outsourced Supplier Management Regulations
- (k)Information Operations Outsourcing Management Procedures
- (l)External Information System Usage Management System
- (m) Information Equipment Disposal Management Procedure

Cyber Security Management Section periodically publishes and promotes cyber security messages to enhance the awareness of cyber security risks among employees. Regular cyber security audits are conducted semi-annually among employees, accompanied by education and training on basic cyber security measures and awareness. The company's host servers and other terminal devices are equipped with antivirus software, and the deployment of antivirus codes and policies is centrally managed by dedicated server administrators. In 2024, The company actively evaluated MDR for real-time security monitoring and protection to strengthen and effectively reduce the risk of operation interruption. In addition, the company has established a backup environment for core business information systems, including daily tape backups and a backup system located in the Kaohsiung office, which operates in sync 24/7. This setup prevents operational disruptions in case of any issues with the core information systems. The company places great importance on data security. Data is backed up daily through

network-attached storage (NAS) servers and also backed up on tape drives and weekly backup tapes are stored in secure off-site safes. The tapes are stored offsite on a weekly basis, with rotational backups performed in batches. Regular offsite backups of data from different regions are conducted weekly to prevent any unknown forms of cyber security risks and ensure the integrity and security of important data. The company conducts offsite backup recovery drills for core information systems every six months and offsite system restoration drills every two years to ensure the normal operation of the backup and recovery information system environment.

(3).Notification of cyber security incident

In recent years, up until the printing of the annual report, the company has consistently strengthened internal and external cyber security awareness. We have progressively developed an incident reporting and response mechanism for cyber security incidents to ensure proper response, control, and handling of such events. Thanks to the efforts of all employees, we have had no significant cyber security incidents or any financial and operational losses caused by security incidents in 2024.

7. Important Contracts

All important contracts that could affect shareholder rights as of the date of printing of the annual report, including supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and others.

(1) The Company

Nature of contract	Counterparty	Terms of contract	Content	Restrictive clauses
Procurement and agency / distribution contract	AA Company	2025/01/01~2025/12/31	Hemodialysis machine	None
Procurement and agency / distribution contract	AB Company	2020/04/01~2025/03/31 (In negotiation)	Licensed distribution of dialyzers	Restricted to sales in Taiwan
Procurement and agency / distribution contract	AC Company	2024/10/01~2026/12/31	Agency for long-lasting Erythropoietin (EPO) and Cinacalcet	Restricted to sales in channels from hemodialysis clinics (with exception of package sales in hospitals)
Procurement and agency / distribution contract	AD Company	2024/01/01~2026/12/31	Hemodialysis blood tubing set and A.V. fistula needles	Restricted to sales in Taiwan
Procurement and agency / distribution contract	AE Company	2024/01/01~2026/12/31	Blood bags	Exclusive distribution in Taiwan
Procurement and agency / distribution contract	AF Company	2024/05/17~2025/04/25 (In negotiation)	Surgical consumables	None
Procurement and agency / distribution contract	AG Company	2023/01/01~2025/12/31	Licensed distribution of dialyzers	Restricted to hospitals/ clinics
Procurement and agency / distribution contract	AH Company	2025/01/01~2025/12/31	Dialyzers, hemodialysis machine and consumables	Distribution channel limited to hemodialysis centers within joint venture companies
Agency / Distribution contract	AI Company	2023/01/01~2027/12/31	Hemodialysis blood tubing set	Exclusive sales in Taiwan
Commissioned manufacturing Contract	AJ Company	2025/01/01~2034/12/31	Production of hemodialysis concentrated solution	Including warehousing and logistics
Supply Agreements	AK Company	2025/01/01~2025/12/31	Blood bag distribution contract	None
Supply Agreements	AL Company	2022/01/01~2025/06/30	Long-lasting Erythropoietin (EPO)	None
Supply Agreements	AM Company	2023/08/01~2026/07/31	Hemodialysis consumables and devices	
Supply Agreements	AN Company	2022/12/28~2025/10/31	Hemodialysis consumables and devices	
Supply Agreements	AO Company	2025/01/01~2025/12/31	Dialyzers, hemodialysis machine and consumables	Distribution channel limited to hemodialysis centers within joint venture companies
Package contract	AP Company	2020/12/01~2025/11/30	Hemodialysis consumables and devices	None
Package contract	AQ Company	2025/03/01~2031/02/28	Hemodialysis consumables and devices	None
Package contract	AR Company	2023/11/01~2029/10/31	Hemodialysis consumables and devices	None

Nature of contract	Counterparty	Terms of contract	Content	Restrictive clauses
Package contract	AS Company	2022/04/11~2027/04/10	Hemodialysis consumables and devices	None
Package contract	AT Company	2022/12/28~2028/01/31	Hemodialysis consumables and devices	None
Lease contract	AU Company	2023/01/01~2027/12/31	Lease for hemodialysis devices	None

(2) DMT

Nature of contract	Counterparty	Terms of contract	Content	Restrictive clauses
Procurement and agency / distribution contract	BA Company	June 19, 2018; contract shall continue in effect unless breach of contract or the contract has been terminated by either one of the parties.	Aesthetic medical devices	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BB Company	March 27, 2020; contract shall continue in effect until it has been terminated by either one of the parties.	Aesthetic medical devices	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BC Company	2023/01/01~2025/12/31	Aesthetic medical devices	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BD Company	January 4, 2007; contract shall continue in effect unless breach of contract or the contract has been terminated by either one of the parties.	Aesthetic medical devices	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BE Company	2016/12/12~2026/12/11	Skin care products	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BF Company	2017/04/10~2024/03/31 (In negotiation)	Aesthetic medical devices	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BG Company	2018/01/03~2026/12/31	Aesthetic medical devices	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BH Company	March 1, 2018; contract shall continue in effect unless breach of contract or the contract has been terminated by either one of the parties.	Aesthetic medical devices	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BI Company	2024/07/01~2025/07/01	Aesthetic medical devices	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BJ Company	2020/08/01~2025/07/24	Dermal fillers	Restricted to sales in Philippines
Procurement and agency / distribution contract	BK Company	2022/07/01~2026/06/30	Aesthetic medical devices, skin care products and distribution of dermal fillers	Restricted to sales in Taiwan

Nature of contract	Counterparty	Terms of contract	Content	Restrictive clauses
Procurement and agency / distribution contract	BL Company	June 1, 2022; contract shall continue in effect unless breach of contract or the contract has been terminated by either one of the parties.	Aesthetic medical devices	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BM Company	2019/09/16~2026/11/30	Dermal fillers	Restricted to sales in Taiwan
Procurement and agency / distribution contract	BN Company	2021/06/01~2027/05/11	Pharmaceutical products and dermal fillers	Restricted to sales in Taiwan
Procurement and agency / distribution contract	SciVision Biotech Inc.	2022/01/01~2024/12/31 (In negotiation)	Dermal fillers	Restricted to sales in Taiwan

(3) Arich

Nature of contract	Counterparty	Terms of contract	Content	Restrictive clauses
Distribution and Logistics agreement	CA Company	2025/01~2027/12	Distribution and logistics services of pharmaceutical products	Restricted to sales in Taiwan
Distribution and Logistics agreement	CB Company	2024/01~2028/12	Distribution and logistics services of pharmaceutical products	Restricted to sales in Taiwan
Distribution and Logistics agreement	CC Company	2025/01~2027/12	Distribution and logistics services of pharmaceutical products	Restricted to sales in Taiwan
Distribution and Logistics agreement	CD Company	2025/01~2025/12	Distribution and logistics services of pharmaceutical products	Restricted to sales in Taiwan
Distribution and Logistics agreement	CE Company	2024/07~2027/12	Distribution and logistics services of medical equipment and consumables	Restricted to sales in Taiwan
Distribution and Logistics agreement	CF Company	2021/08~2026/07	Distribution and logistics services of pharmaceutical products	Restricted to sales in Taiwan
Distribution and Logistics agreement	CG Company	2022/05~2027/04	Distribution and logistics services of pharmaceutical products	Restricted to sales in Taiwan
Distribution and Logistics agreement	CH Company	2024/10~2027/09	Distribution and logistics services of pharmaceutical products	Restricted to sales in Taiwan
Distribution and Logistics agreement	CI Company	2025/01~2029/12	Distribution and logistics services of medical consumables	Restricted to sales in Taiwan
Sales and Promotion agreement	CJ Company	2025/01~2027/12	Sales and promotion services of pharmaceutical products	Restricted to sales in Taiwan
Sales and Promotion agreement	CK Company	2024/01~2025/12	Sales and promotion services of pharmaceutical products	Restricted to sales in Taiwan
Sales and Promotion agreement	CL Company	2025/04~2026/03	Sales and promotion services of pharmaceutical products	Restricted to sales in Taiwan
Sales and Promotion agreement	CM Company	2025/01~2025/12	Sales and promotion services of pharmaceutical products	Restricted to sales in Taiwan

Nature of contract	Counterparty	Terms of contract	Content	Restrictive clauses
Sales and Promotion agreement	CN Company	2023/04~2026/03	Sales and promotion services of pharmaceutical products	Restricted to sales in Taiwan
Sales and Promotion agreement	CO Company	2023/09~2026/03	Sales and promotion services of pharmaceutical products	Restricted to sales in Taiwan
Lease and commissioned services contract	Sankyu-Jvan An International Logistics Co.,Ltd.	2024/07~2026/12	Warehousing lease at logistics center and commissioned logistics services	None
Lease contract	Excelsior Asset Management Co., Ltd.	2021/01~2030/12	Lease of the Zhonghe Office	None

V . Review and Analysis of Financial Status, Financial Performance, and Risk Management

1. Financial Status

(1) Comparative analysis of financial status

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	12,220,940	10,691,830	1,529,110	14.3
Property, plant and equipment	795,597	772,612	22,985	3.0
Intangible assets	47,124	45,151	1,973	4.4
Other assets	7,304,340	6,570,332	734,008	11.2
Total assets	20,368,001	18,079,925	2,288,076	12.7
Current liabilities	8,288,661	6,678,757	1,609,904	24.1
Non-current liabilities	721,987	488,209	233,778	47.9
Total liabilities	9,010,648	7,166,966	1,843,682	25.7
Equity attributable to owners of parent	8,970,241	8,613,009	357,232	4.1
Share capital	1,633,975	1,556,167	77,808	5.0
Capital surplus	3,382,788	3,287,576	95,212	2.9
Retained earnings	3,619,990	3,502,602	117,388	3.4
Other equity	333,488	266,664	66,824	25.1
Treasury stock	—	—	—	—
Non-controlling interests	2,387,112	2,299,950	87,162	3.8
Total equity	11,357,353	10,912,959	444,394	4.1
Note: 1. Current assets and current liabilities in 2024 increased mainly due to the increase in cash and other payables of the Group. 2. Non-current liabilities in 2024 increased mainly due to the increase in non-current lease liabilities of the Group. 3. Other equity in 2024 increased mainly due to the increase in exchange differences on translation of foreign financial statement.				

- (2) Future plan shall be described in the case of material impacts: No material impacts have been affected to the Company finance and business.

2. Financial Performance

(1) Comparative analysis of financial performance

Unit: NT\$ thousands

<div> <div>Year</div> <div>Item</div> </div>	Financial Information for the last 2 years		Difference	
	2024	2023	Amount	(%)
Operating revenue	8,538,546	8,233,404	305,142	3.7
Gross profit	1,785,464	1,675,568	109,896	6.6
Net operating income	753,316	702,880	50,436	7.2
Non-operating income and expenses	421,046	441,200	(20,154)	(4.6)
Profit before tax	1,174,362	1,144,080	30,282	2.6
Profit from continuing operations	971,055	922,850	48,205	5.2
Loss from discontinuing operations	—	—	—	—
Profit	971,055	922,850	48,205	5.2
Other comprehensive income, net	89,272	319,075	(229,803)	(72.0)
Total comprehensive income	1,060,327	1,241,925	(181,598)	(14.6)
Profit attributable to owners of parent	771,259	746,605	24,654	3.3
Profit attributable to non-controlling interests	199,796	176,245	23,551	13.4
Comprehensive income attributable to owners of parent	854,869	944,765	(89,896)	(9.5)
Comprehensive income attributable to non-controlling interests	205,458	297,160	(91,702)	(30.9)
Earnings per share	4.72	4.57	0.15	3.3
Analysis of deviation over 20% and amounts exceeding NT\$10 million: 1. Other comprehensive income and total comprehensive income for 2024 decreased mainly due to the increase in Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income.				

(2) Analysis of gross profit deviation: Gross profit increase (decrease) didn't reach 20%.

(3) Provide a sales volume forecast and the basis therefor, and describe the effect upon the Company's financial operations as well as measures to be taken in response: Please refer to the "Report to Shareholders."

3. Cash Flows

(1) Analysis of cash flows in the most recent year

Unit: NT\$ thousands

Cash beginning balance (A)	Net cash flows from operating activities (B)	Net cash flows from non-operating activities (C)	Cash ending balance (deficit) (A) + (B) + (C)	Remedy for cash deficit	
				Investment plan	Financing plan
\$2,614,786	\$2,471,445	(\$897,027)	\$4,189,204	—	—
<u>Analysis of Cash Flow Changes for Year 2024</u>					
1. Operating activities: Mainly due to this year's net operating income and the increase of accounts payable.					
2. Investing activities: Mainly due to the increase of investment property and dividends received.					
3. Financing activities: Mainly due to the decrease of short-term borrowings and cash dividends paid.					

(2) Remedy for liquidity shortfall: No liquidity shortfall is expected.

(3) Analysis of cash flows for the coming year

Unit: NT\$ thousands

Cash beginning balance (A)	Expected net cash flows from operating activities (B)	Expected net cash flows from non-operating activities (C)	Expected Cash ending balance (deficit) (A) + (B) + (C)	Remedy for cash deficit	
				Investment plan	Financing plan
\$4,189,204	(\$395,069)	(\$979,767)	\$2,814,368	—	—
<u>Projected Cash Flow Changes for the Next Year</u>					
1. Operating activities: Mainly due to this year's net operating income and the decrease of accounts payable.					
2. Investing activities: Mainly due to the acquisition of property, plant, and equipment.					
3. Financing activities: Mainly due to the decrease of short-term borrowings and cash dividends paid.					
4. Planned Measures for Cash Shortfalls: None.					

4. Effect upon Financial Operations of Major Capital Expenditures from Recent Years : None.

5. Investment Policies, Main Reasons for Profit or Loss and Improvement Plans from Recent Years, and Investment Plans for the Coming Year

Information of investees

Unit: NT\$ thousands

Item	Remarks	Policy	Main Reasons for Profit or Loss in 2024	Action Plan	Other Future Investment Plan
Arich Enterprise Co., Ltd.		Providing pharmaceutical distribution and logistics services to international principals to reduce costs.	This company sells medicines from well-known pharmaceutical principals and Excelsior recognized investment income of NT\$37,520 in thousands.	None	None
Dynamic Medical Technologies Inc.		Expanding the comprehensive aesthetic medical product line, leading the trend of aesthetic medical in Taiwan, and increasing the value of the aesthetic medical industry.	Aesthetic medical devices and consumables have been positive sale, and Excelsior recognized investment income of NT\$72,961 in thousands.	None	None
Excelsior Healthcare Co., Limited		Establishing investments and operations in overseas medical industry.	This company mainly invests in Excelsior Renal Service Co., Limited, EG Healthcare Inc., Excelsior Investment (Malaysia) Co., Ltd. and Excelsior Medical (HK) Co., Limited and has sound investment performance, leading Excelsior to recognize investment income of NT\$135,558 in thousands.	None	None
Excelsior Medical (HK) Co., Limited		Establishing investments and operations in overseas medical industry.	This company mainly invests in Asia Best Healthcare Co., Ltd., SinoExcelsior Investment Inc., NephroCare Limited and Cardinal Medical Services Ltd. and has sound investment performance. Excelsior recognized investment income of NT\$51,537 in thousands.	None	None
Excelsior Beauty Co., Ltd.		Establishing professional health, body shaping, and beauty care centers	This company continuously introducing new body sculpting and beauty equipment, optimizing the product sales portfolio. Excelsior recognized investment income of NT\$21,303 in thousands.	None	None
Excelsior Asset Management Co., Ltd.		Leasing services of medical real estate.	This company provides leasing business for affiliate company, and Excelsior recognized investment income of NT\$20,734 in thousands.	None	None

Item \ Remarks	Policy	Main Reasons for Profit or Loss in 2024	Action Plan	Other Future Investment Plan
EG Healthcare Inc.	Providing hemodialysis services in Philippines.	This company has sound business development at the Philippines. Excelsior recognized investment income of NT\$20,190 in thousands.	None	None
SinoExcelsior Investment Inc.	Providing medical supplies sale, lease, and medical management consultancy service in China.	This company is in the transition period of operation conversion, so there is no substantial operation, and Excelsior recognized investment income of NT\$1,218 in thousands.	None	None
Excelsior Investment (Malaysia) Co., Ltd.	Establishing investments and operations in medical industry in Malaysia.	This company mainly invests in Renal Laboratories Sdn. Bhd. and Medi-Chem Systems Sdn. Bhd., Excelsior recognized investment loss of NT\$1,647 in thousands.	Assist in planning the operational strategies for its investee companies.	None
Renal Laboratories Sdn. Bhd.	Providing service in Southeast Asia.	This company produces hemodialysis products in Malaysia. Excelsior recognized investment loss of NT\$182 in thousands.	Improve manufacturing process, produce new products and expand export channels.	None
Medi-Chem Systems Sdn. Bhd.	Providing medical supplies sales service in Malaysia.	This company sells hemodialysis and wound and ostomy products in Malaysia. Excelsior recognized investment income of NT\$127 in thousands.	Compete for new products agency and expand domestic channels.	None
Renal Management Sdn. Bhd.	Providing leasing and management consultancy service in Malaysia.	This company provides office lease to affiliate company in Malaysia and Excelsior recognized investment income of NT\$99 in thousands.	None	None
Dynamic Medical Technologies (Hong Kong) Ltd.	Expanding the aesthetic medical-related industry in the Hong Kong region	This company actively promote the medical aesthetic consumables market to increase revenue. Excelsior recognized investment income of NT\$3,509 in thousands.	None	None

Item \ Remarks	Policy	Main Reasons for Profit or Loss in 2024	Action Plan	Other Future Investment Plan
Arich Best Chain Co., Ltd.	Logistics transportation and sales of pharmaceutical products	This company is still in the stage of business expansion. Excelsior recognized investment income of NT\$15 in thousands.	None	None
Guangzhou Dynamic Inc.	Expanding the aesthetic medical-related industry in mainland China.	This company due to being in a transitional phase of operations, having no substantial operations. Excelsior recognized investment loss of NT\$360 in thousands.	Control operating expenses.	None
CYJ International Taiwan Inc.	Promoting professional hair care and beauty related treatments.	To expand the scale of operations and enhance operational efficiency. This company continue to increase the number of physical retail channels. for brands. Excelsior recognized investment income of NT\$3,564 in thousands.	None	None

Note: There are subsidiaries as of December 31, 2024.

6. Risk Management and Assessment from Last Year up to the Time of Report Publication

(1) Effect of changes in interest rate, exchange rate and inflation on corporate finance, and future countermeasures

A. Interest rate

The Group's interest expenses are mostly caused by short-term borrowings. The short-term borrowings from banks are at relatively low levels, and obtain market preferential interest rates regularly by assessing the interest rate levels and transaction credit with banks. Therefore, changes in interest rate have no significant impact on corporate finance.

B. Exchange rate

The Group reduces risks from exchange rate fluctuations by continuing to focus on fluctuations in the international financial market and to timely utilize foreign exchange forward contracts. For instance, for supplier contracts that denote prices in USD, the Group would purchase timely USD forward contracts and deposits in comprehensive consideration of the trends of USD and the purchase amounts. Since the recent correlation between the Japanese Yen and the NTD is relatively low, and the Yen has adopted a quantitative easing policy, it is also considered a hedging currency. The Group also keeps a close eye on the exchange trends on the Yen and our actual needs, and in case of large appreciations, the Group will purchase timely forward contracts to hedge against possible risks based on actual needs.

C. Inflation

For the Group's products that belong to health insurance reimbursement in accordance with the National Health Insurance Administration, inflation has no significant impact on corporate finance. But products that are categorized as sales of aesthetic medical devices and consumables, and healthcare home appliances are prone to be impacted by market and inflation. Therefore, the Group keeps a close eye on the consumer price index (CPI) in the consumer market and adjusts product portfolio to encourage consumers to spend and to reduce the risk of inflation.

(2) Policies of high-risk, high-leverage investments, fund financing to other parties, endorsement guarantee and derivative commodity trading, and its main reasons for profit or loss and future countermeasures

The Group does not engage in high-risk, high-leverage investments.

The Group only loans funds to companies with inter-company business transaction or with necessary short-term financing need, and is carried out with "Regulations Governing Loaning of Funds." As of December 31, 2024 and March 31, 2025, the Group has not loaned funds to others.

The Group only makes guarantees and endorsements to the parent company, subsidiaries and companies with inter-company business transaction, and is carried out with "Regulations Governing Making of Endorsements/Guarantees." As of December 31, 2024, the Group's endorsements/guarantees balance was NT\$2,449,495 in thousands. As of March 31, 2025, the Group's endorsements/guarantees balance is NT\$1,631,825 in thousands.

The Group's derivative transactions are all hedging in nature, and does not deal in transactive or speculative transactions.

- (3) Future research & development projects and corresponding budget: The Group is non-manufacturing, so it is not applicable.
- (4) Effects of and response to changes in policies and regulations relating to corporate finance and sales

To target the increasingly active global pharmaceutical market, and seeing that the International has extended the quality management of medicines from manufacturing processes to logistics and distribution, the Ministry of Health and Welfare in Taiwan has also set the reinforced control over pharmaceutical distribution and logistics as a key implementation policy. Full enactment has come into effect since December 31, 2018. Due to strict requirements for quality and safety, the entry barriers in this industry is extremely high. Only a few companies that continue to focus and invest in comprehensive PIC/S GMP and GDP facilities, can become competitive enterprises with global counterparts. Moreover, the Group continues to acquire GMP and GDP accreditations for medicines approved by the government, and has obtained Good Distribution Practice (GDP) certification for medical devices in 2023. Enter into medical device sector, and cooperate with medical principals to increase market share. Also, we continue to introduce new products related medical and healthcare, strengthen interaction with each customer, and provide more comprehensive and complete professional services.

In response of the enactment of the "Long-term Care Services Act" in June 2017, various services that integrate medical, caring, housing, prevention and daily life support were in favor of Asia Best Life Care Co., Ltd to expand long-term care services to satisfy the needs of the aging population.

- (5) Effects of and response to changes in technology and the industry relating to corporate finance and sales

The Group is an integrated channel provider in medical device industry, aesthetic medical industry, and pharmaceutical sales promotion and distribution logistics industry. Changes in technology and the industry will help to strengthen our supply chain relationship and help the Group to provide new products to satisfy customer needs. By focusing on relevant technological development trends in industries and investing capital and personnel to develop new businesses and new products, the Group hopes to enhance service quality and to lower operating costs.

- (6) The impact of changes in corporate image on corporate risk management, and the Company's response measures: The Group continue to expand our business by maintaining a strong corporate image built on providing the most suitable healthcare

products and services for the market.

- (7) Expected benefits from, risks relating to and response to merger and acquisition plans: Not applicable.
- (8) Expected benefits from, risks relating to and response to factory expansion plans: Not applicable.
- (9) Risks relating to and response to excessive concentration of purchasing sources and excessive customer concentration

A. Purchase

In terms of the purchases of medical devices, the company adopt a dual-brand marketing strategy by both importing from overseas brands and also outsource our own brand to OEMs. This helps the Company to appropriately disperse sources of purchase, and we maintain an adequate purchasing ratio for each supplier and product, and therefore, we do not have risks associated with concentration of purchases.

In terms of the purchases of aesthetic medical industry, the Group mainly acts as an agent of various aesthetic medical devices and consumables, and we actively pursue the latest aesthetic medical technologies and related products. We maintain an adequate purchasing ratio for each supplier and product, so we do not have risks associated with concentration of purchases.

In terms of the purchases of medicines, since the Group sells medicine from well-known pharmaceutical principals with high market shares and revenues, it is not possible to avoid concentration of purchases. To reduce the risk of concentrated purchases, the Group is already actively developing businesses from other pharmaceutical principals, and continue to develop new customers and to increase channel coverage ratio. Concurrently, we are also strengthening customer relationship and marketing strategies to reinforce our agency.

B. Sale

In terms of the sales of medical devices, the Company's sales to Bestchain Healthtaiwan Co., Ltd. ("Bestchain") accounts for approximately 34%. The Company sells surgical consumables from its agency brand Medtronic to Bestchain, and Bestchain's sales team would then sell and distribute the products to various medical institutions. The Company's sales to Excelsior Renal Service Co., Limited ("ERS") accounts for approximately 11%. The Company also provides sales and related services for ERS products. For hemodialysis center independently operated by medical institutions, the Company would directly sell to each medical institution and provide relevant after-sale services.

Most of the Group's aesthetic medical devices and consumables are sold to dermatology departments and plastic surgery departments in major public and military hospitals, private dermatology clinics, private plastic surgery clinics, obstetrics and gynecology clinics, family medicine clinics, and pharmacies and chain drugstores in Taiwan. There are many counterparties, so there is no risk associated with concentration of sales.

In terms of the sales of medicine, most of which are sold to domestic medical institutions and pharmacies. There are many counterparties, so there is no risk associated with concentration of sales.

In recent years, the Group has been committed to diversifying operating risks through continuing to introduce products from international principals and by developing the product sales in each medical field. Presently, there is no clear indication of concentration of sales.

- (10) Effects of, risks relating to and response to large shares transfers or changes in shareholdings by directors, supervisors, or shareholders with shareholdings of over 10%: None.
- (11) Effects of, risks relating to and response to the changes in management rights: Not applicable.
- (12) Litigious or non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation, where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the company should disclose the facts of the dispute, related amounts, date, main parties involved and current status of the case up to the publication date of this annual report: None.
- (13) Other major risks and measures: None.
- (14) The organizational structure of risk management

The Group's risk management of various activities is managed by each respective management unit, and the internal auditing unit will propose and implement risk-oriented audit plans and review the existing or potential risks at each business. Below are descriptions of each risk management unit:

- A. Board of Directors: The highest responsible unit for risk management in the company is the Board of Directors, which approves risk management policies and related regulations, oversees the overall implementation of risk management, and ensures effective risk control.
- B. Sustainable Development Committee: To assist the Board of Directors in carrying out its risk management responsibilities, a Corporate Governance Unit has been established. The committee submits an annual report on the operation of risk management to the Board of Directors.
- C. Sustainable Development Committee Corporate Governance Unit: Risk management members are appointed from units with the Corporate Governance Unit to ensure that each operating unit effectively implements the risk management system. Personnel from each operating unit are assigned as risk management executives responsible for executing risk management procedures.

D. Internal Audit Department: In accordance with this policy and procedure, as well as various risk management systems, the Internal Audit Department timely incorporates annual audit plans. It conducts audits on the implementation of risk management and provides improvement suggestions. The audit results are regularly reported to the Board of Directors.

7. Other Important Matters

Key Performance Indicator (KPI) of the Group

Since the Group is a relatively large-scale integrated channel provider in the domestic medical device industry, aesthetic medical industry, and pharmaceutical sales promotion and distribution logistics industry, our products encompass various sites ranging from medical institutions, department stores, and chain drugstores in Taiwan. Therefore, “accounts receivable turnover” and “inventory turnover” are key indicators that will affect the funds. The Group’s accounts receivable turnover was 4.4, with average collection period of 84 days in 2024. The inventory turnover in 2024 was 5.1, with average days in sales of 71 days. In addition, our market shares of the new products agency and distribution are non-financial KPI.

VI. Special Disclosure

1. Information on Affiliated Enterprises

(1) 2024 consolidated business report from affiliated enterprises

Please visit the Market Observation Post System (MOPS) > Individual Company > Electronic Document Download > Related Party Transactions Disclosure Section to access the information.

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

(2) Consolidated financial statements of affiliated enterprises: Same as consolidated financial statements. : Not applicable.

(3) Reports of affiliated enterprises: Not applicable.

2. Private Placement Securities from Last Year up to the Time of Report Publication

: None.

3. Other Necessary Supplements

: None

4. Matters that Have Significantly Affected Shareholders' Equity and Share Prices Pursuant to Item 2, Paragraph 3, Article 36 of Securities and Exchange Act from Last Year up to the Time of Report Publication

: None.

 **Excelsior Medical Co., Ltd.**



CHAIRMAN

Fu Hui-Tung





 **Excelsior Medical Co., Ltd.**

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