

**HCmed Innovations Co., Ltd.**

**2025 Annual Report of Shareholders'  
Meeting**

**Inquiry website of annual report**  
<http://mops.twse.com.tw>

**Published on May 6, 2026**

**I. Name, title, contact number and email address of spokesperson and acting spokesperson:**

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**IV. Name, firm name, address, website, and telephone number of the CPA for the most recent annual financial report:**

Name: Kuan-Hung Lin, Sheng-Wei Teng Accountant

Firm name: PwC Taiwan

Company

website:

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**V. Name of the trading venue where overseas securities are listed and traded and methods for inquiring about information on the overseas securities: Not applicable.**

**VI. Company website: <https://www.hcmmed-inno.com>**

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# One. Shareholders' Report

Dear Shareholders,

The key operating results for 2025 and the business plan for the current year are as follows:

## I. Business results for 2025

### (I) Operational Directives and Implementation Status

In 2025, HCmed Innovations Co., Ltd. (hereinafter referred to as "HCMED") continued to advance the business initiatives established in 2024, with ongoing progress in drug-device combination products and proprietary nebulizer licensing operations. In October 2024, HCMED entered into a co-development agreement for a drug-device combination product with United Therapeutics for Tyvaso®. In accordance with the agreement, HCMED successfully delivered the required items specified in the contract in November 2025, completing Milestone #1 and receiving a milestone payment of US\$ 2.25 million. In addition, regarding the collaboration with Genentech's Pulmozyme®, HCMED not only signed an agreement with Aerogen in August 2024, but also successfully shipped products to the United States and Europe via Aerogen in the first quarter of 2025, further expanding HCMED's product footprint.

The United Therapeutics project involves a drug-device combination product integrating a blockbuster therapy for pulmonary arterial hypertension (PAH) with a dedicated nebulizer. United Therapeutics (hereinafter referred to as "UT") intends to collaborate with HCMED to develop a customized new product based on HCMED's next-generation nebulizer, ADP. Together, the two companies aim to drive further growth for a product that already generates over US\$ 500 million in annual sales.

In 2023, UT initiated a feasibility study project to evaluate the potential for collaboration in product and technology, which was successfully completed in August of the same year with highly positive results. To avoid delays in product launch, UT and HCMED subsequently entered into an early development agreement valued at US\$ 650,000 in October 2023. Under this pre-development agreement, HCMED provided additional development planning and testing services to UT. A formal development agreement was signed in 2024, covering upfront payments, development milestone payments, and sales-based quality incentive payments, with the joint product expected to obtain regulatory approval and be commercialized in the coming years.

In addition to the aforementioned upfront fees, development payments, and incentive payments, the agreement also includes minimum purchase quantities and unit pricing terms, ensuring HCMED’s profitability in future product sales.

In August 2024, HCMED entered into a global exclusive distribution agreement (excluding Taiwan) with Aerogen, a leading hospital-based nebulizer company headquartered in Galway, Ireland, for Pulmogine. Through Aerogen’s global sales network, HCMED aims to market its first-generation product worldwide. Aerogen is a well-established nebulizer company specializing in hospital-use devices, with operations in 75 countries and over 20 million patients having used its products. Through licensing Pulmogine from HCMED, Aerogen seeks to address the unmet need for suitable home-use nebulizers for patients after hospital discharge, thereby improving clinical outcomes and patient compliance. This project is expected to achieve annual global sales of over 100,000 units by the fifth year, providing a stable source of revenue for HCMED.

With the support of its internal team, Yuanta Securities, and PwC Taiwan, HCMED submitted an application for recognition as a technology enterprise to the Industrial Development Administration in February 2025 and obtained approval in April. In September of the same year, HCMED filed an application with the Taiwan Stock Exchange for listing. The application was approved by the Listing Review Committee on October 9 and subsequently by the Board of Directors of the Taiwan Stock Exchange on October 28. Following the completion of underwriting procedures, HCMED was officially listed on the Taiwan Stock Exchange on February 2, 2026.

Overall, in 2025, HCMED achieved significant progress in high-value pharmaceutical CDMO projects, while also enhancing corporate value and market visibility through its successful public listing. Budget execution

In FY2025, the company only set internal budget targets and did not disclose financial forecasts to the public, and the overall budget implementation was still within the scope of the company's targets.

(II) Financial Revenue/Expenditure and Profitability Analysis

● Financial Revenue and Expenditure

Unit: NT\$ thousands

Items	2025	2024
Operating revenue (Note 1)	100,234	141,612
Gross profit	24,920	99,651
Operating expense	(144,608)	(137,242)
Net income (loss) after tax	(126,110)	(78,213)

Note 1: HCMED obtained the contract signing amount of US\$3,000,000 from Company A in 2024.

● Device sales

Customers (Region)	2025 (Shipment quantity)	2024 (Shipment quantity)
OTC (over-the-counter) market (Note 2)	1,367	2,365
Aerogen	13,105	—

Note 2: Mainly refers to distributors/pharmacies/hospital channels in Taiwan.

● Profitability

Item	2025	2024
Gross margin (Note 3)	25%	70%
Net profit ratio	(126)%	(55)%
EPS	(3.92)	(2.60)
Weighted average number of ordinary shares outstanding	32,140	30,030

Note 3: The drastic fluctuation of gross margin is due to HCMED's business model of CDMO, and the amount of licensing fees and milestone payments collected from customers may fluctuate during different stages.

(III) Research and development status

Product/Model number	Key technology focus	R&D achievements/progress
Deepro®/Pulmogine®/ Deepro®/HCM-86C	<ul style="list-style-type: none"> <li>• Mesh-type continuous nebulization technology</li> <li>• IP55 waterproof structural design</li> <li>• High-efficiency drive circuit</li> <li>• One-button cleaning function</li> <li>• Simple operation design</li> <li>• Safe nebulizer medicine cup</li> </ul>	<ul style="list-style-type: none"> <li>• Completed development and mass production</li> <li>• Taiwan TFDA Class II medical device market approval</li> <li>• EU CE mark (MDD approval obtained and MDR recertification application in progress in 2024)</li> <li>• US FDA 510(k) market approval in 2022</li> <li>• Australian TGA market approval in 2023</li> <li>• UK market approval in 2024</li> </ul>
AdheResp®/ ADP-01	<ul style="list-style-type: none"> <li>• Mesh-type nebulization technology</li> <li>• Breath-actuated function</li> <li>• Bluetooth connection</li> <li>• NFC drug-lock feature</li> <li>• Rechargeable lithium battery</li> </ul>	<ul style="list-style-type: none"> <li>• Completed product design and development</li> <li>• Completed small-scale pilot production and process validation</li> <li>• US FDA 510(k) application in progress in 2024</li> </ul>
ADP-02	<ul style="list-style-type: none"> <li>• Customized configurations (drug binding/combination products/non-cystic fibrosis bronchiectasis NCFB)</li> <li>• Large-capacity drug reservoir design</li> <li>• High-efficiency nebulization function</li> </ul>	<ul style="list-style-type: none"> <li>• Completed prototype design and functional verification in 2022</li> <li>• Completed ergonomic analysis of the prototype in 2021</li> <li>• Completed primate toxicology tests in 2022</li> <li>• Completed multinational, multicenter phase 1 clinical trials in 2023</li> </ul>
ADP-03	<ul style="list-style-type: none"> <li>• Customized configurations (drug binding/combination products/non-cystic fibrosis bronchiectasis NCFB)</li> <li>• Small-capacity, metered drug reservoir design</li> <li>• High flow resistance design</li> </ul>	<ul style="list-style-type: none"> <li>• 3D/CNC prototype design and verification phase</li> <li>• Licensed Aerogen to launch in the United States and Europe in 2025</li> </ul>
ADP-05	<ul style="list-style-type: none"> <li>• Customized configurations (drug binding/combination products/rare pulmonary diseases)</li> <li>• LED screen display</li> <li>• Metered-dose nebulization design</li> <li>• Breathing frequency control</li> <li>• Small-capacity drug reservoir design</li> </ul>	<ul style="list-style-type: none"> <li>• 3D/CNC prototype design and verification phase</li> <li>• Process design and development</li> <li>• Milestone #1 achieved in 2025</li> </ul>

## **II. Business plan overview for 2026**

### **(I) Business policy**

The company focuses on the development of inhaled drug-device combination drugs, positioning itself as an integrated solution provider that combines nebulizer technology and drug delivery. In terms of cooperative development business, the company not only assists international pharmaceutical companies in the development and manufacturing of new inhaled drugs, but also focuses on how to effectively and accurately deliver drugs to the lungs, through its own delivery platform technology and cross-field integration capabilities, to improve drug delivery efficiency and therapeutic performance, and to achieve an optimal balance between drug characteristics, device design and drug delivery efficiency, helping customers successfully transform R&D results into products with clinical application value. The company also obtained signing fees, milestone payments, and sales revenue and profit sharing after the product was launched through the development process, establishing a stable revenue model.

In terms of product and technology development, the Company continues to deepen its efforts in the field of high-end drug exclusive nebulizers and actively participates in the early clinical development stage of new drugs with pharmaceutical partners. By integrating the core capabilities of device design and drug delivery technology, the company continues to strengthen its key role in the field of inhaled drug delivery and deepen its market positioning as a drug delivery solution provider. These integration capabilities help improve the success rate of development and shorten the product introduction timeline, giving the company a certain degree of differentiation in the development process of integrated drug-device combinations. As inhaled drug delivery gradually becomes an important treatment trend, the company will continue to deepen its cooperative relationships with international pharmaceutical companies and expand diversified development opportunities to enhance the company's overall competitiveness and long-term value.

### **(II) The expected sales volume and its basis and important production and sales policies**

The company's main medical device products are still in the research and development stage and have not yet entered the mass production and sales stage, so there are no sales plans for large-scale shipments in the short term. At this stage, the main source of revenue is to cooperate with international pharmaceutical companies to develop inhaled drug-device combination products, and during the signing of development agreements and various stages of promotion, signing fees and milestone fees are collected according to the agreement.

In the process of cooperative development, the company combines nebulizer design and drug delivery technology, focusing on the effective delivery of inhaled drugs and the optimization of overall drug delivery performance, gradually establishing a differentiated technical foundation, and serving as an important basis for subsequent product development and commercialization. Under the premise of prudently controlling operating expenses, the working capital required for development in the coming year has been appropriately planned, and there is no material adverse impact on the Company's continued promotion of various operating plans.

In addition, the company will continue to cultivate and recruit professionals with experience in the integrated development of high-end medical devices and drug delivery, and appropriately expand the scale of operations to accelerate the R&D process and improve the quality of development, further strengthening the depth and breadth of cooperation with international pharmaceutical companies, which will positively benefit the company's long-term development and sustainable operation.

### **III. Future company development strategy**

- (I) The short-term operation goal is to continue to establish long-term cooperative relationships with a number of international new drug development pharmaceutical companies and promote the authorized and cooperative development of inhaled drug-device combination products. Based on the existing core technology of drug delivery, the company will provide customized development services for customers' high-value drugs by combining nebulizer design and drug characteristics, and enhance the clinical application value and market competitiveness of new drug products through complete drug-device integration design and patent layout. At present, the company has launched a number of drug-device combination product development projects with many pharmaceutical companies, and continues to stack cooperation projects at different stages of R&D, so that revenue from the signing fee and milestone fee in the early stage of development to the sales revenue and sales profit sharing after product certification and mass production and sales, establishing a sustainable operating model.
- (II) The medium- and long-term operation strategy is based on existing technology and cooperation, gradually increasing development leadership and strengthening product topic selection and layout capabilities. The company will combine the drug delivery technology platform and external scientific consulting resources to carefully evaluate and select pulmonary therapeutic drug and device combination products with development potential, and integrate and develop drugs with clinical application potential through in-licensing, with

the company's existing delivery platform and device technology, and plan to adopt the 505(b)(2) development pathway to improve development efficiency, reduce risks, and shorten the time to market, and finally through out-licensing Create a high value-added revenue stream. Considering the high R&D resources required at this stage, the company will prudently promote it based on overall operating performance and resource allocation to take into account growth momentum and risk control.

#### **IV. Affected by the external competitive environment, regulatory environment, and overall operating environment**

The company has entered the field of high-end drug-specific nebulizers and has cooperated with many international pharmaceutical companies to develop drug-device combination products. The company's development direction is to jointly invest in the early clinical development stage of new drugs with pharmaceutical partners, and strengthen the effective delivery and overall treatment performance of inhaled drugs by combining nebulizer design and drug delivery technology, thereby deepening the company's market positioning in the field of inhaled drug delivery, and continuing to expand international cooperation and licensing opportunities to enhance the company's overall value.

With the increasing diversification of new drug types and the diversified development of clinical treatment scenarios, pharmaceutical manufacturers continue to increase their requirements for drug delivery methods, which in turn drives the demand for inhaled drug delivery devices to become increasingly complex. For example, for high-priced macromolecule drugs or monoclonal antibody drugs, it is difficult to develop them into dry powder form due to their dosage form characteristics, making nebulization devices with high nebulization efficiency, low residue, and stable control of drug delivery performance the key. In addition, with the development trend of smart healthcare, related devices are gradually developing towards networking and intelligent detection functions. However, most pharmaceutical companies lack internal device development and drug delivery integration capabilities, prompting them to seek partners with relevant technology and integration experience to seek an increasing demand.

Recognizing the above-mentioned unmet market needs, the company has continued to invest in the integrated development of high-end nebulizers and drug delivery technology in recent years, and has gradually established a cooperation model with delivery technology as the core. The technology platform built by the company has successfully attracted many international pharmaceutical companies to conduct cooperation negotiations and project promotion, gradually accumulating a foundation for industrial cooperation.

As a company focusing on the integrated development of pharmaceutical devices and drug delivery technology, the company continues to expand the development and market layout of related products on the basis of the existing medical nebulizer product licenses in many countries. Although the development timeline of related products may be affected by drug characteristics for several years, and the amount of R&D investment is high, it is difficult to show results in the short term, but as the demand for lung disease treatment continues to increase and the market pays more attention to treatment efficacy and drug delivery accuracy, the technical value of drug delivery integration capabilities will gradually be demonstrated, and the company's R&D investment will also help support long-term operational growth momentum.

We sincerely thank all shareholders, collaborative partners, and suppliers for their long-term encouragement and support, as well as all colleagues for their contributions and dedication. We extend our most sincere gratitude to all of you.

Responsible Person: Chieh-Sheng Cheng    Managerial Officer: Chieh-Sheng Cheng    Accounting Officer: Wei-Cheng Tu

## Two. Corporate Governance Report

### I. Information on directors, supervisors, the general managers, the deputy general managers, senior managers, and heads of departments and branches

#### (I) Director

##### 1. Information on directors

March 31, 2026; Unit: Shares; %

Job title	Name	Gender/ Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office (year)	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Concurrent positions held in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Notes
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
Chairman	Chieh-Sheng Cheng	Male 41-50 years old	Republic of China	October 6, 2014	May 31, 2024	3	3,336,755	11.11	3,139,815	8.73	—	—	344,000	0.96	<ul style="list-style-type: none"> <li>• Department of Engineering Science and Ocean Engineering, National Taiwan University</li> <li>• Master's Degree in Industrial Engineering and Management from Yuan Ze University (including the Engineering Economic Systems Program in collaboration with Stanford University).</li> <li>• Stanford Advanced Project Management</li> <li>• Project Manager of Mobile Display Business Unit, AUO Corporation</li> <li>• Sales Manager, AUO US Branch</li> <li>• Deputy General Manager, Jastek Limited</li> </ul>	<ul style="list-style-type: none"> <li>• General Manager, HCmed Innovations Co., Ltd.</li> <li>• Chairman, HC MED UK LIMITED</li> <li>• Chairman, Yun Ju Investment Co., Ltd.</li> </ul>	—	—	—	(Note 1)
Vice Chairman	Yung-Yi Wu	Female 51-60 years old	Republic of China	July 28, 2022	May 31, 2024	3	46,161	0.15	46,161	0.13	—	—	—	—	<ul style="list-style-type: none"> <li>• University of Delaware, Bachelors in Electrical Engineering</li> <li>• University of Pennsylvania – Wharton School of Business, Masters of Business Administration (MBA)</li> <li>• AstraZeneca Pharmaceuticals</li> <li>• PricewaterhouseCoopers Consulting</li> <li>• IBM Consulting</li> <li>• Pfizer Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• KyrMar Advisory Services chairman</li> </ul>	—	—	—	—
Director	Wen-Yu Tsai	Male 41-50 years old	Republic of China	October 6, 2014	May 31, 2024	3	4,032,496	13.43	3,857,893	10.72	—	—	200,000	0.56	<ul style="list-style-type: none"> <li>• Department of Electronic Engineering, Asia Eastern University of Science and Technology</li> <li>• R&amp;D manager, HEALTH&amp;LIFE CO., LTD.</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Operating Officer, HCmed Innovations Co., Ltd.</li> <li>• Chairman, Yu Hsun Co., Ltd.</li> </ul>	—	—	—	—
Director	You Yang Management Consultant Co., Ltd.	—	Republic of China	May 31, 2024	May 31, 2024	3	325,824	1.08	325,824	0.91	—	—	—	—	—	—	—	—	—	—
	Representative: Tsung-Hung Hsieh	Male 51-60 years old	Republic of China	April 30, 2018	May 31, 2024	3	2,696,160	8.98	2,342,794	5.96	4,316	0.01	325,824	0.91	<ul style="list-style-type: none"> <li>• Master of Business Administration, National Chiao Tung University</li> <li>• Director, AUO Corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman, You Yang Management Consulting Co., Ltd.</li> </ul>	—	—	—	—

Job title	Name	Gender/ Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office (year)	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Concurrent positions held in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Notes
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
															<ul style="list-style-type: none"> <li>Deputy General Manager, MANZ Group</li> <li>General Manager, Creative Sensor Inc.</li> <li>Chairman, Harvest Precision Innovations Co., Ltd.</li> </ul>					
Director	Representative: Mahendra Shah	Male 71-80 years old	USA	November 15, 2017	May 31, 2024	3	—	—	—	—	—	—	—	—	<ul style="list-style-type: none"> <li>St. John's University (Master's Degree and PhD)</li> <li>Nextwave pharmaceuticals, CEO, President and Chairman</li> <li>First Horizon Pharmaceutical (FHRX), CEO, President and Chairman</li> <li>EJ Financial Enterprises, Inc., Vice President</li> <li>Fujisawa Pharmaceutical Company, Senior Director, New Business Development</li> <li>LymphoMed, Inc., Director, New Business Development</li> <li>Bristol Laboratories, Manager, Veterinary Product Development</li> </ul>	• Vivo Capital, Advisor	—	—	—	—
	VIVO PANDA FUND, L.P.	—	USA	November 15, 2017	May 31, 2024	3	2,308,926	7.69	2,308,926	6.42	—	—	—	—	—	—	—	—	—	—
Directors	Representative: Wei-Lien Chung	Male 51-60 years old	Republic of China	July 28, 2022	May 31, 2024	3	10,000	0.03	10,000	0.03	—	—	—	—	<ul style="list-style-type: none"> <li>Master of Laws, Soochow University</li> <li>Master of Agricultural Chemistry, National Taiwan University</li> <li>PhD candidate at the Department of Pathology, University of Cambridge, UK</li> <li>Business Manager, Development Center for Biotechnology</li> <li>Manager, O-Bank Investment Consulting Co., Ltd.</li> <li>Vice President of Business, CIDC Consultants Inc.</li> <li>General Manager, H&amp;Q Asia Pacific</li> <li>Director/General Manager, Hantong Venture Capital Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Chairman and General Manager, FORWARD ASSET MANAGEMENT LTD.</li> <li>Director, InnoPharmax Inc.</li> <li>Representative of Institutional Director, ALLGENESIS BIOTHERAPEUTIC S INC.</li> <li>Director, AG Global Inc.</li> <li>Chairman, Feng Fu Investment Co., Ltd.</li> <li>Chairman, King Yan Assets Management Co., Ltd.</li> <li>Representative of Corporate Director, Lian Kai Investment Co., Ltd.</li> </ul>	—	—	—	—
	FORWARD ASSET MANAGEMENT LTD.	—	Republic of China	May 31, 2024	May 31, 2024	3	1,000	0.003	1,000	0.003	—	—	—	—	—	—	—	—	—	—
Independent Director	Shih-Hao Fang	Male 41-50 years old	Republic of China	December 23, 2022	May 31, 2024	3	—	—	—	—	—	—	—	—	<ul style="list-style-type: none"> <li>PhD in Telecommunications Engineering, National Taiwan University</li> <li>Professor of Electrical Engineering, Yuan Ze University</li> </ul>	<ul style="list-style-type: none"> <li>Professor of Department of Electrical Engineering, National Taiwan Normal University</li> <li>Independent Director, Sirius Wireless Inc.</li> </ul>	—	—	—	—

Job title	Name	Gender/ Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office (year)	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Concurrent positions held in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Notes
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
															<ul style="list-style-type: none"> <li>Special Assistant to the President, Yuan Ze University</li> <li>Visiting Scholar, Research Center for Information Technology Innovation</li> <li>Distinguished Professor of Electrical Engineering, Yuan Ze University</li> <li>Director of the Center for Interdisciplinary Innovation and Application of Artificial Intelligence, Yuan Ze University</li> <li>Director of Research and Development, Yuan Ze University</li> </ul>					
Independent Director	Shang-Yuan Chang	Male 41-50 years old	Republic of China	December 23, 2022	May 31, 2024	3	—	—	—	—	—	—	—	<ul style="list-style-type: none"> <li>Department of Accounting/Physical Education, Fu Jen Catholic University</li> <li>Deputy Team Leader, Deloitte Taiwan</li> <li>Accounting Assistant, LUNGYEN LIFE SERVICE CORPORATION</li> <li>Accounting Section Manager, SHEICO Group Co., Ltd.</li> <li>Visiting Lecturer, Takming University of Science and Technology</li> </ul>	<ul style="list-style-type: none"> <li>CPA and Director, JenFriends &amp; Co., CPAs</li> <li>Honorary Accountant, National Innovation and Entrepreneurship Association, R.O.C.</li> <li>Corporate Appraiser of Taiwan Association of Certified Valuers and Analysts</li> </ul>	—	—	—	—	
Independent Director	Chao-Lung Chou	Male 41-50 years old	Republic of China	December 23, 2022	May 31, 2024	3	—	—	—	—	—	—	—	<ul style="list-style-type: none"> <li>Financial Law Unit, Department of Law, National Chung Cheng University</li> <li>Master of Advanced Business Administration, National Chengchi University</li> <li>Legal Affairs, Qianxiang Yisheng Group</li> <li>Legal Affairs, First International Computer, Inc.</li> <li>Attorney-at-Law, Johnson and Partners</li> </ul>	<ul style="list-style-type: none"> <li>Chief Lawyer, Dean &amp; Partners, Attorneys at Law</li> </ul>	—	—	—	—	
Independent Director	Yi-Chen Chen	Female 41-50 years old	Republic of China	May 31, 2024	May 31, 2024	3	—	—	—	—	—	—	—	<ul style="list-style-type: none"> <li>PhD, Institute of Medicine, Kaohsiung Medical University</li> <li>Pediatric Physician at Kaohsiung Medical University Hospital</li> <li>Chief Pediatrician, Kaohsiung Medical University Hospital</li> <li>Director of the Pediatric Cardiopulmonary Function Department, Kaohsiung Medical University Hospital</li> <li>Researcher at the Pulmonary Vascular Center of University of Texas Southwestern Medical Center</li> </ul>	<ul style="list-style-type: none"> <li>Attending Physician at Department of Pediatric Cardiology, Kaohsiung Medical University Hospital</li> <li>Associate Professor of Pediatrics, Department of Medicine, Kaohsiung Medical University</li> <li>Director of Pediatrics, Kaohsiung Medical University Gangshan Hospital</li> </ul>	—	—	—	—	

Job title	Name	Gender/ Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office (year)	Shares held at the time of election		Current number of shares held		Shares currently held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Concurrent positions held in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Notes
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
															• Visiting scholar at Children's Hospital of Dallas, USA					

Note 1: If the chairman and the general manager or equivalent person (top manager) are the same person, and they are each other's spouses or first-degree relatives, the reason, reasonableness, necessity, and relevant information on countermeasures shall be explained:

The chairman of the board of directors of the company also serves as the general manager to improve operational efficiency and decision-making execution, effectively connect board members to participate in the company's decisions at any time and build consensus, so as to achieve resolutions assigned by the board of directors. In addition, the company has increased the number of independent directors to four at the regular shareholders' meeting on May 31, 2024, to implement corporate governance goals by increasing the external supervision and checks and balances of the board of directors and the fact that more than half of the directors do not concurrently serve as employees or managers.

2. If the director or supervisor is a representative of a legal shareholder, the name of the legal shareholder and the name of the top 10 shareholders of the legal person and their shareholding ratio shall be indicated:

March 31, 2026

Name of legal shareholder	Major shareholders of the legal shareholder
You-Yang Management Consultants Co., Ltd.	Tsung-Hung Hsieh (99.99%)

3. If each of the top 10 shareholders is a legal person shareholder, the name of the legal shareholder and the name of the legal person's shareholding ratio to the top 10 shareholders and their shareholding ratio: None.

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

Name	conditions	Professional Qualifications and Experience	Independence situation	Concurrently serves as independent directors of other publicly listed companies
Chieh-Sheng Cheng		<ul style="list-style-type: none"> <li>• He was the deputy general manager of Jetek Technology Co., Ltd.</li> <li>• His main current position is the chairman and general manager of the Company</li> <li>• Have the necessary work experience in the business and biotechnology and medical industries, and do not have any of the subparagraphs of Article 30 of the Company Act.</li> </ul>		—
Yung-Yi Wu		<ul style="list-style-type: none"> <li>• She worked at IBM Consulting and Pfizer company</li> <li>• She is mainly the vice chairman of the Company and a director of KyrMar Advisory Services Limited.</li> <li>• Have the necessary work experience in the business and biotechnology and medical industries, and do not have any of the subparagraphs of Article 30 of the Company Act.</li> </ul>	Not applicable	—
Wen-Yu Tsai		<ul style="list-style-type: none"> <li>• He was the head of the R&amp;D department of Health &amp; Life Co., Ltd.</li> <li>• His main current position is the chief operating officer of the Company</li> <li>• Have the necessary work experience in the business and biotechnology and medical industries, and do not have any of the subparagraphs of Article 30 of the Company Act.</li> </ul>		—

Name	conditions	Professional Qualifications and Experience	Independence situation	Concurrently serves as independent directors of other publicly listed companies
You-Yang Management Consultants Co., Ltd. Representative: Tsung-Hung Hsieh		<ul style="list-style-type: none"> <li>• He was the general manager of Creative Sensor Inc.</li> <li>• His main current position is You-Yang Management Consultants Co., Ltd. Chairman</li> <li>• Have the necessary work experience in the business and biotechnology and medical industries, and do not have any of the subparagraphs of Article 30 of the Company Act.</li> </ul>		—
Representative Director: Mahendra Shah Representative corporation: VIVO PANDA FUND, L.P.		<ul style="list-style-type: none"> <li>• Former Fujisawa Pharmaceutical Company, Senior Director</li> <li>• His main current position is Vivo Capital, Advisor</li> <li>• Have the necessary work experience in the business and biotechnology and medical industries, and do not have any of the subparagraphs of Article 30 of the Company Act.</li> </ul>		—
Representative Director: Wei-Lian Chung Representative legal person: Forward Asset Management Ltd.		<ul style="list-style-type: none"> <li>• He was a director of Hantong Venture Capital Co., Ltd General Manager</li> <li>• His main current position is the chairman and general manager of Forward Asset Management Ltd.</li> <li>• Have the necessary work experience in the business and biotechnology and medical industries, and do not have any of the subparagraphs of Article 30 of the Company Act.</li> </ul>		—
Shih-Hao Fang (Independent Director)		<ul style="list-style-type: none"> <li>• He was a professor at Yuan Ze University and the Chief R&amp;D Director of the R&amp;D Office of Yuan Ze University</li> <li>• His main current position is a professor in the Department of Electrical Engineering at National Taiwan Normal University</li> <li>• Have work experience required in industries such as electrical engineering and academic research, and do not have any of the circumstances specified in Article 30 of the Company Act.</li> </ul>	In accordance with the provisions of the Company's Articles of Incorporation, directors are elected through the candidate nomination system. When nominating and electing independent directors, the Company has obtained written statements, work experience, current employment certificates, and family relationship tables from each independent director to verify the independence of the Company's independent directors, their spouse, and relatives within the third degree of kinship. The Company has also verified that the following four independent directors meet the qualifications required by the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission	—
Shang-Yuan Chang (Independent Director)		<ul style="list-style-type: none"> <li>• He was an external lecturer at Takming University of Science and Technology</li> <li>• His main current position is a CPA at JenFriends &amp; Co., CPAs.</li> <li>• Possess professional skills in finance, taxation and accounting, There are no circumstances under Article 30 of the Company Act.</li> </ul>		—

Name	conditions	Professional Qualifications and Experience	Independence situation	Concurrently serves as independent directors of other publicly listed companies
Chao-Lung Chou (Independent Director)		<ul style="list-style-type: none"> <li>• He was a lawyer at Johnson and Partners.</li> <li>• His main current position is the chief lawyer of Dean &amp; Partners, Attorneys at Law</li> <li>• Possess the required regulatory expertise for the biotechnology and medical industry, There are no circumstances under Article 30 of the Company Act.</li> </ul>	and Article 14-2 of the Securities and Exchange Act in the two years prior to their election and during their term of office, and that the independent directors have been granted the power to fully participate in decision-making and to express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and have independently performed their duties accordingly.	—
Yi-Chen Chen (Independent Director)		<ul style="list-style-type: none"> <li>• She was a researcher at the Pulmonary Vascular Center at the University of Texas Southwestern Medical Center</li> <li>• Her main current position is the attending physician of the Department of Pediatric Cardiology, Kaohsiung Medical University Hospital.</li> <li>• Possess professional knowledge in the medical field and other majors, and do not have any of the subparagraphs of Article 30 of the Company Act.</li> </ul>		—

## 5. Diversity and independence of the Board of Directors

### (1) Diversity of the Board of Directors

The Company advocates and respects the diversity policy of directors, and in order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, it is believed that the diversity policy will help improve the overall performance of the Company. The selection of the company's board of directors is based on the principle of meritocracy, and they have diverse and complementary abilities across industries, including basic conditions and values: (e.g., gender and age, etc.), and each has professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. In addition, in order to fulfill its supervisory responsibilities, various internal management regulations have been formulated to improve the governance function. Article 20 of the Company's Code of Corporate Governance Practice stipulates that the board of directors as a whole should have the following competencies:

- A. Operational judgment ability.
- B. Accounting and financial analysis skills.
- C. Business management capabilities.
- D. Crisis management capabilities.
- E. Industry knowledge.
- F. International market perspective

G. Leadership ability.

H. Decision-making ability.

The Company has established the “Corporate Governance Best Practice Principles” and has established the Company's director nomination system in the “Articles of Incorporation”. When electing directors and independent directors, the Company considers diversity as an important factor in addition to their professional backgrounds.

The Company's current Board diversity policy and implementation are as follows:

Conditions Name	Basic conditions and values						Industry experience					Professional ability						
	Nationality	Gender	Employee status	Age			Independent Director Years of service	Industry knowledge	Business determination	Business management	Finance and financial analysis	Decision making	Electronics	Medical supplies	Accounting	Law	Biotechnology	
				41 to 50 years old	51 to 60 years old	71 to 80 years old												
Chieh-Sheng Cheng	Republic of China	Male	✓	✓			—	✓	✓	✓	✓	✓	✓				✓	
Yung-Yi Wu	Republic of China	Female			✓		—	✓		✓		✓					✓	
Wen-Yu Tsai	Republic of China	Male	✓	✓			—	✓	✓	✓	✓	✓	✓				✓	
Tsung-Hung Hsieh	Republic of China	Male			✓		—	✓	✓	✓	✓	✓					✓	
Mahendra Shah	USA	Male				✓	—	✓	✓	✓		✓					✓	
Wei-Lien Chung	Republic of China	Male		✓			—	✓	✓	✓	✓		✓			✓	✓	
Shih-Hao Fang	Republic of China	Male		✓			Less than 3 years			✓		✓						
Shang-Yuan Chang	Republic of China	Male		✓					✓	✓	✓	✓			✓			
Chao-Lung Chou	Republic of China	Male		✓					✓	✓	✓	✓				✓		
Yi-Chen Chen	Republic of China	Female		✓					✓			✓						✓

## (2) Independence of the Board of Directors

The Company's Board of Directors has a total of 10 directors, of which 4 are independent directors (accounting for 40.00% of all directors), accounting for more than one-third of the Board seats. Among the directors, there is no violation of any of the provisions specified in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act. In addition, all independent directors meet the requirements of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” regarding independence.

(II) General manager, deputy general manager, senior manager, and heads of departments and branches

March 31, 2026; Unit: Shares; %

Job title	Name	Gender	Nationality	Date of appointment	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Concurrent positions held in other companies	Managers who are spouses or have a relationship within the second degree of kinship			Employee stock options acquired by managers	Notes
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship		
General Manager	Chieh-Sheng Cheng	Male	Republic of China	October 6, 2014	3,139,815	8.73	—	—	344,000	0.96	<ul style="list-style-type: none"> <li>Department of Engineering Science and Ocean Engineering, National Taiwan University</li> <li>Master's Degree in Industrial Engineering and Management from Yuan Ze University (including the Engineering Economic Systems Program in collaboration with Stanford University).</li> <li>Stanford Advanced Project Management</li> <li>Project Manager of Mobile Display Business Unit, AUO Corporation</li> <li>Sales Manager, AUO Corporation's US Branch</li> <li>Deputy General Manager, Jastek Limited</li> </ul>	<ul style="list-style-type: none"> <li>Chairman, HCMED UK LIMITED</li> <li>Chairman, Yun Ju Investment Co., Ltd.</li> </ul>	—	—	—	(Note 2)	
Chief Operating Officer	Wen-Yu Tsai	Male	Republic of China	October 6, 2014	3,857,893	10.72	—	—	200,000	0.56	<ul style="list-style-type: none"> <li>Department of Electronic Engineering, Asia Eastern University of Science and Technology</li> <li>R&amp;D manager, HEALTH&amp;LIFE CO., LTD.</li> </ul>	<ul style="list-style-type: none"> <li>Chairman, Yu Hsun Co., Ltd.</li> </ul>	—	—	—	(Note 1)	
Deputy General Manager	Jui-Sui Chen	Female	Republic of China	April 1, 2025	45,000	0.13	—	—	—	—	<ul style="list-style-type: none"> <li>PhD in Medical Engineering, National Yang-Ming University</li> <li>Founder, NaviFUS Corporation</li> <li>Deputy General Manager, Nano Targeting &amp; Therapy Biopharma Inc.</li> </ul>	—	—	—	—	—	
Chief Financial Officer	Wei-Cheng Tu	Male	Republic of China	January 2, 2019	100,000	0.28	—	—	—	—	<ul style="list-style-type: none"> <li>Department of Accounting, Fu Jen Catholic University</li> <li>Master's degree in Biotechnology Management, National Taiwan University</li> <li>Manager of Audit Department, KPMG Taiwan</li> </ul>	—	—	—	—	—	

Note 1: Please refer to the special chapter of this annual report for details of employee stock options held by managers. Chairman of the Company, Mr. Chieh-Sheng Cheng, and Director of the Company, Mr. Wen-Yu Tsai, are both experts in electronic medical devices. To advance the Company's R&D capabilities, Mr. Cheng and Mr. Tsai concurrently serve as General Manager and Chief Operating Officer of the Company, respectively. However, the Company has appointed three independent directors and established functional committees to enhance the effectiveness of the Board and strengthen its supervisory function. The number of directors concurrently serving as managers does not exceed half of the total number of Board seats.

Note 2: When the Chairman and the general manager or a person of equivalent rank (top manager) are the same person, spouses or first-degree relatives, the reasons, rationality, necessity and relevant information of the corresponding measures should be explained: The purpose of the Chairman of the Company concurrently serving as the General Manager is to improve operational efficiency and decision-making execution, to effectively connect Board members so they can participate in the Company's various decisions at any time, and to build consensus in order to facilitate the achievement of resolutions assigned by the Board of Directors. In addition, the Company increased the number of independent directors to four at the general meeting of shareholders on May 31, 2024, in order to implement corporate governance objectives by increasing external supervision and checks and balances within the Board of Directors, and ensuring that more than half of the directors do not serve as employees or managers.

II. Remuneration paid to directors, supervisors, general manager and the deputy general manager in the most recent year

(I) Remuneration of general directors and independent directors

December 31, 2025; Unit: NT\$ thousands; %

Job title	Name	Remuneration of directors								Total of four items A+B+C+D as a percentage of net income after tax		Remuneration received for serving as an employee concurrently						Total of seven items A+B+C+D+E+F+G as a percentage of net income after tax		Remuneration from investors other than subsidiaries or from the parent company/		
		Remuneration (A)		Severance pay and pension (B)		Remuneration of directors (C)		Business execution expenses (D)				Remuneration, bonus, and allowance (E)		Severance pay and pension (F)		Remuneration of employees (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
Chairman	Chieh-Sheng Cheng	-	-	-	-	-	-	-	-	-	-	11,588	11,588	-	-	-	-	-	-	11,588 (9.19)	11,588 (9.19)	-
Vice Chairman	Yung-Yi Wu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors	Wen-Yu Tsai	-	-	-	-	-	-	-	-	-	-	11,389	11,389	-	-	-	-	-	-	11,389 (9.03)	11,389 (9.03)	-
Directors	You Yang Management Consultant Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Representative: Tsung-Hung Hsieh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors	Representative: Mahendra Shah	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	U.S. VIVO PANDA FUND, L.P.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors	Representative: Wei-Jung Chung	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	FORWARD ASSET MANAGEMENT LTD.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Directors	Shih-Hao Fang	420	420	-	-	-	-	-	-	420 (0.33)	420 (0.33)	-	-	-	-	-	-	-	-	420 (0.33)	420 (0.33)	-
Independent Directors	Shang-Yuan Chang	420	420	-	-	-	-	-	-	420 (0.33)	420 (0.33)	-	-	-	-	-	-	-	-	420 (0.33)	420 (0.33)	-
Independent Directors	Chao-Lung Chou	420	420	-	-	-	-	-	-	420 (0.33)	420 (0.33)	-	-	-	-	-	-	-	-	420 (0.33)	420 (0.33)	-
Independent Directors	Yi-Chen Chen	420	420	-	-	-	-	-	-	420 (0.33)	420 (0.33)	-	-	-	-	-	-	-	-	420 (0.33)	420 (0.33)	-

1. Please describe the payment policy, system, standard and structure for remuneration of independent directors, and explain the relationship with the remuneration payment according to the job duties handled, risks and time invested, etc.: The Company pays a fixed remuneration on a monthly basis to independent directors regardless whether the Company is operating at a profit or loss, and the amount of remuneration paid to independent directors is determined based on their level of participation and value of their contribution to the Company's operations, and the Board of Directors may propose the amount of remuneration to the Remuneration Committee for adjustment.

Independent directors do not participate in the Company's remuneration distribution. The Company does not further provide severance pay, pension, transportation fees, special disbursement, travel expenses and various allowances to independent directors. However, if independent directors are on business trips due to the Company's operational needs, their travel allowance is reimbursed in accordance with the Company's "Regulations for Travel and Business Expenses".

2. In addition to the disclosure of the table above, the remuneration collected by directors of the Company for providing services (such as acting as non-employee consultant of the parent company/companies/investees indicated in the financial report): None.

Remuneration brackets table

Remuneration bracket for each director of the Company	Name of director			
	Total remuneration of the first four items (A+B+C+D)		Total remuneration of the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NT\$1,000,000	Chieh-Sheng Cheng, Yung-Yi Wu, Wen-Yu Tsai, You Yang Management Consulting Co., Ltd. (Representative: Tsung-Hung Hsieh), VIVO PANDA FUND, L.P. (Representative: Mahendra Shah), FORWARD ASSET MANAGEMENT LTD. (Representative: Wei-Lien Chung), Shih-Hao Fang, Shang-Yuan Chang, Chao-Lung Chou, Yi-Chen Chen	Chieh-Sheng Cheng, Yung-Yi Wu, Wen-Yu Tsai, You Yang Management Consulting Co., Ltd. (Representative: Tsung-Hung Hsieh), VIVO PANDA FUND, L.P. (Representative: Mahendra Shah), FORWARD ASSET MANAGEMENT LTD. (Representative: Wei-Lien Chung), Shih-Hao Fang, Shang-Yuan Chang, Chao-Lung Chou, Yi-Chen Chen	Yung-Yi Wu, You Yang Management Consulting Co., Ltd. (Representative: Tsung-Hung Hsieh), VIVO PANDA FUND, L.P. (Representative: Mahendra Shah), FORWARD ASSET MANAGEMENT LTD. (Representative: Wei-Lien Chung), Shih-Hao Fang, Shang-Yuan Chang, Chao-Lung Chou, Yi-Chen Chen	Yung-Yi Wu, You Yang Management Consulting Co., Ltd. (Representative: Tsung-Hung Hsieh), VIVO PANDA FUND, L.P. (Representative: Mahendra Shah), FORWARD ASSET MANAGEMENT LTD. (Representative: Wei-Lien Chung), Shih-Hao Fang, Shang-Yuan Chang, Chao-Lung Chou, Yi-Chen Chen
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	—	—	—	—
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	—	—	—	—
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	—	—	—	—
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	—	—	Chieh-Sheng Cheng, Wen-Yu Tsai	Chieh-Sheng Cheng, Wen-Yu Tsai
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	—	—	—	—
More than NT\$100,000,000	—	—	—	—
Total	10 people	10 people	10 people	10 people

(II) Remuneration to supervisors: Not applicable.

(III) Remuneration to general manager and deputy general manager

December 31, 2025; Unit: NT\$ thousands; %

Job title	Name	Salaries (A)		Severance pay and pension (B) (Note1)		Bonuses and special expenses, etc. (C)		Amount of employees' remuneration (D)				The sum of A, B, C and D as a percentage of net profit after tax		Remuneration received from the reinvested business other than subsidiaries or from the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		in the financial statements All companies		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Chieh-Sheng Cheng	4,023	4,023	—	—	7,565	7,565	—	—	—	—	11,588 (9.19)	11,588 (9.19)	—
Chief Operating Officer	Wen-Yu Tsai	4,686	4,686	—	—	6,703	6,703	—	—	—	—	11,389 (9.03)	11,389 (9.03)	—
Deputy General Manager	Jui-Sui Chen	1,456	1,456	108	108	2,170	2,170	—	—	—	—	3,734 (2.96)	3,734 (2.96)	—

Note 1: The retirement pension shown in the table above is all contributions, and the actual payment amount is 0.

Remuneration brackets table

The remuneration range for each general manager and deputy general manager of the Company	Names of the general manager and deputy general manager	
	The Company	All companies included in the financial statements
Less than NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) ~ 2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) ~ 3,500,000 (exclusive)	—	—
NT\$3,500,000 (inclusive) ~ 5,000,000 (exclusive)	Jui-Sui Chen	Jui-Sui Chen
NT\$5,000,000 (inclusive) ~ 10,000,000 (exclusive)	—	—
NT\$10,000,000 (inclusive) ~ 15,000,000 (exclusive)	Chieh-Sheng Cheng, Wen-Yu Tsai	Chieh-Sheng Cheng, Wen-Yu Tsai
NT\$15,000,000 (inclusive) ~ 30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive) ~ 50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) ~ 100,000,000 (exclusive)	—	—
More than NT\$100,000,000	—	—
Total	3 people	3 people

(IV) Remuneration of the top five highest paid executives of listed and OTC companies:

December 31, 2025; Unit: NT\$ thousands; %

Job title	Name	Salaries (A)		Severance pay and pension (B) (Note1)		Bonuses and special expenses, etc. (C)		Amount of employees' remuneration (D)				The sum of A, B, C and D as a percentage of net profit after tax		Remuneration received from the reinvested business other than subsidiaries or from the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		in the financial statements All companies		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Chieh-Sheng Cheng	4,023	4,023	—	—	7,565	7,565	—	—	—	—	11,588 (9.19)	11,588 (9.19)	—

Job title	Name	Salaries (A)		Severance pay and pension (B) (Note1)		Bonuses and special expenses, etc. (C)		Amount of employees' remuneration (D)				The sum of A, B, C and D as a percentage of net profit after tax		Remuneration received from the reinvested business other than subsidiaries or from the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		in the financial statements All companies		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chief Operating Officer	Wen-Yu Tsai	4,686	4,686	—	—	6,703	6,703	—	—	—	—	11,389 (9.03)	11,389 (9.03)	—
Deputy General Manager	Jui-Sui Chen	1,456	1,456	108	108	2,170	2,170	—	—	—	—	3,734 (2.96)	3,734 (2.96)	—
Chief Financial Officer	Wei-Cheng Tu	1,440	1,440	108	108	2,130	2,130	—	—	—	—	3,678 (2.92)	3,678 (2.92)	—

Note 1: The retirement pension shown in the table above is all contributions, and the actual payment amount is 0.

(V) Name of the manager who distributed employee compensation in the most recent year and distribution status: The Company's operation is still in the loss stage, and there is no surplus, so there is no distribution of employee dividends.

(VI) A comparative analysis of the total remuneration paid to directors, supervisors, general managers, and deputy general managers of the Company in the most recent two years by the Company and all companies in the consolidated statements as a percentage of the net profit after tax reported by individuals or individual financial reports, and the policy, standards and combinations of remuneration, procedures for formulating remuneration, and the relationship between operating performance and future risks:

1. Analysis of the ratio of the total remuneration paid to directors, supervisors, general managers and deputy general managers of the Company in the most recent two years to the net profit after tax in individual or individual financial reports

Unit: NT\$ thousands; %

Job title	2024				2025			
	Total remuneration		Total remuneration as a percentage of net profit after tax		Total remuneration		Total remuneration as a percentage of net profit after tax	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
Directors (Note)	1,505	1,505	(1.92)	(1.92)	1,680	1,680	(1.33)	(1.33)
General Manager and Deputy General Manager	12,332	12,332	(15.77)	(15.77)	26,711	26,711	(21.18)	(21.18)

Note 1: Remuneration of independent directors.

2. The policy, standards, and combination of remuneration, procedures for determining remuneration, and the relationship with operating performance and future risks

(1) Directors: In accordance with the Articles of Incorporation of the Company, if the Company makes a profit in a year, the Board of Directors may resolve to allocate no more than 5% as directors' remuneration. The resolution shall be made by the Board of Directors with the attendance of more than two-thirds of the directors and the approval of more than half of the directors present, and reported to the shareholders' meeting. However, if the Company still has accumulated losses, it should reserve the amount to make up for it in advance and then allocate the directors' remuneration in accordance with the proportion in the preceding paragraph. The Company has not made any profit in the past two years, and therefore did not distribute any directors' remuneration, nor has it had any other variable remuneration. The only remuneration paid to directors is monthly fixed remuneration paid to independent directors, and this fixed remuneration accounts for a low proportion of after-tax profit and loss, has nothing to do with the Company's operating performance or the results of the Board of Directors' performance evaluations, and has no relevance to future risks.

(2) The General Manager and Deputy General Manager: In accordance with the Articles of Incorporation of the Company, if the Company makes a profit in a year, the Board of Directors may resolve to allocate no less than 20% as employees' remuneration (of which not less than 1% is the remuneration distributed to grassroots employees). This resolution shall be implemented by the Board of Directors with the attendance of more than two-thirds of the directors and the approval of more than half of the directors in attendance, and reported to the shareholders' meeting. However, if the Company still has accumulated losses, it should reserve the amount to offset it in advance and then allocate the employees' remuneration in accordance with the proportion in the preceding paragraph. The Company has not made any profit in the last two years and therefore did not distribute any employees' remuneration. The remuneration to the General Manager and Deputy General Manager of the Company is determined by taking the salary level in the same industry market into account, the scope of responsibilities of the position, and the achievement of individual performance and contribution to the Company's operating goals. Reasonable remuneration is given and is positively correlated with the operating performance.

### III. Operation of corporate governance

#### (I) Operation of the Board of Directors

As of the date of publication of the annual report in 2025, the Board of Directors had held 12 meetings (A), and the attendance of directors was as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (B/A)	Notes
Chairman	Chieh-Sheng Cheng	12	—	100.00%	—
Vice Chairman	Yung-Yi Wu	11	—	91.67%	—
Director	Wen-Yu Tsai	12	—	100.00%	—
Director	You-Yang Management Consultants Co., Ltd.	12	—	100.00%	—
	Representative: Tsung-Hung Hsieh				
Director	Representative Director: Mahendra Shah	7	—	58.33%	—
	Legal person represented: VIVO PANDA FUND, L.P.				
Director	Representative Director: Wei-Lian Chung	12	—	100.00%	—
	Legal person represented: FORWARD ASSET MANAGEMENT LTD.				
Independent Director	Shih-Hao Fang	11	—	91.67%	—
Independent Director	Shang-Yuan Chang	11	1	91.67%	—
Independent Director	Chao-Lung Chou	12	—	100.00%	—
Independent Director	Yi-Chen Chen	10	—	83.33%	—

Other matters to be recorded:

1. If the operation of the board of directors occurs under any of the following circumstances, the date, period, content of the proposal, opinions of all independent directors, and the handling of the company's opinions on the independent directors shall be specified:

- (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee, and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable.

(2) In addition to the aforementioned matters, other resolutions of the board of directors that are objected to or qualified by independent directors and have a record or written statement: None of this is the case.

2. The implementation of recusal from the resolution regarding conflict of interest shall state the name of the director, the content of the resolution, the reason for recusal and the voting status:

Date/term of Board meeting	Name of director	Proposal content	Reasons for recusal	Participation in voting
March 14, 2025 The 9th time of the 4th term	Chieh-Sheng Cheng Wen-Yu Tsai	The Company's 2024 operating performance bonus distribution plan.	The Chairman and directors who recuse themselves have a personal interest in the content of the proposal.	Except for those who abstained in accordance with the law and did not participate in the discussion and voting, the proposal was approved without objection by other directors present.
	Chieh-Sheng Cheng Wen-Yu Tsai	The Company's 2025 managers' performance evaluation goals and reward plan.	The Chairman and directors who recuse themselves have a personal interest in the content of the proposal.	Except for those who abstained in accordance with the law and did not participate in the discussion and voting, the proposal was approved without objection by other directors present.
September 17, 2025 The 14th time of the 4th term	Tsung-Hung Hsieh	Ratification of the merger and issuance of new shares by the Company and Harvest Precision Innovations Co., Ltd.	The director who recused himself has a personal interest in the content of the proposal.	Except for those who abstained in accordance with the law and did not participate in the discussion and voting, the proposal was approved without objection by other directors present.
November 13, 2025 The 16th time of the 4th term	Chieh-Sheng Cheng Wen-Yu Tsai	It is planned to approve the company's pre-IPO cash capital increase managerial employee stock subscription details.	The Chairman and directors who recuse themselves have a personal interest in the content of the proposal.	Except for those who abstained in accordance with the law and did not participate in the discussion and voting, the proposal was approved without objection by other directors present.
December 23, 2025 The 17th time of the 4th term	Chieh-Sheng Cheng Wen-Yu Tsai	The Company's 2025 manager performance appraisal and performance bonus payment.	The Chairman and directors who recuse themselves have a personal interest in the content of the proposal.	Except for those who abstained in accordance with the law and did not participate in the discussion and voting, the proposal was approved without objection by other directors present.

Date/term of Board meeting	Name of director	Proposal content	Reasons for recusal	Participation in voting
	Chieh-Sheng Cheng Wen-Yu Tsai	The Company's 2025 manager year-end bonus payment case.	The Chairman and directors who recuse themselves have a personal interest in the content of the proposal.	Except for those who abstained in accordance with the law and did not participate in the discussion and voting, the proposal was approved without objection by other directors present.
	Chieh-Sheng Cheng Wen-Yu Tsai	The Company's 2026 manager salary adjustment.	The Chairman and directors who recuse themselves have a personal interest in the content of the proposal.	Except for those who abstained in accordance with the law and did not participate in the discussion and voting, the proposal was approved without objection by other directors present.
	Chieh-Sheng Cheng Wen-Yu Tsai	The Company's 2026 manager performance appraisal target and reward plan.	The Chairman and directors who recuse themselves have a personal interest in the content of the proposal.	Except for those who abstained in accordance with the law and did not participate in the discussion and voting, the proposal was approved without objection by other directors present.
	Yung-Yi Wu	Re-ratify the consulting contract between the Company and "KyrMar Advisory Services Limited."	The Vice Chairman who recused herself has a personal interest in the content of the proposal.	Except for those who abstained in accordance with the law and did not participate in the discussion and voting, the proposal was approved without objection by other directors present.

3. Listed companies shall disclose information such as the evaluation cycle and period, evaluation scope, method and evaluation content of the Board of Directors' self-evaluation (or peer evaluation), and shall fill in the implementation of the Board of Directors' evaluation:

Evaluation period	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Performed once a year	January 1, 2024 - December 31, 2024	1.Board of Directors 2.Individual Board member 3.Functional committees	1.Board of Directors' self-evaluation 2.Self-evaluation of Board members 3.Self-evaluation of functional committees	Note

Notes:

- (1)Self-evaluation of the Board of Directors: Including five major items such as the degree of participation in the Company's operations, improvement of the quality of the Board's decision-making, Board composition and structure, election and continuous training of directors, and

internal control, with a total of 45 indicators.

(2)Self-evaluation of Board members: Including six major items such as understanding of the Company's goals and tasks, awareness of directors' responsibilities, degree of participation in company operations, internal relationship management and communication, directors' professional and continuing education, and internal control, with a total of 23 indicators.

(3)Self-evaluation of functional committees: Including five major items such as the degree of participation in the Company's operations, awareness of the functional committee's responsibilities, improvement of the functional committee's decision-making quality, the functional committee's composition and member selection, and internal control, with a total of 24 indicators.

4. Goals for strengthening the functions of the Board of Directors in the current year and the most recent year (e.g. establishment of an audit committee, improvement of information transparency, etc.) and implementation status evaluation:

(1)The Company has established "Rules of Procedure for Board of Directors Meetings" to effectively establish a Board governance system, improve supervisory functions, and strengthen management mechanisms.

(2)The Company has purchased "Directors' Liability Insurance" to mitigate legal liability risks and enhance corporate governance capabilities.

(3)In order to enhance the professional knowledge and capabilities of directors and implement corporate governance, the Company has arranged corporate governance training and courses on securities regulations for directors.

(4)In order to strengthen the functions of the Board of Directors, the Company has appointed four independent directors and established an Audit Committee and a Remuneration Committee to assist the Board of Directors in fulfilling its supervisory responsibilities and actively strengthen the functions of the Board of Directors to enhance corporate governance.

(5)The Company discloses important financial and business information on the MOPS and the Company's website in accordance with regulations. It also has a spokesperson and an acting spokesperson system, as well as dedicated personnel responsible for information disclosure and communication.

## (II)Operation of the Audit Committee

The Company's Audit Committee is composed of four independent directors. In addition to implementing the provisions of applicable laws and regulations, the Company's Audit Committee aims to assist the Board of Directors in fulfilling its duties of supervising the fair presentation of the Company's financial statements, the election (dismissal) and independence and performance of CPAs, the effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, and the control of the Company's existing or potential risks.

As of the date of publication of the annual report in 2025, the Audit Committee held 10 meetings (A), and the attendance of the independent directors was as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (B/A)	Notes
Independent Director	Shih-Hao Fang	10	—	100.00%	—
Independent Director	Shang-Yuan Chang	10	—	100.00%	—
Independent Director	Chao-Lung Chou	10	—	100.00%	—
Independent Director	Yi-Chen Chen	8	—	80.00%	—

Other matters to be recorded:

1. If the operation of the audit committee occurs under any of the following circumstances, the date and period of the audit committee meeting, the content of the proposal, the objections, qualified opinions or material recommendations of independent directors, the results of the audit committee's resolutions, and the company's handling of the audit committee's opinions shall be specified:

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

Date/term of the Audit Committee	Proposal content	Audit Committee's resolution	The Company's response to the Audit Committee's opinions
January 13, 2025 The 6th meeting of the 2nd term	a. Allocation of shares subscribable by non-managerial employees in the Company's 2024 cash capital increase.	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.
March 14, 2025 The 7th meeting of the 2nd term	a. 2024 Business Report and Financial Statements. b. Proposal for offsetting accumulated losses in 2024. c. Statement on Internal Control System for 2024. d. Pre-IPO cash capital increase for new share underwriting and waiver of pre-emptive rights by existing shareholders. e. Adoption of corporate governance-related policies, including Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, Risk Management Policies, and related procedures. f. Amendments to internal control procedures and authorization matrix. g. Assessment report on financial reporting preparation capability. h. Independence and qualification assessment of the CPA. i. Second issuance of employee stock options (2023 plan) and grantee list.	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.

Date/term of the Audit Committee	Proposal content	Audit Committee's resolution	The Company's response to the Audit Committee's opinions
April 30, 2025 The 8th meeting of the 2nd term	a. Statement on Internal Control System. b. Amendment to payroll cycle.	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.
June 24, 2025 The 9th meeting of the 2nd term	a. Adoption of the General Principles of Internal Control System.	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.
August 13, 2025 The 10th meeting of the 2nd term	a. Adoption of the Commission Payment Management Policy. b. Amendment to procurement and payment cycle. c. Statement on Internal Control System. d. Q2 2025 Financial Statements.	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.
October 31, 2025 The 11th meeting of the 2nd term	a. Proposed cash capital increase for new share issuance in connection with the Company's initial public offering. b. Ratification of the 2023 Financial Statements.	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.
November 13, 2025 The 12th meeting of the 2nd term	a. Q3 2025 Financial Statements. b. Amendment to authorization matrix. c. Proposed employee share subscription plan (non-managerial employees) prior to IPO.	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.
December 23, 2025 The 13th meeting of the 2nd term	a. 2026 Financial Budget. b. Proposed capital increase in the Company's UK subsidiary, HCMED UK LIMITED. c. 2026 Audit Plan. d. Re-ratification of consultancy agreement with KyrMar Advisory Services Limited.	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.
March 12, 2026 The 14th meeting of the 2nd term	a. 2025 Business Report and Financial Statements. b. Proposal for offsetting accumulated losses in 2025. c. Statement on Internal Control System for 2025 d. Revision of the Company's "Procedures for Handling Material Inside Information" and "Procedures for Application for Suspension and Resumption of Trading".	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.

Date/term of the Audit Committee	Proposal content	Audit Committee's resolution	The Company's response to the Audit Committee's opinions
	e. Revision of the Company's Procedures for Acquisition or Disposal of Assets. f. Revise the Company's "Sustainable Development Best Practice Principles". g. In accordance with the rotation regulations of CPAs, the Company's deputy CPA and independence and competency assessment case were replaced.		
April 15, 2026 The 15th meeting of the 2nd term	a. HCMED UK LIMITED, a UK subsidiary of the company to increase its capital in cash. b. Revision of the Company's "R&D Cycle" plan. c. Change of the Company's accounting supervisor. d. Change of the Company's audit supervisor. e. Change of the Company's corporate governance supervisor.	The Chair consulted with all the directors present and the proposal was approved without objection.	The Chair consulted with all the directors present and the proposal was approved without objection.

(2) In addition to the above matters, other matters that have not been approved by the Audit Committee but were agreed upon by more than two-thirds of all directors: No such situation.

2. The implementation of an independent director's recusal on the resolution regarding conflict of interest shall state the name of the independent director, the content of the resolution, the reason for recusal and the voting status: No such situation.
3. Communication between independent directors and the internal audit manager and CPAs (including important matters, methods and results of communication on the Company's financial and business conditions, etc.):

(1) The internal audit manager shall issue an audit report on a monthly basis and submit it to the independent directors for review by the end of the next month. They shall also report the progress of internal control audit to the Audit Committee and the Board of Directors on a quarterly basis, including completed audit items and irregularities, and review the contents of the internal control system. If revisions are required, the Audit Office shall submit them to the Audit Committee for approval and then to the Board of Directors for resolution.

(2) Matters of communication between the Company's CPAs and independent directors include providing communication letters with the governance unit before and after the audit, explaining the scope and timeline of the audit, reporting the results of the audit of the financial statements, and significant findings. If there are any special circumstances, they will be reported to the Audit Committee members immediately. As of the date of publication of the annual report, there are no such special circumstances.

(III)The Company's corporate governance practices and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation items	Operation status		Summary description	The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
I. Does the Company establish and disclose its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the “Corporate Governance Best Practice Principles” and amends them from time to time in accordance with the regulations of the competent authorities and the actual needs of the Company. It is also disclosed in the MOPS and the investor section of the Company's website for investors' reference.	No significant difference.
II. Equity structure and shareholders' equity of the Company				No significant difference.
(I) Does the Company have internal operating procedures to handle shareholders' suggestions, concerns, disputes and litigation, and implement them in accordance with the procedures?	✓		(I) The Company has established a spokesperson system and fully disclosed contact information on the Company's website. Shareholders can express their opinions by phone or email, etc., to ensure the rights of shareholders.	
(II) Does the Company have a list of the major shareholders who actually control the Company and the ultimate controllers of major shareholders?	✓		(II) The Company regularly compiles the shareholder list based on shareholder register provided by the stock affairs agency on the day the Company suspends share transfers, and maintains good communication and interaction with major shareholders to obtain the list of their ultimate controllers.	
(III) Does the Company establish and implement risk control mechanisms and firewall mechanisms with related companies?	✓		(III) The Company has established the “Rules Governing Financial and Business Matters Between the Company and its Related Parties” for risk control.	

Evaluation items	Operation status		Summary description	The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
(IV) Does the Company have internal policies prohibiting company insiders from using information that is not yet publicly available to the market to buy or sell securities?	✓		(IV) The Company has established “Management Procedures for Prevention of Insider Trading”, “Procedures for Handling Material Inside Information” and “Code of Ethical Conduct” to regulate all members to avoid conflicts of interest related to their duties, and not to use or disclose undisclosed information to engage in insider trading.	
<p>III. The composition and duties of the Board of Directors</p> <p>(I) Does the Board of Directors formulate a diversity policy, specific management objectives and implement them?</p> <p>(II) In addition to the Remuneration Committee and Audit Committee established in accordance with the law, does the Company voluntarily establish other functional committees?</p> <p>(III) Does the Company establish performance evaluation methods and procedures for the Board of Directors, conduct performance evaluations regularly, at least once a year, submit the results of performance evaluations to the Board of Directors, and</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) In addition to establishing the “Corporate Governance Best Practice Principles”, the Company has established 10 seats of directors in accordance with the Articles of Incorporation. The composition of the Board of Directors is diverse and its members have the knowledge and skills required to perform their duties. For the implementation of the Board of Directors, please refer to pages 15 to 16 of this annual report.</p> <p>(II) In addition to the remuneration committee and audit committee established by law, the company also has a management committee to assist in strengthening the corporate governance structure. The committee mainly discusses and integrates the company's strategic direction, major management issues, and operational oversight matters, and promotes cross-departmental coordination to improve overall operational efficiency and the quality of board decisions.</p> <p>(III) The Company's “Regulations Governing the Board Performance Evaluation” have been approved by the Board of Directors, which stipulates that the Board of Directors shall conduct performance evaluation of the Board of Directors, Board members and functional committees at least once a year. For details of the implementation, please refer to page 25 of this annual report.</p>	No significant difference.

Evaluation items	Operation status		Summary description	The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
<p>use them as a reference for individual directors' remuneration and nomination for reappointment?</p> <p>(IV) Does the Company regularly assess the independence of its CPAs?</p>	✓		<p>(IV) The Company's Audit Committee and Board of Directors evaluate the independence and suitability of CPAs every year. In addition to requiring the CPAs to provide a "Statement of Independence" and "Audit Quality Indicators (AQIs)", they also conduct evaluations based on AQI indicators.</p> <p>After confirmation, the CPAs have no other financial interests and business relationships with the Company except for the fees for audit and tax cases, and the CPA's family members do not violate the independence requirements. The results of the most recent annual assessment were discussed and approved by the Audit Committee on March 12, 2026, and submitted to the Board of Directors, who approved the assessment of the independence and suitability of the CPAs on March 12, 2026.</p>	
<p>IV. Does the listed company have an appropriate number of qualified corporate governance personnel and has designated a corporate governance supervisor to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with information required to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to Board and shareholders meetings</p>	✓		<p>The Company has dedicated personnel responsible for corporate governance-related matters and has appointed a corporate governance manager who has more than three years of experience in internal auditing, accounting and other management work in publicly listed companies. Their main responsibilities are to provide directors and independent directors with the information they need to perform their duties, handle matters related to the meetings of the Board of Directors and shareholders in accordance with the law, assist directors in complying with laws and regulations, regularly review and revise the corporate governance practices and related regulations, and implement corporate governance matters.</p>	No significant difference.

Evaluation items	Operation status		Summary description	The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
in accordance with the law, and preparing minutes of Board and shareholders meetings, etc.)?				
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), establish a stakeholder area on the Company's website, and appropriately respond to important corporate social responsibility issues which are of concern to stakeholders?	✓		The Company has a spokesperson and acting spokesperson. All relevant contact information is announced on the MOPS in accordance with regulations. At the same time, an investor section is established on the Company's website to establish a good communication channel with investors.	No significant difference.
VI. Does the Company appoint a professional stock affairs agency to handle shareholders' meeting affairs?	✓		The Stock Agency Department of Yuanta Securities Co., Ltd. is entrusted to handle the Company's stock affairs.	No significant difference.
VII. Information disclosure (I) Does the Company have a website to disclose financial, business and corporate governance information? (II) Does the Company adopt other information disclosure methods (such as setting up an English website, designating a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, disclosing company information on the Company's website during corporate briefing, etc.)?	✓ ✓		(I) The Company's website has an investor section that regularly discloses financial, business and corporate governance related information. (II) The Company has designated personnel to be responsible for the collection and disclosure of company information, and to implement a spokesperson system as a bridge for external communication. Information related to corporate briefing is also placed on the Company's website.	Item 3 is summarized as above, while the others have no significant differences.

Evaluation items	Operation status		Summary description	The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
(III) Does the Company announce and file its annual financial report within two months after the end of a fiscal year, and announce and file its first, second and third quarter financial reports and monthly operating results in advance of the prescribed deadline?		✓	(III) The Company was listed in February 2026, and the annual financial report, quarterly financial report, and monthly operating status announcement and reporting are handled in accordance with the time limit stipulated by the Securities and Exchange Act and relevant laws and regulations.	
VIII. Does the Company have other important information that helps understand its governance operations (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors and supervisors, risk management policies and risk measurement standards, customer policy implementation, and the Company's purchase of liability insurance for directors and supervisors, etc.)?	✓		<p>(I) Employee rights and care: The Company regularly holds monthly meetings and labor-management meetings to exchange opinions with employees, and also understands the needs of employees in a timely manner through multiple mechanisms such as communication, education and training, and incentives.</p> <p>(II) Investor relations and rights of stakeholders: The Company implemented the disclosure of company information in accordance with laws and regulations to protect the rights and interests of investors and stakeholders and fulfill the corporate responsibility to shareholders.</p> <p>(III) Supplier relations: The Company has established supplier management procedures and all cooperation with suppliers complies with relevant laws, regulations, and contracts to safeguard the interests of both parties.</p> <p>(IV) The continuing education of directors: The Company's directors and independent directors will take courses on securities laws and regulations in accordance with legal regulations.</p> <p>(V) Implementation of risk management policies and risk measurement standards: In addition to regular assessments of operational risks and response measures conducted by relevant units, the Company has also established various standard operating procedures to reduce possible risks.</p>	No significant difference.

Evaluation items	Operation status		Summary description	The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
			<p>(VI)Implementation of customer policies: The Company adheres to the principle of good faith to maintain good relations with customers. Cooperation with customers complies with internal control systems, contracts and relevant laws and regulations to safeguard the rights and interests of both parties.</p> <p>(VII)Purchase of liability insurance for directors by the Company: The Company has purchased liability insurance for directors and independent directors.</p>	
<p>IX. Please explain the improvements that have been made based on the results of the corporate governance evaluation published by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priority areas for improvement and measures for those that have not yet been improved: The Company has not been included in the evaluation.</p>				

(IV)Composition and operation of the Remuneration Committee

1. Remuneration Committee

Identity Category	Name	Condition	Professional qualification and experience	Independence	Concurrently serves as a member of the Remuneration Committee of other public companies
Independent Director (Convener)	Shih-Hao Fang		Please refer to “Disclosure of Directors’ Professional Qualifications and Independence of Independent Directors” on pages 14-15.		—
Independent Director	Shang-Yuan Chang			—	
Independent Director	Chao-Lung Chou			—	
Independent Director	Yi-Chen Chen			—	

2.Information on the operation status of the Remuneration Committee

(1)The Company's Remuneration Committee consists of 4 members.

(2)The term of office of the current members: from May 31, 2024 to May 30, 2027. As of the date of publication of the annual report in 2025, the Remuneration Committee held 5 meetings (A). The qualifications and attendance of the committee members were as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (B/A)	Notes
Independent Director	Shih-Hao Fang	5	—	100.00%	—
Independent Director	Shang-Yuan Chang	5	—	100.00%	—
Independent Director	Chao-Lung Chou	5	—	100.00%	—
Independent Director	Yi-Chen Chen	4	—	80.00%	—

(3)Other matters to be recorded:

A. If the Board of Directors does not adopt or amend the recommendation of the Remuneration Committee, it shall state the date, period, content of the proposal, resolution of the Board of Directors, and the Company's handling of the opinion of the Remuneration Committee (if the remuneration approved by the Board of Directors is better than the recommendation of the Remuneration Committee, the difference and reason shall be stated): No such situation.

B. If a member of the Remuneration Committee objects to or reserves an opinion on a resolution and there is a record or written statement, the date, term, content of the

resolution, opinions of all members, and the handling of the opinions shall be stated:  
No such situation.

(V) Implementation of sustainable development and deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Promotion items	Implementation status			The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Does the Company have a governance structure to promote sustainable development and establish a dedicated (or part-time) unit to promote sustainable development, has the Board of Directors authorized senior management to handle it, and has the Board of Directors provided oversight?	✓		In April 2026, HCmed Innovations established the "Sustainable Development Group", which is the company's sustainable development unit, with the general manager as the general convener, responsible for the company's sustainable development coordination and promotion and other related affairs. HCmed Innovations reports to the board of directors at least once a year on the effectiveness of sustainable strategy and project implementation.	No significant difference.
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations based on the principle of materiality and establish relevant risk management policies or strategies?	✓		The company was listed in February 2026, that is, in April to set up a dedicated sustainability unit, which is expected to be analyzed in June 2026 in accordance with the principle of materiality of sustainability reports, and through domestic and foreign sustainability trends and peer/benchmark corporate sustainability reports, it will evaluate major ESG issues related to HCmed Innovations, and formulate management policies and specific action plans to reduce the impact of related risks.	No significant difference.
III. Environmental issues				
(I) Has the Company established a suitable environmental management system based on its industrial characteristics?	✓		The Company adheres to the emphasis on environmental sustainability and corporate social responsibility, and in accordance with the requirements of ISO 13485 medical device quality management system, it has established an environmental management system related to product quality and safety, including cleaning control of the operating area, pollution prevention and maintenance, etc., and has also formulated waste management and laboratory management regulations to reduce the impact of operations on the environment and continue to move towards sustainable development goals.	No significant difference.

Promotion items	Implementation status		Summary description	The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
			<p><b>environmental management system framework</b></p> <p>The Company's environmental management system mainly includes:</p> <ul style="list-style-type: none"> <li>• Environmental management procedures: Standardize the quality of the products produced by the company to meet the basic safety and health requirements, and establish clear management rules for relevant personnel and the plant environment.</li> <li>• Production area control measures: ensure the cleanliness and safety of the production area to avoid negative impact on product quality and the environment.</li> <li>• Pest Control Measures: Formulate control operation plans for the factory's work area, implement and monitor regularly, ensure the hygiene and safety of the working environment, and prevent pests from affecting the health of products and personnel.</li> <li>• Waste Management Regulations: Properly classify, collect, store, and clean waste generated during the production process and at the end of the product life cycle to ensure compliance with regulations and reduce environmental impact.</li> <li>• Laboratory management rules: Effectively manage the laboratory environment, facilities and equipment, experimental drugs, and other work scopes to reduce the potential risks of experimental operations to the environment.</li> </ul> <p>Through the implementation of the above system, we are committed to maintaining a safe, hygienic, and environmentally friendly operating environment.</p>	

Promotion items	Implementation status			The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Does the Company strive to improve the energy efficiency and use recycled materials with a low environmental impact?	✓		<p>1. Energy management measures</p> <ul style="list-style-type: none"> <li>• The Company's Taipei headquarters, Zhonghe factory, and UK subsidiaries are all equipped with LED lighting to improve energy efficiency and reduce electricity consumption, thereby reducing carbon emissions generated by electricity consumption.</li> <li>• The Company regularly conducts energy conservation and carbon reduction promotions to enhance employees' awareness of energy conservation and carbon reduction.</li> <li>• The Company reduces carbon emissions through daily energy-saving measures, including: controlling the temperature of the air conditioner, setting the computer to sleep or shutting down at regular intervals, requiring employees to turn off the air conditioner in a timely manner after meetings, and confirming that colleagues working overtime on holidays can unify the time to reduce the time to turn on lights and turn on the air conditioner. In addition, the office appliances (such as refrigerators/lights) purchased by the company are all made of electrical products with energy-saving labels, and are mostly used for remote meetings instead of business trips.</li> </ul> <p>2. Recycled material use</p> <p>Since medical products focus on quality and safety, relevant regulations have clear restrictions on material sources, so the company does not use recycled materials to ensure controllable risks and compliance.</p>	No significant difference.

Promotion items	Implementation status			The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies										
	Yes	No	Summary description											
(III) Does the Company assess the potential risks and opportunities of climate change to the business now and in the future, and take relevant response measures?	✓		<p>In order to formulate the Company's key climate change strategy, the company first identified the key issues of annual climate risks and opportunities, and in 2026, the Sustainable Development Group convened four major ESG working groups to collect and organize the exclusive climate issues of HCmed Innovations in accordance with the climate-related information of listed and OTC companies, peer reports and international trends, and finally decided on three key climate risks and opportunities, namely 1 transition risk, 1 physical risk and 1 climate opportunity The key issues are listed as follows in the identification results of climate risks and opportunities, which respectively list the occurrence schedule and response strategies of the issues.</p> <table border="1"> <thead> <tr> <th>Risk categories and opportunities</th> <th>category</th> <th>Topic</th> <th>Affect the schedule</th> <th>Response strategy</th> </tr> </thead> <tbody> <tr> <td>Transformation risk</td> <td>Policies and regulations</td> <td>Strengthen emissions reporting obligations</td> <td>Short/medium/long-term</td> <td>           1. Introduce greenhouse gas inventory operations according to the schedule specified by the competent authority, and complete the emission inventory and disclosure of the parent company and subsidiaries.            2. Gradually establish greenhouse gas data management and internal control systems to facilitate subsequent assurance and sustainability information disclosure needs.         </td> </tr> </tbody> </table>	Risk categories and opportunities	category	Topic	Affect the schedule	Response strategy	Transformation risk	Policies and regulations	Strengthen emissions reporting obligations	Short/medium/long-term	1. Introduce greenhouse gas inventory operations according to the schedule specified by the competent authority, and complete the emission inventory and disclosure of the parent company and subsidiaries. 2. Gradually establish greenhouse gas data management and internal control systems to facilitate subsequent assurance and sustainability information disclosure needs.	No significant difference.
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Promotion items	Implementation status					The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies	
	Yes	No	Summary description				
						3. In line with regulatory requirements, plan the formulation of carbon reduction targets and the introduction of IFRS sustainability disclosure standards.	
			Physical risk	Immediacy	The severity of extreme weather events such as typhoons and floods has increased	Medium term	<ol style="list-style-type: none"> <li>1. Retain the operating mechanism to flexibly adjust the shipping schedule.</li> <li>2. For critical raw materials, plan second supplier sources to reduce the risk of supply disruptions.</li> <li>3. Major operating sites are equipped with uninterruptible power supply systems to enhance operational continuity.</li> </ol>
			Opportunity	Resource efficiency	Use more efficient production (operations) and distribution processes	Short/medium term	<ol style="list-style-type: none"> <li>1. Through internal advocacy, energy conservation, carbon reduction, and resource efficiency management are promoted.</li> <li>2. Priority will be given to purchasing or replacing equipment and products with better energy efficiency.</li> <li>3. Evaluate the introduction of digital and AI-related systems to improve operational processes and management efficiency.</li> </ol>

Promotion items	Implementation status			The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies										
	Yes	No	Summary description											
(IV) Has the Company compiled statistics on greenhouse gas emissions, water usage, and total weight of waste over the past two years, and developed policies to reduce greenhouse gas emissions, water usage, or manage other forms of waste?	✓		<p>The Company continues to pay attention to the environmental impact of its operations at its headquarters in Taipei, its Zhonghe factory, and its UK subsidiary, and gradually promotes the management of greenhouse gases, energy, water, and waste.</p> <p>In terms of greenhouse gas and energy management, the company has formulated policies related to greenhouse gas reduction and energy conservation to reduce carbon emissions generated by operating activities through electricity management and energy-saving measures, and plans to set the company's overall greenhouse gas reduction target in the 2027 as the direction to follow in subsequent carbon reduction management.</p> <p>In terms of water and waste management, the company's business and process water consumption and waste generation are relatively limited, but the company continues to promote water conservation and resource reduction through internal promotion and management measures, and continuously reviews relevant management actions according to operational characteristics to reduce the impact on the environment.</p> <ul style="list-style-type: none"> <li>Greenhouse gas management</li> </ul> <table border="1"> <thead> <tr> <th>Items</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Scope 1 (metric tons of CO2e)</td> <td>2.3983</td> </tr> <tr> <td>Scope 2 (metric tons of CO2e)</td> <td>132.3177</td> </tr> <tr> <td>Scope 1 and 2 combined (metric tons of CO2e)</td> <td>134.7160</td> </tr> <tr> <td>greenhouse gas emission intensity (metric tons of CO2e/million dollars in operating revenue).</td> <td>1.3440</td> </tr> </tbody> </table> <p>Note 1: Greenhouse gas coverage: HCmed Innovations (Taipei headquarters, Zhonghe factory).</p> <p>Note 2: Greenhouse gas emission intensity (metric tons of CO2e/million</p>	Items	2025	Scope 1 (metric tons of CO2e)	2.3983	Scope 2 (metric tons of CO2e)	132.3177	Scope 1 and 2 combined (metric tons of CO2e)	134.7160	greenhouse gas emission intensity (metric tons of CO2e/million dollars in operating revenue).	1.3440	No significant difference.
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			<p>dollars) = (Scope 1 + Scope 2) / 2025 annual individual financial report operating income (million dollars).</p> <ul style="list-style-type: none"> <li>Water resources management <table border="1"> <thead> <tr> <th>Items</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Water Consumption (million litres)</td> <td>2.8814</td> <td>2.6200</td> </tr> <tr> <td>Water intensity (million liters/million operating income).</td> <td>0.02035</td> <td>0.02614</td> </tr> </tbody> </table> <p>Note 1: Scope covered: HCmed Innovations (Taipei headquarters, Zhonghe factory), UK subsidiary. Note 2: Water intensity (million liters/million dollars) = (water consumption) / consolidated financial report operating income (million dollars).</p> <li>Waste management <table border="1"> <thead> <tr> <th>Items</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td rowspan="2">General waste</td> <td>General household waste (metric tons)</td> <td>23.4344</td> <td>22.3826</td> </tr> <tr> <td>Industrial Waste (metric tons)</td> <td>0.0101</td> <td>0.0748</td> </tr> <tr> <td colspan="2">Gross Weight (metric tons)</td> <td>23.4445</td> <td>22.4575</td> </tr> <tr> <td colspan="2">Waste intensity (metric tons/million dollars of operating income)</td> <td>0.1656</td> <td>0.2241</td> </tr> </tbody> </table> <p>Note 1: Scope covered: HCmed Innovations individuals (Taipei headquarters, Zhonghe factory), UK subsidiaries. Note 2: Waste density (metric tons/million dollars) = (total waste weight) / consolidated financial reporting operating income (million dollars).</p> </li> </li></ul>	Items	2024	2025	Water Consumption (million litres)	2.8814	2.6200	Water intensity (million liters/million operating income).	0.02035	0.02614	Items	2024	2025	General waste	General household waste (metric tons)	23.4344	22.3826	Industrial Waste (metric tons)	0.0101	0.0748	Gross Weight (metric tons)		23.4445	22.4575	Waste intensity (metric tons/million dollars of operating income)		0.1656	0.2241	
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Promotion items	Implementation status			The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(I) Does the Company formulate relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		<p><b>1. Human Rights Policy and Management Practices</b></p> <p><b>(1)Human rights policy</b> The Company recognizes and voluntarily complies with internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Conventions, and strictly complies with labor-related laws and regulations in the location where the company is located.</p> <p><b>(2)Human rights management procedures</b> The company strictly abides by domestic labor laws and regulations, fulfills corporate social responsibility, and protects the basic human rights and related rights and interests of all employees, customers, and stakeholders.</p> <p><b>(3)Human rights management action</b> According to the Company's business items and characteristics, the Company's concerns are as follows</p> <ul style="list-style-type: none"> <li>• <b>Diversity, Inclusion and Equal Opportunities:</b> No unfair or discriminatory treatment based on gender, race, socioeconomic status, nationality, age, marriage, family status, language, religion, political affiliation, physical or mental disability, etc.</li> <li>• <b>Prohibition of Forced and Forced Labor:</b> Respect the wishes of employees and prohibit forced labor.</li> <li>• <b>Prohibition of Child Labor:</b> The company complies with government labor laws and does not employ child labor.</li> <li>• <b>Healthy and Safe Workplace:</b> Build a safe and healthy working environment, jointly reduce workplace safety and health risks, promote employees' physical and mental health, and achieve work-life</li> </ul>	No significant difference.

Promotion items	Implementation status		Summary description	The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
			<p>balance. More than 60% of the company's employees apply a one-hour flexible clock-in system before and after commuting, providing a buffer period for those with family members who need caregivers to reduce unnecessary risks caused by clock-in regulations.</p> <ul style="list-style-type: none"> <li>• <b>Implementation of Information Security:</b> In order to respect the privacy rights of all stakeholders and protect the collection and lawful use of personal information, the company has established a comprehensive information security management mechanism to control data access and prevent data leakage.</li> <li>• Twice a year, the HR department will count the employee's leave status, and if the employee takes too little leave, he will check with the department head whether the employee's work pressure is unbalanced.</li> <li>• <b>Human Rights Education and Training:</b> All existing employees of HCmed Innovations have received human rights education and training, and 100% of new employees in 2025 have received human rights advocacy when they join the company.</li> </ul> <p><b>2. Gender Equality and Employee Diversity Implementation:</b> The company's appointments are not differentiated based on gender, race, age, marital and family status, etc., and all employees are protected by the Labor Standards Act.</p> <ul style="list-style-type: none"> <li>• Female diversity indicators: As of the end of 2025, female employees accounted for 54.55%; female directors accounted for 20.0%.</li> <li>• Nationality diversity indicator: As of the end of 2025, foreigners accounted for 3.03%.</li> <li>• Proportion of people with disabilities: 3.03%.</li> </ul>	

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	Yes	No	Summary description	
			<ul style="list-style-type: none"> <li>• 2025 cases of discrimination in 0.</li> <li>• 2025 sexual harassment complaints in 0.</li> <li>• In 2025, supervisors and employees have conducted education and training on sexual harassment prevention, and new employees also receive this training when they join the company.</li> </ul>	
(II) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect operating performance or results in employee remuneration?	✓		<p><b>1. Employee Benefits Programs</b> The company provides a happy working environment for employees, provides diversified benefits and care, and establishes an employee welfare committee to coordinate and plan employee benefits.</p> <ul style="list-style-type: none"> <li>• In addition to statutory labor health insurance and labor pension, group insurance and business trip travel insurance are additionally provided.</li> <li>• Preferential leave under the Labor Standards Act - flexible leave: 7 more days of flexible leave per year after the probationary period is passed, and it will be returned to zero if it is not taken in the current year; Birthday leave and grade leave: Welfare leave provided according to grade.</li> <li>• Provide complete education and training, in addition to newcomer education and training, on-the-job training (professional vocational training, management vocational training) is held from time to time, and an external education and training subsidy of NT\$10,000 is also provided for each employee, taking into account the physical, mental, and spiritual growth of employees.</li> <li>• Provide different amounts of free employee health check-ups every year according to seniority and rank.</li> <li>• Provide gifts/gifts and activities for three festivals, irregular festivals</li> </ul>	No significant difference.

Promotion items	Implementation status			The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>and year-end festivals.</p> <ul style="list-style-type: none"> <li>• Contract of the appointed store.</li> <li>• Free snack and drink area.</li> <li>• Assist colleagues in achieving a work-life balance, regardless of gender, and can also obtain leave and assistance during pregnancy, childbirth, parenthood, etc. Number applying for parental leave in 2025: 1 person.</li> <li>• Friendly marriage and family care measures: NT\$5,000 /person for employee family days.</li> <li>• Employee activity subsidy: NT\$ 500 per person for quarterly dinners; Monthly breakfast is NT\$ 120/person; travel subsidy of NT\$ 10,000 /person.</li> <li>• Club subsidy: The monthly subsidy for clubs is up to NT\$ 3,000.</li> </ul> <p><b>2. Employee compensation</b></p> <p>The company has established reasonable employee welfare measures (including salary, bonuses, vacations, and various benefits), implemented gender equality wages, and provided transparent and fair promotion channels. The remuneration policy is based on indicators such as employees' professional ability, job contribution, performance, market competitiveness, and considering the company's future operational risks.</p> <p>(1)Employee remuneration allocation: According to the company's articles of incorporation, if there is a profit in the company's annual final accounts (the so-called profit refers to the profit before the distribution of employee remuneration and director remuneration), no more than 5% shall be allocated as director remuneration and not less</p>	

Promotion items	Implementation status		Summary description	The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
			<p>than 20% shall be allocated as employee remuneration (of which not less than 1% shall be allocated to grassroots employees). However, if the company still has accumulated losses, it should reserve the amount to make up in advance. The remuneration of the directors referred to in the preceding paragraph may only be made in cash. The employee remuneration referred to in the preceding paragraph may be made in stock or cash. The preceding two paragraphs shall be implemented by the board of directors by resolution of at least two-thirds of the directors present and the consent of more than half of the directors present, and shall be reported to the shareholders' meeting. The Company distributes employee remuneration, issues new shares with restricted employee rights, issues employee employee stock options, issues new shares for shares, and buys shares to the employees of the controlling or subordinate companies that meet the conditions set by the board of directors.</p> <p>(2)Bonuses and salary adjustments: The company conducts annual performance evaluations at the end of each year, adjusting employee remuneration based on factors such as the evaluation, the overall market environment, and the company's salary structure, and implements them in April of the following year. The company has also established a system for distributing relevant bonuses, including patent application bonuses, talent introduction bonuses, and project achievement bonuses.</p> <ul style="list-style-type: none"> <li>• The company's average employee salary increased by 3.4% in 2025, and the salary adjustment employees accounted for more than 75% of all employees.</li> <li>• The company issued patent application/certification bonuses 5 times</li> </ul>	

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	Yes	No	Summary description	
			<p>in 2025.</p> <ul style="list-style-type: none"> <li>• The company paid manager performance bonuses once in 2025.</li> <li>• The company issued milestone bonuses once in 2025.</li> <li>• The company issued a listing performance bonus once in 2025.</li> <li>• The company will issue a year-end bonus once in 2025.</li> </ul>	
(III) Does the Company provide employees with a safe and healthy working environment and provide regular safety and health education to employees?	✓		<p>The company complies with the Occupational Safety and Health Act and the regulations of customers and related organizations to formulate policies, and respects the requirements of relevant stakeholders for occupational safety and health to build a healthy and happy workplace. In FY2025, the company did not have any major occupational accidents or occupational disease cases, and there were no fire accidents.</p> <ol style="list-style-type: none"> <li>1. Workplace fire security inspections <ul style="list-style-type: none"> <li>• In 2025, the Taipei office cooperated with the building's fire safety equipment maintenance declaration operation, a total of 12 times, Zhonghe Factory carried out fire equipment inspections 2 times, and external manufacturers carried out fire safety equipment maintenance declarations 1 time, with a pass rate of 100%.</li> <li>• Indoor flammable decorations, such as carpets and system cabinets, are all made of flame-proof building materials.</li> </ul> </li> <li>2. Operational environment monitoring and PPE provided <ul style="list-style-type: none"> <li>• The New Technology Development Laboratory performs monthly extracorporeal radiation testing for personnel to maintain a safe working environment for employees.</li> </ul> </li> </ol>	No significant difference.

Promotion items	Implementation status			The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies									
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			<ul style="list-style-type: none"> <li>The assembly line distributes new and compliant medical masks every day to ensure the safety of employees and the production line environment.</li> <li>Regularly hold health and safety education and training and publicity courses.</li> </ul> <p>Other health and safety promotion matters and performance</p> <table border="1"> <thead> <tr> <th>Service items</th> <th>Coverage/ Number of employees involved</th> <th>Description of service items</th> </tr> </thead> <tbody> <tr> <td>Regular health check-ups for employees</td> <td>100%</td> <td>Regular health check-ups are conducted every year, and occupational medicine physicians conduct follow-up, individual consultations, and medical referrals for those with abnormal health check-ups.</td> </tr> <tr> <td>Fitness club</td> <td>7 people</td> <td>Subsidize fitness expenses in gyms, sports centers and other places. The amount of the subsidy is determined according to the budget approved by the board of directors each year.</td> </tr> </tbody> </table>	Service items	Coverage/ Number of employees involved	Description of service items	Regular health check-ups for employees	100%	Regular health check-ups are conducted every year, and occupational medicine physicians conduct follow-up, individual consultations, and medical referrals for those with abnormal health check-ups.	Fitness club	7 people	Subsidize fitness expenses in gyms, sports centers and other places. The amount of the subsidy is determined according to the budget approved by the board of directors each year.	
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(IV) Does the Company establish an effective career development training program for its employees?	✓		<p>In addition to regularly arranging education and training for employees in accordance with government policies and medical device regulations, the company also provides free external education and training based on the skills required by each employee in the workplace. In addition to the above-mentioned professional skills education and training, the company also provides an external education and training subsidy of 1 yuan per employee, allowing employees to have a variety of further education options for other soft courses such as presentation skills, foreign language skills, management skills, and strategic management.</p> <p>2025 education and training course</p> <table border="1"> <thead> <tr> <th>Course Name</th> <th>Number of courses/number of participants</th> </tr> </thead> <tbody> <tr> <td>ISO 13485 (Medical Device Quality Management System Standard)</td> <td>64 courses</td> </tr> <tr> <td>ISO 9001 (Quality Management System Certification)</td> <td>26 courses</td> </tr> <tr> <td>External training</td> <td>67 courses /85 people</td> </tr> </tbody> </table>	Course Name	Number of courses/number of participants	ISO 13485 (Medical Device Quality Management System Standard)	64 courses	ISO 9001 (Quality Management System Certification)	26 courses	External training	67 courses /85 people	No significant difference.
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(V) Regarding issues such as customer health and safety, customer privacy, marketing and the	✓		When receiving any written, electronic or oral complaints from customers, the Company will establish a complete complaint handling form, and	No significant difference.								

Promotion items	Implementation status		Summary description	The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
labeling of products and services, does the Company comply with relevant laws and regulations and international standards, and has established relevant policies and complaint procedures to protect the rights of consumers or customers?			<p>coordinate with relevant departments to launch an investigation into the cause of the incident.</p> <p>HCmed Innovations's main business products are medical devices, and the company's production, marketing and labeling are in strict compliance with medical device regulations. In addition, the company also includes the evaluation of whether the complaint is a notifiable adverse event in the complaint handling procedure, including: TFDA Adverse Drug Reaction Notification (ADR), USFDA Medical Device Incident Notification (MDR), and EEA Alert Notification Assessment.</p> <p>In order to improve information security management, the Company has appointed the head of the management department as the dedicated head of information and communication security, and has established control operating procedures for information security inspections, and has established the company's information and communication security through the establishment of firewalls, installation of anti-virus software, regular personnel management, education and training, and permission settings, etc., to ensure the company's information and communication security and prevent customer privacy leakage.</p> <p>In 2025, the company has not had any penalties or appeals against customer health and safety, customer privacy, marketing, and labeling of products and services.</p>	

Promotion items	Implementation status			The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(VI) Does the Company have a supplier management policy that requires suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor and human rights, and how is it implemented?	✓		<p>The Company has established the "Supplier Management Procedures" to ensure the quality level and stable supply of suppliers. Supplier selection focuses on indicators such as quality status (product quality), delivery status (on-time delivery), and service quality (communication efficiency and quality incident handling). In view of the characteristics of the industry and quality requirements, we also require suppliers to provide compliance and quality certification documents such as ISO 9001 certificates, RoHS reports or declarations, REACH reports or declarations, and SDS safety data sheets. If the supplier is an outsourced calibration or testing laboratory, it must have relevant qualifications ISO certificates (such as ISO/IEC 17025, TAF, GLP, etc.) or provide documents proving that its standard parts can be traced back to national or international standards.</p> <p>In addition, to strengthen sustainable supply chain management, the company will evaluate and formulate a "Corporate Social Responsibility Statement" to include requirements such as environmental protection, occupational safety and health, and labor rights, and require suppliers to commit to compliance and signing.</p>	No significant difference.
V. Does the Company prepare sustainability reports and other reports that disclose the Company's non-financial information by referring to internationally accepted reporting standards or guidelines? Does the aforementioned report obtain confirmation or assurance from a third-party verification unit?	✓		<p>According to the schedule of the competent authority, the company will file its first sustainability report in August 2027. The report will be prepared in accordance with the GRI 2021 standards issued by the Global Reporting Initiative (GRI), and will disclose sustainability-related information in accordance with the "Climate-related Information of TPEX Listed Companies" and the "Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies".</p> <p>For third-party verification and assurance of non-financial information,</p>	No significant difference.

Promotion items	Implementation status			The deviation and the reasons for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			the Company follows the sustainable development roadmap and expects to complete the third-party assurance of greenhouse gases of the parent company in 2028 and the third-party assurance of greenhouse gases within the scope of the merger in 2029 of the Republic of China.	
<p>VI. If the Company has established its own sustainable development principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe its practices and any deviations from the best practice principles:  The Company has established the Company's Code of Practice on Sustainable Development in accordance with the "Sustainable Development Best Practice Principles of Listed and OTC Listed Companies" established by the competent authority, and the actual operation is no different from the provisions of the Code.</p>				
<p>VII. Other important information that helps in understanding the implementation of sustainable development: None.</p>				

VIII. Climate-related information implementation

Items	Contents												
(I) Describe the oversight and governance of the board of directors and management on climate-related risks and opportunities.	The Company has the Board of Directors as the highest decision-making and supervisory unit to supervise the promotion and operation of the Company's sustainable development (including climate-related issues). The Board of Directors has a Sustainable Development Team, chaired by the General Manager, responsible for managing and supervising the company's climate risks and opportunities, and formulating response measures and management decisions on related issues. The team analyzes the company's climate trends every year and reports to the board of directors at least once a year to ensure the progress and effectiveness of climate risk management.												
(II) Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short, medium, and long term).	<p>In order to formulate the company's key climate change strategy, the company first identified the key issues of annual climate risks and opportunities, and in 2026, the Sustainable Development Group convened four major ESG working groups to collect and organize the exclusive climate issues of HCmed Innovations in accordance with the climate-related information of listed and OTC companies, peer reports and international trends, and finally decided on three key climate risks and opportunities, namely 1 transition risk, 1 physical risk and 1 climate opportunity The key issues are listed as follows in the identification results of climate risks and opportunities, which respectively list the occurrence schedule, current situation, and future response strategies of the issues.</p> <table border="1" data-bbox="730 711 2157 1420"> <thead> <tr> <th data-bbox="730 711 869 874">Risk categories and opportunities</th> <th data-bbox="869 711 999 874">category</th> <th data-bbox="999 711 1144 874">Topic</th> <th data-bbox="1144 711 1561 874">Explanation of the topic</th> <th data-bbox="1561 711 1711 874">Affect the schedule</th> <th data-bbox="1711 711 2157 874">Response strategy</th> </tr> </thead> <tbody> <tr> <td data-bbox="730 874 869 1420">Transformation risk</td> <td data-bbox="869 874 999 1420">Policies and regulations</td> <td data-bbox="999 874 1144 1420">Strengthen emissions reporting obligations</td> <td data-bbox="1144 874 1561 1420">The Financial Supervisory Commission promotes the "Roadmap for the Sustainable Development of Listed and OTC Companies", requiring all listed and OTC companies to gradually complete the greenhouse gas inventory, verification, and information disclosure of individual companies and consolidated reporting subsidiaries.</td> <td data-bbox="1561 874 1711 1420">Short/medium/long-term</td> <td data-bbox="1711 874 2157 1420"> <ol style="list-style-type: none"> <li>1. Introduce greenhouse gas inventory operations according to the schedule specified by the competent authority, and complete the emission inventory and disclosure of the parent company and subsidiaries.</li> <li>2. Gradually establish greenhouse gas data management and internal control systems to facilitate subsequent assurance and sustainability information disclosure needs.</li> <li>3. In line with regulatory requirements, plan the formulation of carbon reduction targets and the introduction of IFRS sustainability disclosure standards.</li> </ol> </td> </tr> </tbody> </table>	Risk categories and opportunities	category	Topic	Explanation of the topic	Affect the schedule	Response strategy	Transformation risk	Policies and regulations	Strengthen emissions reporting obligations	The Financial Supervisory Commission promotes the "Roadmap for the Sustainable Development of Listed and OTC Companies", requiring all listed and OTC companies to gradually complete the greenhouse gas inventory, verification, and information disclosure of individual companies and consolidated reporting subsidiaries.	Short/medium/long-term	<ol style="list-style-type: none"> <li>1. Introduce greenhouse gas inventory operations according to the schedule specified by the competent authority, and complete the emission inventory and disclosure of the parent company and subsidiaries.</li> <li>2. Gradually establish greenhouse gas data management and internal control systems to facilitate subsequent assurance and sustainability information disclosure needs.</li> <li>3. In line with regulatory requirements, plan the formulation of carbon reduction targets and the introduction of IFRS sustainability disclosure standards.</li> </ol>
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	Physical risk	Immediacy	The severity of extreme weather events such as typhoons and floods has increased	Taiwan is located in an area frequently affected by typhoons and heavy rainfall, and the frequency and intensity of extreme weather events have increased in recent years, which may cause disruptions to factory facilities, transportation, and warehousing operations. In addition to affecting its own operations, it may also lead to upstream supplier shutdowns, logistics delays, or unstable delivery times of key raw materials, affecting product supply continuity and performance capabilities, thereby affecting the company's revenue or reducing customer trust.	Medium term	<ol style="list-style-type: none"> <li>1. Retain the operating mechanism to flexibly adjust the shipping schedule.</li> <li>2. For critical raw materials, plan second supplier sources to reduce the risk of supply disruptions.</li> <li>3. Major operating sites are equipped with uninterruptible power supply systems to enhance operational continuity.</li> </ol>
	opportunity	Resource efficiency	Use more efficient production (operations) and distribution processes	In the face of rising energy and resource costs and supply chain uncertainties, the company can improve overall operational efficiency and reduce energy and resource consumption and operating costs through operational process optimization (including equipment operation and maintenance management, electricity consumption management, inventory and scheduling, logistics and shipping processes, and digitalization of operations, etc.).	Short/medium term	<ol style="list-style-type: none"> <li>1. Through internal advocacy, energy conservation, carbon reduction, and resource efficiency management are promoted.</li> <li>2. Priority will be given to purchasing or replacing equipment and products with better energy efficiency.</li> <li>3. Evaluate the introduction of digital and AI-related systems to improve operational processes and management efficiency.</li> </ol>
(III) Describe the financial impact of extreme climate events and transition actions.	The financial impact of extreme weather (increased severity of extreme weather events such as typhoons and floods) and transition actions (strengthening emission reporting obligations) is detailed in the above question.					
(IV) Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	Currently, the company has identified and evaluated climate issues in accordance with climate-related financial disclosure recommendations, and reported to the board of directors at least once a year to ensure that governance has a grasp of climate-related risks and opportunities. However, at this stage, climate risk-related mechanisms have not yet been fully integrated into the company's existing operational risk management system. In the future, the company will continue to refine its climate risk management practices and explore the identification, assessment, and response mechanisms of climate-related risks to gradually integrate into the overall operational					

	risk management process, including the integration of assessment into existing risk inventory, management, and regular review mechanisms, so as to strengthen the connectivity and consistency of cross-departmental risk management and enhance the company's overall response capabilities to climate-related risks.
(V) If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and key financial impacts used should be described.	It is currently being proposed.
(VI) If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	It is currently being proposed.
(VII) If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	It is currently being proposed.
(VIII) If climate-related goals are set, information such as the activities covered, greenhouse gas emissions scope, planning schedule, and annual progress should be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits or the number of renewable energy certificates (RECs) should be explained.	It is currently being proposed.
(IX) Greenhouse gas inventory and assurance status and reduction targets, strategies and specific action plans (fill in 1-1 and 1-2 separately).	Please explain below.

1-1 The company's greenhouse gas inventory and assurance status in the most recent two years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (tons CO2e), intensity (tons CO2e/million dollars), and data coverage for the most recent two years.

The Company follows the sustainable development roadmap of listed companies and discloses the individual greenhouse gas inventory information of the parent company in 2025 this year.

Items	2025
Scope 1 (metric tons of CO2e)	2.3983
Scope 2 (metric tons of CO2e)	132.3177
Scope 1 and 2 combined (metric tons of CO2e)	134.7160
Greenhouse gas emission intensity (metric ton CO2e / million dollars in operating revenue).	1.3440

Description

1. Greenhouse gas coverage: Xincheng magnesium individuals (Taipei headquarters, Zhonghe factory).
2. Greenhouse gas emission intensity (metric tons of CO2e/million dollars) = (Scope 1 + Scope 2) / 2025 individual financial report operating income (million dollars).

1-1-2 Greenhouse gas assurance information

A description of the assurance status for the most recent two years as of the date of publication of the annual report, including the scope of assurance, the assurance body, the assurance criteria, and the assurance opinion.

The company will independently conduct greenhouse gas inventories and will follow the sustainable development roadmap of listed and OTC companies to complete the greenhouse gas assurance of the parent company in 2028 and the greenhouse gas assurance of the merged company in 2029.

1-2 Greenhouse gas reduction goals, strategies, and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans, and achievement of reduction targets.

**Short-term:**

- Introduced greenhouse gas inventory to understand the company's situation, and completed the 2026 greenhouse gas inventory information of the merged company in 2027.
- In 2027, based on the results of the merged company's inventory, the company's greenhouse gas reduction targets were set.

**Medium and long term:**

- In 2028, the parent company's individual greenhouse gas inventory information was confirmed.
- In 2029, the merger was completed, and the company's greenhouse gas inventory information was confirmed.

(VI)The implementation of ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Evaluation items	Operation status			The deviations and reasons for deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>I. Establishment of ethical corporate management policy and proposal</p> <p>(I) Does the Company have an ethical corporate management policy that has been approved by the Board of Directors? Does it clearly state the ethical corporate management policy and practices in the regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the ethical corporate management policy?</p> <p>(II) Has the Company established an unethical conduct risk assessment mechanism to regularly analyze and assess business activities within its business scope that carry a higher risk of unethical behavior, has it formulated a plan to prevent unethical behavior based on the risk, and does it cover at least the preventive measures for each of the behaviors in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?</p> <p>(III) Does the Company clearly define operating procedures, behavioral guidelines, and disciplinary and appeal systems for violations in its unethical</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has established the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Ethical Conduct”, which are approved by the Board of Directors and they clearly stipulate that directors, managers and employees should comply with laws and regulations when performing their duties.</p> <p>(II) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” as a plan to implement and prevent unethical behavior. It analyzes business activities with higher unethical risks within the business scope and strengthens relevant preventive measures, such as achieving preventive effects through internal control system design and contract signing, and preventing unethical conducts through the internal audit unit's review mechanism and the Company's complaint mechanism.</p> <p>(III) The Company's “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” clearly specify unethical behavior and related interest patterns, incentives and penalties, and complaint systems to regulate</p>	No significant difference.

Evaluation items	Operation status			The deviations and reasons for deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
conduct plan, implement them, and regularly review and revise the above-mentioned plan?			the behavior of the Company's personnel in executing business processes, and designate the Management Department as a dedicated unit to maintain and implement ethical corporate management. The Company regularly reviews external regulations and internal practices annually and amends relevant regulations as appropriate.	
<p>II. Ethical corporate management in practice</p> <p>(I) Does the Company evaluate the ethical records of its trading partners and clearly stipulate ethical clauses in the contracts it signs with its trading partners?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management, and does it regularly (at least once a year) report to the Board of Directors on its ethical management policy and plan to prevent unethical behavior and the status of supervision and implementation?</p> <p>(III) Does the Company have a policy to prevent conflicts of interest, provide appropriate communication channels, and has it implemented such policy?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) In accordance with the provisions of the “Procedures for Ethical Management and Guidelines for Conduct”, if the Company discovers that a business partner or cooperation partner has engaged in unethical behavior, it shall immediately stop commercial dealings with that partner and list that partner as a blacklisted entity in order to implement the Company's ethical management policy.</p> <p>(II) The Company's “Ethical Corporate Management Best Practice Principles” clearly states that the Management Department is the dedicated unit to handle the revision, implementation, interpretation, consulting services, and notification content registration and filing of these operating procedures and behavioral guidelines, as well as for related operations and the supervision of implementation. The dedicated unit reported the 2025 Ethical management operation report to the Board of Directors on March 12, 2026, including policy announcements and promotions, education and training initiatives, and the establishment of whistleblowing and handling procedures.</p> <p>(III) The Company's “Procedures for Ethical Management and Guidelines for Conduct” clearly stipulate that if a director has a conflict of interest in a Board proposal, either personally or on behalf of a legal entity they represent, which may be detrimental to the interests of the</p>	No significant difference.

Evaluation items	Operation status			The deviations and reasons for deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>(IV) Has the Company established an effective accounting system and internal control system to implement ethical corporate management? Has the internal audit unit formulated a relevant audit plan based on the assessment results of unethical behavior risks and used it to verify compliance with the plan to prevent unethical behavior, or has it commissioned CPAs to perform the audit?</p> <p>(V) Does the Company regularly organize internal and external education and training on ethical management?</p>	✓		<p>Company, they must neither participate in the discussion nor vote on the proposal, and must recuse themselves during the discussion and voting process. In addition, they may not act as a proxy to exercise the voting rights of other directors. The Company also provides a whistleblowing and complaint channel on its website to ensure the confidentiality of both the whistleblower's identity and the reported content, with strict enforcement of related measures.</p> <p>(IV) The Company's accounting system, internal control system, and various management procedures are established in accordance with relevant laws and regulations, as well as actual operational needs and are revised as necessary. The internal audit unit conducts regular audits on compliance with the aforementioned systems, prepares audit reports for submission to the Audit Committee and the Board of Directors, and the external auditor also reviews the implementation of the Company's internal control system annually.</p> <p>(V) In order to implement ethical corporate management and strengthen the ethical behavior of all employees, the Company promotes the concept of ethical corporate management in various meetings from time to time, so that employees can understand the Company's ethical values and corporate culture, and also encourage employees to participate in relevant external education and training.</p>	
<p>III. Operation of the Company's whistleblowing system</p> <p>(I) Does the Company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle reports?</p>	✓		<p>(I) The Company has established a specific reward system and dedicated personnel for reporting violations in the "Procedures for Ethical Management and Guidelines for Conduct". The Company's website also publishes a complaint channel. If any of the Company's</p>	No significant difference.

Evaluation items	Operation status			The deviations and reasons for deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>(II) Does the Company have a standard operating procedure for investigating reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?</p> <p>(III) Does the Company take measures to protect whistleblowers from being improperly punished for reporting?</p>	<p>✓</p> <p>✓</p>		<p>personnel are found to have violated ethical conduct, they can be reported directly. No major internal or external whistleblowing occurred during the year.</p> <p>(II) The Company has established a whistleblower system, which is handled by dedicated personnel in accordance with prescribed procedures, and a written statement is made to keep the identity of the whistleblower and the content of the report confidential. If the report is proven to be true, the person being reported will be immediately required to stop the relevant behavior and will be subject to appropriate action. If necessary, compensation for damages will be sought through legal procedures and disciplinary action will be taken in accordance with the relevant regulations of the Company. No such matter occurred in the current year.</p> <p>(III) The confidentiality principle: During and after the investigation, the case handler is strictly prohibited from disclosing the case details and the name of the whistleblower to irrelevant parties. The review and approval supervisors at all levels must also keep the information confidential. The relevant information shall be handled and archived as confidential documents to protect the whistleblower from being improperly troubled or retaliated due to the report.</p>	
<p>IV. Enhance information disclosure</p> <p>(I) Does the Company disclose its ethical corporate management best practice principles and the effectiveness of its implementation on its website and the MOPS?</p>	<p>✓</p>		<p>(I) The Company has established the “Ethical Corporate Management Best Practice Principles” and disclosed real-time information on the MOPS and the Company’s website in accordance with the law.</p>	<p>No significant difference.</p>
<p>V. If the Company has established its own ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the practices and any deviations from the best practice principles: The Company has</p>				

Evaluation items	Operation status		Summary description	The deviations and reasons for deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
established the “Procedures for Ethical Management and Guidelines for Conduct” in accordance with the best practice principles to facilitate all employees in following and implementing it. There is no significant difference between the actual practices and the established principles.				
VI. Other important information that helps to understand the Company's implementation of ethical management practices (such as the Company's promotion of its commitment to ethical conduct and policies to business partners, invitations for them to participate in training programs, and review and revision of the Company’s Ethical Corporate Management Best Practice Principles, etc.): In addition to establishing the Ethical Corporate Management Best Practice Principles, the Company has also formulated other internal regulations (such as the Procedures for Handling Material Inside Information and Prevention of Insider Trading). The Company arranges for its directors to attend corporate governance courses and periodically promotes its ethical management policies among employees. These policies are also disclosed in the Investor Relations section of the Company’s website ( <a href="http://www.hcmed-inno.com">http://www.hcmed-inno.com</a> ).				

(VII) Other important information that is sufficient to enhance understanding of the Company's governance operations may be disclosed together: The Company continues to strengthen its corporate governance operations and promptly discloses and announces important information and corporate governance updates on the MOPS.

(VIII)The implementation status of the internal control system shall disclose the following matters:

1. Statement on internal control: Please refer to the internal control statement published on the MOPS at <https://mops.twse.com.tw/mops/#/web/t146sb10>.
2. If the Company has commissioned a CPA to audit its internal control system, the CPA's report shall be disclosed: None.

(IX)Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the date of the publication of the annual report

Shareholders' meeting/Board of directors	Date	Important resolutions
Board of Directors	January 13, 2025	1. Formulation of the issuance conditions and related capital increase matters for the Company's first cash capital increase in 2024.
Board of Directors	March 14, 2025	<ol style="list-style-type: none"> <li>1. The Company's 2024 distribution of remuneration to employees and directors.</li> <li>2. The Company's 2024 business report and financial statements.</li> <li>3. The Company's 2024 deficit compensation</li> <li>4. The Company's statement of internal control system for 2024.</li> <li>5. Amendment to the Company's "Articles of Incorporation"</li> <li>6. Application for listing on Taiwan Stock Exchange Corporation.</li> <li>7. Proposal to handle the cash capital increase before the initial listing to allocate new shares for underwriting, and the original shareholders waive their priority subscription rights.</li> <li>8. The Company intends to enter into an "Over-Allotment and Specified Shareholder Lock-up Agreement" with the lead underwriter prior to its initial public offering and to coordinate a voluntary centralized custody arrangement with certain shareholders.</li> <li>9. Appointment of the Corporate Governance Manager of the Company.</li> <li>10. Establishment of the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", "Financial and Business-Related Operations Procedures for Related Parties", "Corporate Governance Best Practice Principles", "Risk Management Policy and Procedures", "Group Enterprises, Specific Companies and Related Party Transaction Operating Procedures" and "Standard Operating Procedures for Handling Directors' Requests".</li> <li>11. Amendments to the Company's "Procurement and Payment Cycle", "Financing Cycle", "Property, Plant and Equipment Cycle", "R&amp;D Cycle" and "Approval Authority Table".</li> <li>12. Assessment of the ability to prepare financial statements.</li> <li>13. Assessment of the independence and suitability of the Company's CPAs.</li> <li>14. The total number of units issued in the second round for the Company's "First Employee Stock Options of 2023" and the list of employees granted stock options.</li> <li>15. The Company's 2024 operating performance bonus distribution plan.</li> <li>16. Formulation of the Company's "Regulations Governing Payment of Bonuses".</li> <li>17. The Company's 2025 managers' performance evaluation goals and reward plan.</li> <li>18. Convening of the 2025 shareholders' meeting of the Company.</li> <li>19. Acceptance of relevant matters regarding shareholder proposals at the 2025 shareholders' meeting of the Company.</li> </ol>

Shareholders' meeting/Board of directors	Date	Important resolutions
Board of Directors	April 30, 2025	<ol style="list-style-type: none"> <li>1. The Company's statement of internal control system.</li> <li>2. Determination of scope of entry-level employees.</li> <li>3. Amendment to the Company's "Salary Cycle".</li> <li>4. The Company's financial forecast for the second and third quarters of 2025.</li> </ol>
shareholders' meeting	June 23, 2025	<ol style="list-style-type: none"> <li>1. Adoption of the 2024 Business Report and Financial Statements.</li> <li>2. Adoption of the Proposal for 2024 Deficit Compensation.</li> <li>3. Amendment of the "Company's articles of association.</li> <li>4. The New Share Issuance through Cash Capital Increase Prior to Initial Public Listing and Offering Allocation and the Waiver of Preemptive Rights by Existing Shareholders.</li> </ol>
Board of Directors	June 24, 2025	<ol style="list-style-type: none"> <li>1. The Election of Vice Chairman.</li> <li>2. Establish the "General Guidelines for Internal Control Systems.</li> </ol>
Board of Directors	July 10, 2025	<ol style="list-style-type: none"> <li>1. The issuance of common shares resulting from the exercise of employee stock warrants for the second quarter of 2025.</li> </ol>
Board of Directors	August 13, 2025	<ol style="list-style-type: none"> <li>1. Establish the "Commission Payment Management Guidelines".</li> <li>2. Amendment of the "Purchase and payment cycle".</li> <li>3. The Company's statement of internal control system.</li> <li>4. The Company's 2025Q2 Financial Statements.</li> <li>5. The Company's Financial Forecast for Q3 and Q4 of 2025</li> </ol>
Board of Directors	September 17, 2025	<ol style="list-style-type: none"> <li>1. Ratification of the merger between HCmed and HPi, and the issuance of new shares for the merger.</li> </ol>
Board of Directors	October 31, 2025	<ol style="list-style-type: none"> <li>1. A Cash Capital Increase through the Issuance of New Shares to Serve as Publicly Underwritten Shares for the Company's Initial Listing.</li> <li>2. Issue the Company's "Operation enhancement plan".</li> <li>3. Re-acknowledgment of the Company's 2023 Financial Statements.</li> <li>4. Amendment of the "Company's Articles of Association".</li> </ol>
Board of Directors	November 13, 2025	<ol style="list-style-type: none"> <li>1. The Company's 2025Q3 Financial Statements.</li> <li>2. Amendment of the Company's "Approval Authority Table".</li> <li>3. The Employee Share Subscription Plan and the Subscription Allocation Details for Non-Managerial Employees in Connection with the Company's Pre-IPO Cash Capital Increase.</li> <li>4. The Subscription Allocation Details for Managerial Employees under the Company's Pre-IPO Cash Capital Increase</li> </ol>
Board of Directors	December 23, 2025	<ol style="list-style-type: none"> <li>1. The Company's 2026 Financial forecast.</li> <li>2. The cash capital increase for the company's UK subsidiary HCMED UK LIMITED.</li> <li>3. The Company's 2026 Internal audit plan.</li> <li>4. The 2025 Performance Evaluation and Performance Bonus Distribution for Managerial Officers.</li> <li>5. The 2025 year-end bonus for the managerial officers.</li> <li>6. The 2026 Salary Adjustment for Managerial Officers.</li> <li>7. The company's 2026 managerial officers' performance appraisal targets and reward planning.</li> <li>8. The Renewal of the Company's Consultant, Chris Vernal.</li> <li>9. Re-endorsement of the Consulting Agreement between the Company and KyrMar Advisory Services Limited.</li> <li>10. Establish the Management Committee, Approve the "Management Committee Charter," and Appoint Committee Members.</li> </ol>
Board of Directors	March 12, 2026	<ol style="list-style-type: none"> <li>1. The employee compensation and directors' compensation distribution in 2025.</li> <li>2. The Company's 2025 Business Report and Financial Statements.</li> <li>3. The Company's 2025 deficit compensation</li> <li>4. The Company's statement of internal control system for 2025.</li> </ol>

Shareholders' meeting/Board of directors	Date	Important resolutions
		<ol style="list-style-type: none"> <li>5. Amendment of the Company's "Procedures for Handling Material Inside Information" and "Procedures for Application for Suspension and Resumption of Trading".</li> <li>6. Amendment of the Company's "Procedures for Acquisition or Disposal of Assets".</li> <li>7. Amendment of the Company's "Sustainable development best practice principles".</li> <li>8. Change the Deputy Signing CPA in Compliance with CPA Rotation Requirements and to Conduct Independence and Qualification Evaluation.</li> <li>9. Call for the Annual Shareholder Meeting in 2026.</li> <li>10. The acceptance of shareholder proposals for the Company's 2026 Annual General Meeting of Shareholders.</li> </ol>
Board of Directors	April 15, 2026	<ol style="list-style-type: none"> <li>1. The cash capital increase for the company's UK subsidiary HCMED UK LIMITED.</li> <li>2. Amendment of the Company's "Research and development Cycle".</li> <li>3. Change the Accounting Supervisor.</li> <li>4. Change the Audit Supervisor.</li> <li>5. Change the Corporate Governance Supervisor.</li> <li>6. Authorization for the Chairman to Execute a Development Agreement and Statement of Work with Genentech, Inc.</li> </ol>

(X) In the most recent year and up to the publication date of the annual report, the directors or supervisors had different opinions on important resolutions approved by the Board of Directors and there were records or written statements, the main contents were: None.

#### IV. Information on the CPA's fees

- (I) The amount of audit and non-audit public expenses and the content of non-audit services of the CPA and its firms and affiliates

Unit: NT\$ thousands

Name of CPA firm	Name of CPAs	Audit period of CPAs	Audit fees	Non-audited fees (Note 1)	Total	Notes
PwC Taiwan CPA firm	Kuan-Hung Lin Sheng-Wei Teng	January 1, 2025- December 31, 2025	1,590	2,060	3,650	—

Note 1: Non-audited public expenses are tax certification, stock listing project services and salary information checklist.

- (II) If the accounting firm has changed and the audit fees paid in the year of change are reduced compared to the audit fees in the year before the change, the amount of audit fees before and after the change and the reason should be disclosed: None.

- (III) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reason for the reduction in audit fees shall be disclosed: None.

V. Replacement of CPAs: No such situation.

VI. The Company's chairman, general manager, or manager in charge of finance or accounting affairs who has worked for the firm to which the CPA belongs or its affiliated companies within the past year: No such situation.

VII. In the most recent year and up to the date of publication of the annual report, the following are the changes in equity transfers and equity pledges by directors, supervisors, managers and shareholders holding more than 10% of the shares:

- (I) Changes in equity transfers and pledges of directors, supervisors, managerial officers, and shareholders holding more than 10% of the shares:

Unit: Shares

Job title	Name	2025		As of March 31, 2026	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman & General Manager (>10% shareholder)	Chieh-Sheng Cheng	98,384	—	—	—
Vice Chairman	Yung-Yi Wu	—	—	—	—
Director & Chief Operating Officer (>10% shareholder)	Wen-Yu Tsai	150,000	—	—	—
Director	You-Yang Management	—	—	—	—

Job title	Name	2025		As of March 31, 2026	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
	Consultants Co., Ltd.				
	Representative: Tsung-Hung Hsieh	(8,000)	—	(200,000)	—
Director	Representative Director: Mahendra Shah	—	—	—	—
	Representative corporation: VIVO PANDA FUND, L.P.	—	—	—	—
Director	Representative Director: Wei-Lian Chung	—	—	—	—
	Representative corporation: FORWARD ASSET MANAGEMENT LTD.	—	—	—	—
Independent Director	Shih-Hao Fang	—	—	—	—
Independent Director	Shang-Yuan Chang	—	—	—	—
Independent Director	Chao-Lung Chou	—	—	—	—
Independent Director	Yi-Chen Chen	—	—	—	—
Deputy General Manager	Jui-Sui Chen	—	—	—	—
Chief Financial Officer	Wei-Cheng Tu	5,000	—	—	—

(II) Information regarding related parties in equity transfers involving directors, supervisors, managers, and shareholders holding more than 10% of the shares: No such situation.

(III) Information regarding related parties in equity pledges involving directors, supervisors, managers, and shareholders holding more than 10% of shares: No such situation.

VIII. Information on the top ten shareholders in terms of shareholding ratio, and whether they are related persons, spouses, or relatives within the second degree of kinship:

March 31, 2026; Unit: Shares; %

Name	Shares held		Shares held by spouse and underage children		Total shares held in the name of others		If the top ten shareholders are related persons, spouses, or relatives within the second degree of kinship, their names or full names and their relationship shall be disclosed.		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or full name)	Relationship	
Wen-Yu Tsai	3,857,893	10.72	—	—	200,000	0.56	—	—	—
Chieh-Sheng Cheng	3,139,815	8.73	—	—	344,000	0.96	—	—	—
VIVO PANDA FUND, L.P. Representative: Mahendra Shah	2,308,926	6.42	—	—	—	—	—	—	—
Tsung-Hung Hsieh	2,142,794	5.96	4,316	0.01	325,824	0.91	—	—	—
Mega International Commercial Bank Co., Ltd Representative: Ruei-Bin Tung	2,125,330	5.91	—	—	—	—	—	—	—
Forward Biomedical Venture Capital, L.P. Representative: Forward Asset Management Ltd.	1,830,241	5.09	—	—	—	—	—	—	—
Kuo-Wei Yu	1,253,584	3.48	—	—	—	—	—	—	—
Shih-Wei Investment Co., Ltd. Representative: Shao-Chi Huang	1,129,769	3.14	—	—	—	—	—	—	—
Donpon Precision Inc. Representative: Chien-Chang Tai	1,003,770	2.79	—	—	—	—	—	—	—
DCI Partners Co., Ltd Representative: Hiroki Narita	915,341	2.54	—	—	—	—	—	—	—

IX. The number of shares held by the Company, its directors, supervisors, managers and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise shall be combined to calculate the comprehensive shareholding ratio:

March 31, 2026; Unit: Shares; %

Reinvestment business	The Company's investment		Directors, supervisors, managers and those who directly or indirectly control the business investments		Comprehensive shareholding	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
HCMED UK LIMITED (Note 1)	465,000	100.00	—	—	465,000	100.00

Note 1: It is a company registered in the UK, which was established to provide timely testing and laboratory services to European and American pharmaceutical companies and meet the needs of business expansion.

### Three. Financing Status

#### I. Capital and shares

##### (I)Source of share capital

##### 1. The process of formation of share capital

March 31, 2026; Unit: thousands of shares; NT\$ thousands

Year Month	Issuance price	Authorized share capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Payment for shares with non-cash assets	Others
October 2014	10	5,000	50,000	1,200	12,000	Establishment of registered share capital	—	Note 1
March 2016	10	5,000	50,000	2,150	21,500	Capital increase in cash by NT\$9,500 thousand	—	Note 2
September 2016	10	5,000	50,000	2,550	25,500	Capital increase in cash by NT\$4,000 thousand	—	Note 3
January 2017	10	5,000	50,000	3,350	33,500	Capital increase in cash by NT\$8,000 thousand	—	Note 4
November 2017	54.5	5,000	50,000	3,739	37,389	Capital increase in cash by NT\$3,889 thousand	—	Note 5
May 2019	126	8,000	80,000	5,343	53,427	Capital increase in cash by NT\$16,039 thousand	—	Note 6
July 2019	92.53334	8,000	80,000	5,507	55,065	Debt offset against share payment of NT\$1,638 thousand	—	Note 7
October 2019	10	8,000	80,000	5,627	56,265	Conversion of stock options into shares of NT\$1,200 thousand	—	Note 8
January 2020	10	20,000	200,000	19,583	195,833	Capital reserve transferred to capital increase of NT\$139,568 thousand	—	Note 9
October 2020	10	20,000	200,000	19,688	196,877	Conversion of stock options into shares of NT\$1,044 thousand	—	Note 10
May 2022	48	50,000	500,000	23,172	231,715	Capital increase in cash by NT\$34,838 thousand	—	Note 11
May 2022	10	50,000	500,000	23,430	234,295	Conversion of stock options into shares of NT\$2,580 thousand	—	Note 11
September 2022	48	50,000	500,000	24,411	244,107	Issuance of new shares due to merger of NT\$9,813 thousand	—	Note 12
March 2023	10	50,000	500,000	25,625	256,247	Conversion of stock options into shares of NT\$12,140 thousand	—	Note 13

Year Month	Issuance price	Authorized share capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Payment for shares with non-cash assets	Others
October 2023	57	50,000	500,000	30,011	300,107	Capital increase in cash by NT\$43,860 thousand	—	Note 14
March 2024	10	50,000	500,000	30,034	300,337	Conversion of stock options into shares of NT\$230 thousand	—	Note 15
April 2025	68	50,000	500,000	32,681	326,808	Capital increase in cash by NT\$26,471 thousand	—	Note 16
August 2025	10	50,000	500,000	32,717	327,168	Conversion of stock options into shares of NT\$360thousand	—	Note 17
March 2026	48	50,000	500,000	35,973	359,728	Capital increase in cash by NT\$32,560 thousand	—	Note 18

Note 1: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 10388814110 on October 6, 2014.

Note 2: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 10581537710 on March 1, 2016.

Note 3: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 10591844610 on September 2, 2016.

Note 4: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10650582800 on January 20, 2017.

Note 5: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10659986710 on November 7, 2017.

Note 6: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10849421120 on May 31, 2019.

Note 7: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10851233400 on July 3, 2019.

Note 8: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10853684510 on October 4, 2019.

Note 9: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10945077100 on January 14, 2020.

Note 10: Approved by Letter Fu-Chan-Ye-Shang-Zi No.10954995110 on October 23, 2020.

Note 11: Approved by Letter Fu-Chan-Ye-Shang-Zi No.11149481600 on May 24, 2022.

Note 12: Approved by Letter Fu-Chan-Ye-Shang-Zi No.11151097230 on September 22, 2022.

Note 10: Approved by Letter Fu-Chan-Ye-Shang-Zi No.11246593310 on March 23, 2023.

Note 14: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 11254260400 on October 31, 2023.

Note 15: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 11347095100 on March 14, 2024.

Note 16: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 11447539700 on April 8, 2025.

Note 17: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 11454368020 on August 18, 2025.

Note 18: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 11546254120 on March 12, 2026.

## 2. Types of shares

March 31, 2026; Unit: Shares

Types of shares	Authorized share capital			Notes
	Outstanding shares	Unissued shares	Total	
common stock	35,972,762	14,027,238	50,000,000	Shares of listed companies.

## 3. Information related to the summary declaration system: None.

## (II) List of major shareholders

March 31, 2026; Unit: Shares; %

Name of major shareholders	Shares	Number of shares held	Shareholding ratio
Wen-Yu Tsai		3,857,893	10.72%
Chieh-Sheng Cheng		3,139,815	8.73%
Yuanta Commercial Bank (Trustee Account for VIVO PANDA FUND, L.P.) (Note 1)		2,308,926	6.42%
Tsung-Hung Hsieh		2,142,794	5.96%
Mega International Commercial Bank Co., Ltd		2,125,330	5.91%
Forward Biomedical Venture Capital, L.P.		1,830,241	5.09%
Kuo-Wei Yu		1,253,584	3.48%
Shih-Wei Investment Co., Ltd.		1,129,769	3.14%
Donpon Precision Inc.		1,003,770	2.79%
DCI Partners Co., Ltd., Japan		915,341	2.54%

Note 1: The custodian bank account of VIVO PANDA FUND, L.P.

## (III) The Company's dividend policy and implementation status

### 1. The dividend policy stipulated in the Company's Articles of Incorporation

If the Company's annual final accounts show a net profit after tax for the current period, it shall first offset the accumulated losses and set aside 10% of the profit as statutory surplus reserve in accordance with the law; however, this restriction shall not apply if the accumulated statutory surplus reserve has reached the total paid-in capital of the Company. The remainder will be set aside or transferred as special surplus reserve depending on the Company's operating needs and legal requirements. After adding the accumulated undistributed surplus from previous years to the remaining amount, the Board of Directors will prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of dividends to shareholders.

The Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses, capital reserves or statutory surplus reserves in cash at a meeting attended by more than two-thirds of the directors and with a resolution by a majority of the directors present, and report to the shareholders' meeting. The provisions of the preceding paragraph requiring a resolution by the shareholders' meeting shall not apply.

The Company operates in a growth-stage industry. The dividend distribution policy must be based on the Company's current and future investment environment, capital needs, domestic and international competition, capital budget and other factors, taking the interests of shareholders, balancing dividends and the Company's long-term financial planning into account. The Board of Directors shall prepare a distribution

proposal annually in accordance with the law and submit it to the shareholders' meeting for resolution on the distribution. As a general principle, the amount of shareholder dividends distributed shall not be less than 10% of the distributable earnings for the year. Dividends may be distributed in the form of cash or stock, with an appropriate portion allocated to cash dividends; however, the cash dividends shall not be less than 10% of the total dividends distributed for the year.

2. The proposed dividend distribution at this shareholders' meeting

The Company's Board of Directors approved the 2025 loss allowance proposal on March 12, 2026. As the Company is still in the loss-making stage and has no accumulated surplus available for dividend distribution, the loss allowance proposal will be submitted to the 2026 shareholders' meeting for approval.

3. Expected major changes in dividend policy: None.

(IV) The impact of bonus shares proposed in the shareholders' meeting on the Company's business performance and earnings per share: None.

(V) Remuneration to employees and directors

1. The percentage or range of employee and director remuneration as stated in the Company's Articles of Incorporation:

If the Company makes a profit in a year (the so-called profit refers to the profit before tax deduction of the distribution of employee remuneration and director remuneration), it shall set aside no more than 5% as director remuneration and no less than 20% as employee remuneration (of which not less than 1% shall be allocated to grassroots employees). However, if the company still has accumulated losses, it should reserve the amount to make up in advance.

The directors' remuneration referred to in the preceding paragraph shall only be paid in cash. The employees' remuneration referred to in the preceding paragraph may be in the form of stock or cash.

The preceding two items shall be implemented by the Board of Directors with a resolution approved by at least two-thirds of the directors and a majority of the directors present, and reported to the shareholders' meeting. The Company may distribute employee remuneration, issue restricted stock awards, issue employee stock options, and employees who purchase shares through the issuance of new shares and the recipients of purchased shares may include employees of the controlling or subordinate company who meet the conditions set by the Board of Directors.

2. The basis for estimating the amount of employee and director remuneration for the current period, the basis for calculating the number of shares for employee remuneration distributed in the form of stock, and the accounting treatment if the actual amount distributed differs from the estimated amount:

As there was no profit after the final accounting for the current period, no amounts were estimated for remuneration to employees and directors.

3. The Board of Directors' resolution on the distribution of remuneration:

(1) The amount of remuneration to employees and directors distributed in the form of stock or cash. If there is a difference between the estimated and actual amount of recognized expense, the difference, reason and treatment should be disclosed: The Company has no surplus available for distribution in 2025, so it is not applicable.

(2) The ratio of employees' remuneration distributed in the form of stock to the total net profit after tax and total employees' remuneration for the period: The Company has no surplus available for distribution in 2025, so it is not applicable.

4. The actual distribution of remuneration to employees and directors in the previous year (including the number of shares distributed, amount and share price), and any discrepancy between the actual remuneration to employees and directors and the recognized remuneration to employees and directors, and the difference, reason, and handling status shall be clearly stated:

The Company's final accounts for 2024 showed an accumulated deficit, and therefore no employee or director remuneration was allocated. The actual distribution and the recorded amounts were both zero, with no discrepancy.

(VI) Circumstances in which the Company repurchased its own shares: None

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

III. Issuance of preferred shares: None.

IV. Issuance of global depository receipts: None.

V. Issuance of employee stock options

(I) The Company's employee stock options that have not yet expired shall disclose their status as of the date of publication of the annual report and the impact on shareholders' equity:

March 31, 2026

Types of employee stock options	Employee stock options for 2023	
The effective date of the declaration and the total number of units	December 27, 2023 885,000 units	
Date of issuance (processing).	April 1, 2024	July 1, 2025
Number of units issued	865,000 Units (1 Share/Unit)	20,000 Units (1 Share/Unit)
Number of units available for issuance	—	
Percentage of the number of subscription shares issued to the total number of issued shares	2.40%	0.06%
Duration of the subscription	5 years	
Exercise method	Issuance of new common shares	
Period and percentage of subscription restrictions	After two years: 30% After three years: 80% After four years: 100%	
Number of exercised shares	—	
Amount of exercised stock options	—	
Number of unexercised stock options	720,000 shares (Note)	20,000 shares
The subscription price per share for those who have not exercised their subscription	NT\$ 10	
The number of unexercised stock options as a percentage of the total number of issued shares	2.00%	0.06%
Impact on shareholders' equity	The primary purpose of the Company's issuance of stock options is to provide incentives to attract and retain top talent. Although the issuance of stock options may dilute the equity of existing shareholders, the dilution occurs gradually over the years. Looking ahead, the contributions of outstanding talent are expected to benefit shareholders.	

Note 1: Excludes those that have expired due to employee resignation; The number of expired shares in 2024 was 125,000 shares, and the number of expired shares in 2025 was 20,000 shares.

(II) Names of managers who have obtained employee stock options as of the date of publication of the annual report and the top ten employees who have obtained the options with the largest number of shares subscribed, and their acquisition and subscription conditions

March 31, 2026; Unit: Thousands of shares; NT\$ thousands; %

	Job title	Name	Number of subscriptions acquired	The percentage of subscribed shares to the total number of issued shares	Exercised				Unexercised			
					Number of subscriptions	Subscription Price (NT\$)	Amount of subscription	Percentage of number of subscribed shares to total number of issued shares	Number of subscriptions	Subscription price (NT\$)	Amount of subscription	Percentage of number of subscribed shares to total number of issued shares
Managers (Note)	General Manager	Chieh-Sheng Cheng	250	0.69	—	—	—	—	250	10	2,500	0.69
	Chief Operating Officer	Wen-Yu Tsai										
	Deputy General Manager	Jui-Sui Chen										
	Chief Financial Officer	Wei-Cheng Tu										
Employees (Note)	Employee	O-Ting Chen	340	0.95	—	—	—	—	340	10	3,400	0.95
	Employee	O-Ting Pieh										
	Employee	O-Yun Chen										
	Employee	O-Yi Pai										
	Employee	O-Hsueh Lin										
	Employee	O-Shen Tsai										
	Employee	O-Chun Sun										
	Employee	O-Chia Ku										
	Employee	O-Min Chen										
	Employee	O-Chia Juan										
	Employee	O-Chen Chao										
Employee	O-Tsen Chou											

Note: Excluding resigned employees.

VI. Circumstances that restrict employees' rights in handling new shares: None.

VII. Merger, acquisition or issuance of new shares by acquiring other companies' shares: None.

VIII. Implementation of capital utilization plan

As of the quarter before the publication date of the annual report, the previous issuance or private placement of securities has not been completed or has been completed within the last three years and the planned benefits have not yet manifested: No such situation.

## Four. Operation Overview

### I. Business content

#### (I) Business Scope

##### 1. The main content of the Company's business

Code	Business information
CA02010	Metal structure and building component manufacturing
CA02990	Other metal products manufacturing
CB01010	Machinery and equipment manufacturing
CB01990	Other machinery manufacturing
CC01080	Electronic components manufacturing
CC01110	Computer and peripheral equipment manufacturing
CC01990	Other electrical and electronic machinery manufacturing
CE01010	General equipment manufacturing
F106010	Wholesale of hardware
F108031	Wholesale of medical devices
F113010	Wholesale of machinery
F113030	Wholesale of precision instruments
F113070	Wholesale of telecommunication equipment
F119010	Wholesale of electronic materials
F401010	International trade
I103060	Management consulting
I501010	Product design
IC01010	Pharmaceutical testing
IG01010	Biotechnology services
IG02010	Research and development services
CF01011	Medical devices manufacturing
ZZ99999	In addition to permitted business, the Company may operate any business not prohibited or restricted by laws and regulations.

##### 2. Sales percentage

Unit: NT\$ thousands; %

Product type \ Year	2024		2025	
	Net operating revenue	Proportion	Net operating revenue	Proportion
Labor services	32,722	23.11	71,329	71.16
Authorized cooperative development	104,276	73.64	—	—
Sales of products and others	4,614	3.25	28,905	28.84
Total	141,612	100.00	100,234	100.00

### 3. Current product (service)

The products and services developed by the company are divided into two categories: vibrating mesh (net) nebulizers (which can be sold in general channels and used in clinical trials of new drugs), and drug-specific nebulizer integrated development services with drug delivery technology as the core (joint development of special nebulizers with pharmaceutical manufacturers).

#### (1) Vibrating mesh nebulizer:








The mesh oscillation frequency can be adjusted according to the type of medication to maintain optimal performance during the atomization process, generating a highly efficient 3–5  $\mu\text{m}$  drug aerosol. This allows patients to successfully deliver medication to the lower respiratory tract without requiring special training or specific breathing techniques. These devices can be used to treat diseases such as chronic obstructive pulmonary disease (COPD), asthma, cystic fibrosis (CF), and respiratory infections.

#### (2) Drug-specific nebulizer integrated development services:

Since inhaled drugs need to be administered through the respiratory tract, the integration of drugs and delivery devices is a key link in the development of new drugs. In an industry trend where international pharmaceutical companies focus their resources on drug research and development and complete delivery system development through external collaboration, service providers with drug delivery technology and device integration capabilities have become an indispensable part of the inhaled drug development process.

The company has long focused on the development of inhaled drug delivery technology and proprietary nebulizers, and assists pharmaceutical companies in optimizing drug delivery performance and delivery efficiency under the inhaled route of administration by combining drug characteristics, device design, and drug delivery efficiency, and improving the overall development success rate. Currently, most of the related services are carried out in the cooperative development (CDMO) model, and has established cooperative relationships with many international pharmaceutical companies and participated in a number of development projects for drug-device combination products.

The Company's current products are as follows:

Technology Platform	Pulmogine Continuous Nebulizer Platform	AdheResp Breath-Activated Nebulizer Platform
Applied Products		
Drug-Bound Product Development Stage	 Approved for Market 	Licensed & Under Development 
Product Market Clearance		

#### 4. New products and services planned to be developed

The Company's R&D team has improved and refined the existing nebulizer technology, and considering the needs of various types of drugs and patient treatment scenarios, the Company has actively invested in the research and development of several innovative technologies:

##### (1) Short-term plan

The Company's R&D team has formulated a short-term development plan aligned with our existing business model, focusing on design solutions tailored to current or potential pharmaceutical clients and market demands in various countries. This includes features such as advanced drug-lock features (lock-and-key function), small drug reservoirs with low residual volume, and optimized nebulization modules.

##### (2) Medium and long-term plans

In the medium-to-long-term plans, to enhance portability and ease of cleaning, the Company is focusing on key developments such as pre-filled drug chamber designs and replaceable nebulization modules. Additionally, production line automation and capacity expansion designs are also critical issues to be addressed in the context of full-plant exportation or production scale-up.

## (II) Industry overview

### 1. The current status and development of the industry

According to the report of Global Initiative for Asthma (GINA), about 300 million people in the world suffer from respiratory diseases (including asthma, chronic obstructive pulmonary disease (COPD), cystic fibrosis (CF), etc.), and the market for related respiratory drugs is worth more than US\$30 billion.

Asthma is a common chronic inflammatory disease of the airways characterized by variable and recurrent symptoms, reversible airflow obstruction, and bronchospasm. Chronic obstructive pulmonary disease is a common, multiple, chronic respiratory disease with high disability and mortality rates. In recent years, countries around the world have attached great importance to chronic obstructive pulmonary disease because the prevalence of chronic obstructive pulmonary disease remains high and continues to increase annually. The World Health Organization estimates that chronic obstructive pulmonary disease is the 4th or 5th leading cause of death worldwide.

Inhaled medications for treating pulmonary diseases act directly on the lungs, enabling higher drug concentrations at the affected site and thereby improving therapeutic efficacy. Compared to oral or injectable forms, inhalation can reduce systemic side effects. As a result, many pulmonary conditions such as chronic obstructive pulmonary disease (COPD), pulmonary arterial hypertension, cystic fibrosis, and asthma are commonly treated using inhalation therapy. Since the outbreak of COVID-19 in 2020, many pharmaceutical companies have tried to use already-marketed drugs to treat lung damage caused by COVID-19 or infection.

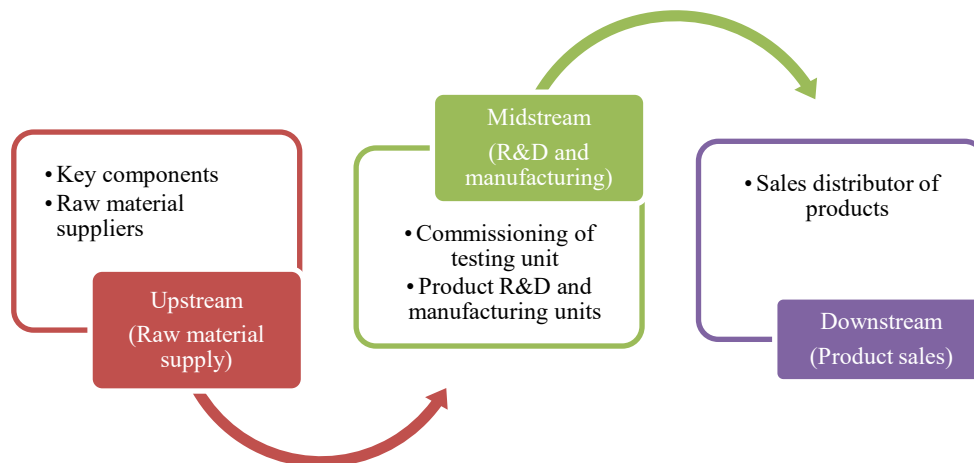
Currently, there are several drug delivery methods for inhalation therapy, including dry powder inhalers (DPI), pressurized metered dose inhalers (pMDI), soft mist inhalers (SMI), and nebulizers. Each device requires different usage methods and techniques. Clinical data indicate that DPI, pMDI, and SMI often demand specific inhalation techniques, leading to a high rate of incorrect use among patients, which may ultimately compromise treatment outcomes or cause potential side effects. Nebulizers do not require patients to cooperate with special inhalation techniques and are more suitable for use in young children (<12 years old), the elderly or other groups that have difficulty with inhalation treatment. Nebulizer treatment is effective with few side effects, and the demand for it is increasing.

Therefore, in the face of the trend of increasingly diverse drug development from small molecules, large molecules or nucleic acid-based RNA drugs, nebulizers that can

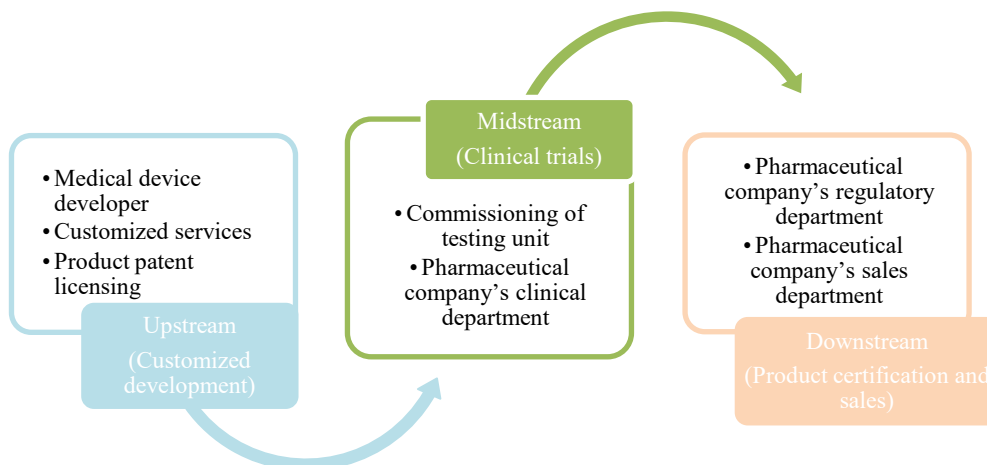
successfully deliver drugs also play a critical role. The Company is committed to becoming a global biotech company with a leading platform for aerosol drug delivery to the lungs, by using the vibrating mesh nebulizer developed and manufactured by the Company to deliver a variety of respiratory therapeutic drugs and address the clinical needs associated with lung diseases.

## 2. Correlation among the upstream, midstream, and downstream segments of the industry

The upstream segment of this industry consists of various materials and component suppliers, including disposable plastic parts, electronic components, metal parts, brackets, springs, and stamped outer casings. As a company specializing in the R&D and manufacturing of vibrating mesh nebulizers, the Company must not only collaborate with upstream raw material suppliers but also connect with midstream testing organizations to support product development and manufacturing. Finally, the Company integrates with downstream distributors and resellers for product sales.



In addition to the above-mentioned vertical aspects, the Company combines drug delivery technology and device development capabilities in the cooperative development business, with the integration advantages of contract development and manufacturing, and based on the technology platform, it improves the delivery performance of different types of drugs through customized design to provide differentiated high value-added services.



### 3. various development trends of products

#### (1) Deepto™/Pulmoginee™

The continuous nebulizers Deepto™/Pulmoginee™ series has obtained medical device licenses from Taiwan TFDA, EU CE mark, China NMPA, Brazil INMETRO, US FDA, Australia TGA and the UK. This product series consists of portable, home-use nebulizers, with performance suitable for aerosolizing most medications commonly used by asthma or chronic obstructive pulmonary disease (COPD) patients, such as various bronchodilators, inhaled corticosteroids, or expectorants. Following regulatory approval for the market launch of the medical device, the Company actively sought internationally renowned sales partners, initially targeting the over-the-counter (OTC) market. Through dedicated negotiations and efforts by the team, the first-generation product, Deepto™, caught the attention of Abbott Brazil. After passing Abbott's rigorous assessments on product performance, quality, and patents, the Company signed a five-year exclusive distribution agreement with Abbott for the Brazilian market in 2018. The following year, after both parties obtained Brazilian medical device market approval (INMETRO/ANVISA), the product was officially launched in the region under the trade name inAResp, and generated tens of millions in sales revenue for the Company.

## [Abbott's Products Launched in Brazil]



Additionally, mainland China is currently the world's largest market for nebulization therapy. According to statistics, in 2019, the number of people with respiratory diseases in China reached approximately 152 million. Most patients are also highly receptive to nebulizer-based treatment. It is estimated that 6.1 million medical nebulizers were sold in that year alone, with the market continuing to grow rapidly. As a result, the Company's management team also actively pursued partnerships in China to gain a foothold in the market. In 2020, the Company achieved significant progress. In addition to obtaining a medical device market approval from China's National Medical Products Administration (NMPA), it also signed an exclusive distribution agreement with Shanghai SMC. The Deepto™ product officially launched in China's market in October 2020, and is currently available to China's consumers through local out-of-hospital distribution channels and e-commerce platforms. Although the product launch event in October 2020 was held online due to the COVID-19 pandemic, it still attracted over 25,000 simultaneous online viewers.

[Online Conference and Forum on Product Launch in China in October 2020]



The company also cooperated with the chain pharmacy Great Tree Pharmacy to put it on the shelves in 2022 in accordance with regulations and related market strategies; In addition, since 2024, it has been distributing through Topmed International Biotech Co., Ltd, expanding to bases such as We Can Medicines and MedFirst Healthcare. Due to the adjustment of distribution rights, MARX Biotech Co., Ltd is currently responsible for distribution, with MedFirst Healthcare as the main sales channel.

[Product launch promotion]



In the European and American markets, the Company signed a Pulmogine distribution agreement with the Irish company Aerogen in 2024. Aerogen is the world's largest hospital-based nebulizer company. Through this agreement, the Company successfully entered the European and American markets and completed its first shipment in the first quarter of 2025.

In the future, the Company will continue to cooperate with its partners to enhance the competitiveness and differentiation of products, expand into new markets, and expand its sales presence in the field of home care.

## (2) AdheResp™

With the increasing diversity of new drug types and the varied needs of clinical treatment scenarios, pharmaceutical companies are demanding more complex and versatile functionalities from nebulizers. According to statistics, in recent years, over 60% of respiratory drug development has shifted toward large-molecule drugs. These include protein-based therapies, monoclonal antibodies, and RNA-based drugs, which are currently the primary focus of development. Since it is relatively difficult to develop dry powder formulations for such large-molecule drugs, pharmaceutical companies have a strong demand for nebulizers capable of aerosolizing liquid formulations, especially those that offer high nebulization efficiency and low residual volume. However, many pharmaceutical companies do not have relevant experience in medical device research and development internally, so in recent years there has been a strong demand for pharmaceutical companies to seek external partnerships for high-end nebulizer development. The Company's management team has identified this unmet need and has actively invested in the development of second-generation high-end nebulizer AdheResp in recent years while seeking pharmaceutical companies to develop drug-device integrated products.

In 2021, the Company signed a long-term collaborative development agreement with Australian pharmaceutical company CSL to design a customized breath-actuated nebulizer for CSL's new drug, CSL-787. CSL-787 is a human plasma-derived immunoglobulin that CSL anticipates could be used to treat patients with non-cystic fibrosis bronchiectasis (NCFB), who suffer from chronic bacterial infections. This led to the initiation of Phase 1 clinical trial to deliver the immunoglobulin to patients' lungs using the Company's nebulizer. The trial aimed to evaluate the safety, tolerability, pharmacokinetics (PK), pharmacodynamics (PD), and potential efficacy of CSL-787. The Phase 1 trial was completed in 2023 and demonstrated that the Company's nebulizer is capable of effectively delivering human plasma-derived immunoglobulin. The drug CMS, owned by the well-known Italian pharmaceutical company Zambon, could no longer be marketed because the nebulizer Philips i-neb that matched it had been discontinued. Zambon then

approached the Company to seek cooperation, and we customized and developed a dedicated nebulizer for CMS. As the indications of CMS i-neb and CSL787 overlap, in order to ensure that the cooperation with Zambon would not generate possible contractual risks, after much consideration and discussion, the Company reached an agreement with CSL to terminate the contract and completed the signing of cooperative development agreement with Zambon. CMS i-neb has a high probability of obtaining FDA approval for marketing, and its development schedule has already completed Phase 3 clinical trials. It is estimated that cooperation with Zambon will accelerate FDA approval and enable rapid entry into the global market. In addition, CMS i-neb is likely to become the first-in-class drug for NCFB patients infected with *Pseudomonas aeruginosa*. It is estimated that after its successful launch, it will benefit many patients in a short period of time, thereby increasing and contributing to the Company's revenue in advance. The Company also signed a joint development cooperation agreement with United Therapeutics in 2024. The Company will assist the pharmaceutical company in replacing its old nebulizers with the Company's customized nebulizers, thus providing patients with a more efficient and convenient treatment process.




Moreover, since drug-device combination products need to be bundled with other drugs for sale after being approved for marketing by regulatory agencies such as the FDA, the sales price of medical devices is high and stable compared to the highly competitive OTC market. Therefore, such cooperation projects are expected to not only lay the foundation for the Company's high-end medical nebulizers and attract more pharmaceutical companies to cooperate in authorized development, but also gain a key position in the field of respiratory therapy. In addition, the management team will replicate the previous cooperation with internationally renowned pharmaceutical companies and actively expand potential cooperative customers.

#### 4. Competition of products

There are many manufacturers of mesh nebulizers on the market. The comparison between Deepto/Pulmogine/ADP and other mesh nebulizers is shown in the following figure:

Continuous Nebulizer Product Name	Pulmogine®	eFlow®	NE-U100	NEB-001	MBPN002
Appearance					
Company	HCmed	PARI (Germany)	OMRON	Yirdoc	Microbase
Dimensions (LxWxH)	74 x 46 x 96 mm	Main unit: Cup:	38 x 60 x 130 mm	50 x 79 x 111 mm	78 x 41 x 73 mm
Cup Volume (ml)	0.5-10 ml			0.5-8 ml	
Weight	75 g	355 g	120 g	100 g	74 g
Power Consumption	~1.2 W			6 W	
Mesh Material	Palladium Alloy	Stainless Steel	Palladium	Stainless Steel	Polyimide
Water/Dust Resistance	IP55	IP22	IP22	IP22	IP22
Price	NTD 3,900	NTD 27,000	NTD 5,000	NTD 4,000	NTD 2,900

Source: User manuals of the company and each product.

Breath-Activated Nebulizer Product Name	AdheResp®	eFlow® Integrated	Kolibri	Fox®
Appearance				
Company	HCmed	PARI (Germany)	Pulmotree (Germany)	Vectura (USA / UK)
Dimensions (LxWxH)	91 x 55.5 x 133 mm	--	--	154 x 55 x 51 mm
Weight	170 g	--	--	128 g
Mesh Material	Palladium Alloy	Stainless Steel		Nickel
Cup Volume	Min.: 0.5 mL Max.: 8.0 mL (customizable)	--	--	Min.: 0.1 mL Max.: 0.4 mL
Development Stage	US FDA 510K cleared; available for clinical trials	Under development; not yet available for clinical trials	Under development	US FDA 510K cleared

Source: User manuals/exhibition materials of the company and each product.

The biggest difference between the Company and other competitors is that the Company is in charge of everything from product development technology to production. Therefore, the degree of customization is high, making it easier to connect with pharmaceutical companies and meet their needs for various drugs.

### (III) Overview of technology and R&D

#### 1. Technology level of the business

With the rapid development of society, factors such as air pollution, tobacco use, and population aging have led to a growing number of patients with respiratory diseases. To meet the demand for effective and painless treatment, an increasing number of biotech companies are investing in inhalation therapies each year. Inhalation therapy has now been widely and effectively applied in the field of bronchial treatments. Inhalation-based therapy is a very important non-injection drug delivery method. Among them, nebulization therapy is a type of inhalation treatment in which a nebulizer converts liquid medication into an aerosol, and transforms it into 3-5  $\mu\text{m}$  particles suspended in gas. These particles are inhaled into the lower respiratory tract and lungs through the patient's natural breathing, thereby increasing the local concentration of the drug in the airways and achieving the desired therapeutic effect. The benefit of nebulization therapy for patients is that the medication can act directly on the affected area. As a result, nebulization therapy is faster and more effective than traditional oral medications, and it only requires one-tenth of the dosage used in oral administration and significantly reduces drug side effects, which is an important advantage for elderly or pediatric patients.

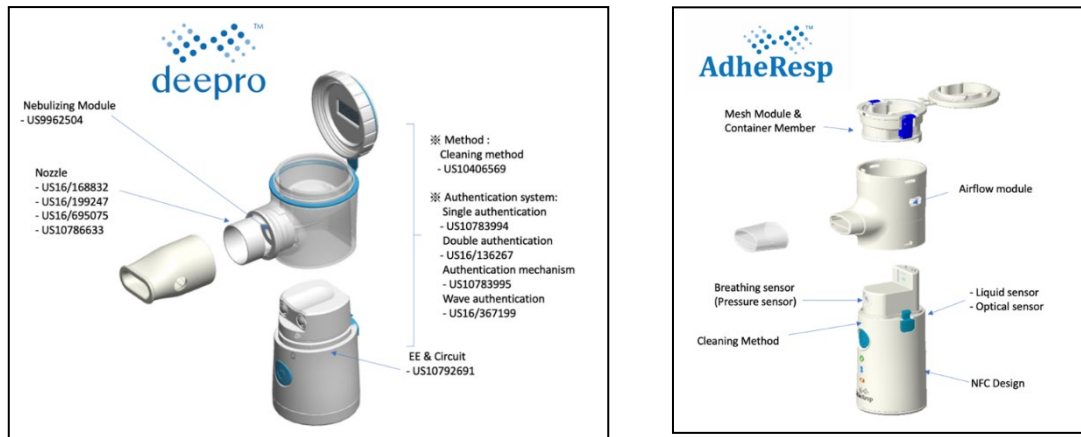
The Company maintains its capacity and competitiveness in product development through patent layout and the research and development of several innovative technologies.

#### (1) Patent layout

Vibrating mesh nebulizers are becoming the primary choice in nebulization therapy due to their advantages, including compact size, high nebulization efficiency, minimal temperature rise of the medication, and low residual volume. According to literature, 72% of clinical trials in 2016 employed mesh nebulizers for drug delivery. Therefore, in order to enhance the competitiveness of mesh nebulizer products, the Company attaches great importance to the strategic patent layout of key technologies.

At present, the Company has actively applied for patents or trade secrets for the first-generation Deeepro and the second-generation AdheResp. The relevant patent layouts total 130, and the number of granted patents has exceeded 90, with some valid until 2044. The patent layout is based on the main device, medication cup, mouth piece, airflow, vibrating mesh, drug-device combination and other directions. The domestic and foreign patent layout is shown in the following chart:

[Deeepro™ and AdheResp™'s key patent layout strategies]



### (2) Micro synchronized delivery technology (MSDT)

To accommodate the physical and chemical properties of different drugs during the nebulization process, the device dynamically and instantaneously adjusts the oscillation frequency of the mesh in the nebulization module. This ensures that the mesh operates at its optimal frequency, producing 3-5 μm aerosol particles and achieving high delivery efficiency, allowing the aerosolized drug to follow the airflow into the lower respiratory tract to treat lung-related diseases. This technology is currently capable of successfully nebulizing drugs with higher viscosity, such as liposomes, human immune globulins, and suspensions. The Company has leveraged this core technology to attract the interest of several international pharmaceutical companies developing new drugs and is actively pursuing collaborative development projects.

### (3) Breath-actuated function

Currently, the vast majority of mesh nebulizers on the market operate in a continuous nebulization mode. As a result, during treatment, the nebulizer continues to aerosolize the medication regardless of whether the patient is inhaling or exhaling. This leads to medication waste and aerosol dispersion into the surrounding air, which

may pose health risks to the environment, caregivers, or family members assisting with treatment. Since the outbreak of COVID-19 in 2020, the dispersion of aerosols has increased the risk of viral transmission. Therefore, nebulizers equipped with breath-actuated functions are gaining significant attention. The Company's R&D team has integrated a pressure differential detection system into the medication chamber of AdheResp device. This system accurately detects the patient's respiratory rate, activating nebulization only during inhalation and pausing during exhalation. Moreover, the pressure-sensing system can also detect weak respiratory flow in patients with reduced lung function or in children.

#### (4) Bluetooth connection

In general, inhalation therapy is primarily used by patients with chronic pulmonary diseases such as chronic obstructive pulmonary disease or asthma. The long-term nature of these treatments may reduce patient compliance, which can negatively impact treatment outcomes. Therefore, the inclusion of Bluetooth connectivity allows for the upload of treatment data, enabling clinicians and family members to monitor the patient's treatment status in real time, significantly improving the quality of care. Pharmaceutical clients can use the clinical data returned by patients for subsequent algorithmic analysis to provide valuable clinical reference data for drug improvement.

#### (5) High-efficiency drive circuit

Addressing the issue of high-power consumption in conventional nebulizers, which require being plugged in and fixed for home use. Through the design of a high-efficiency drive circuit combined with optimized hardware circuitry and microprocessor-controlled software, the nebulization module can operate precisely in its most efficient mode. Compared to conventional nebulizers, this system reduces power consumption by over 98.5%. It is compatible with standard dry cell batteries and rechargeable batteries, making it convenient for patients to carry and use regularly over extended periods.

## 2. R&D status and achievements

<b>Product/Model number</b>	<b>Key technology focus</b>	<b>R&amp;D achievements/progress</b>
Deepro®/ Pulmagine®/ Deepro®/ HCM-86C	<ul style="list-style-type: none"> <li>• Mesh-type continuous nebulization technology</li> <li>• IP55 waterproof structural design</li> <li>• High-efficiency drive circuit</li> <li>• One-button cleaning function</li> <li>• Simple operation design</li> <li>• Safe nebulizer medicine cup</li> </ul>	<ul style="list-style-type: none"> <li>• Completed development and mass production</li> <li>• Taiwan TFDA Class II medical device market approval</li> <li>• EU CE mark (MDD approval obtained and MDR recertification application in progress in 2024)(Note1)</li> <li>• US FDA 510(k) market approval in 2022</li> <li>• Australian TGA market approval in 2023</li> <li>• UK market approval in 2024</li> </ul>
AdheResp®/ ADP-01	<ul style="list-style-type: none"> <li>• Mesh-type nebulization technology</li> <li>• Breath-actuated function</li> <li>• Bluetooth connection</li> <li>• NFC drug-lock feature</li> <li>• Rechargeable lithium battery</li> </ul>	<ul style="list-style-type: none"> <li>• Completed product design and development</li> <li>• Completed small-scale pilot production and process validation</li> <li>• US FDA 510(k) application in progress in 2024</li> </ul>
ADP-02	<ul style="list-style-type: none"> <li>• Customized configurations (drug binding/combination products/non-cystic fibrosis bronchiectasis NCFB)</li> <li>• Large-capacity drug reservoir design</li> <li>• High-efficiency nebulization function</li> </ul>	<ul style="list-style-type: none"> <li>• Completed prototype design and functional verification in 2022</li> <li>• Completed ergonomic analysis of the prototype in 2021</li> <li>• Completed primate toxicology tests in 2022</li> <li>• Completed multinational, multicenter phase 1 clinical trials in 2023</li> </ul>
ADP-03	<ul style="list-style-type: none"> <li>• Customized configurations (drug binding/combination products/non-cystic fibrosis bronchiectasis NCFB)</li> <li>• Small-capacity, metered drug reservoir design</li> <li>• High flow resistance design</li> </ul>	<ul style="list-style-type: none"> <li>• 3D/CNC prototype design and verification phase</li> <li>• Licensed Aerogen to launch in the United States and Europe in 2025</li> </ul>
ADP-05	<ul style="list-style-type: none"> <li>• Customized configurations (drug binding/combination products/rare pulmonary diseases)</li> <li>• LED screen display</li> <li>• Metered-dose nebulization design</li> <li>• Breathing frequency control</li> <li>• Small-capacity drug reservoir design</li> </ul>	<ul style="list-style-type: none"> <li>• 3D/CNC prototype design and verification phase</li> <li>• Process design and development</li> <li>• Milestone #1 achieved in 2025</li> </ul>

Note 1: The MDR recertification application was under review when the 2025 Business Report was approved by the Board of Directors; however, the Company obtained the relevant certification on March 23, 2026.

### 3. R&D personnel and their academic experience

Unit: Persons; Years

Items \ Year	2024		2025		As of March 31, 2026	
	Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people	Percentage (%)
Master's degree	9	34.62	9	39.13	9	37.50
University (including junior college)	15	57.69	14	60.87	15	62.50
University (including junior college) and below	2	7.69	—	—	—	—
Total	26	100.00	23	100.00	24	100.00
Average years of service	2.63		3.87		3.48	

### 4. R&D expenses incurred in the most recent year and up to the date of publication of the annual report

Unit: NT\$ thousands; %

Items \ Year	2021	2022	2023	2024	2025
R&D expenses	43,314	66,854	67,668	73,337	65,294
Net operating revenue	54,055	6,478	9,235	141,612	100,234
As a percentage of net operating revenue	80.13	1,032.02	732.73	51.82	65.14

### 5. Technologies or products successfully developed in the most recent year and up to the date of publication of the annual report

Two series of mesh nebulizer products have been successfully developed, including the continuous nebulization devices (Deepro™/Pulmagine™ series) and the breath-actuated nebulization device (AdheResp™ series).

Products	Development progress	R&D results
Deepro™/ Pulmagine™	<ul style="list-style-type: none"> <li>• Mesh-type nebulization technology</li> <li>• Bluetooth connection</li> <li>• Integrated structure and structural waterproofing technology</li> <li>• High-efficiency drive circuit</li> <li>• One-button cleaning function</li> <li>• Simple operation design</li> <li>• Safe nebulizer medicine cup</li> </ul>	<ul style="list-style-type: none"> <li>• Obtained patents in Taiwan, the United States, mainland China, Europe and other countries.</li> <li>• Obtained Taiwan TFDA, EU CE mark, China NMPA, Brazil INMETRO.</li> <li>• Obtained US FDA 510(k) marketing license.</li> <li>• Obtained Australian TGA license.</li> <li>• Cooperated with Abbott in Brazil and SMC in China to successfully launch products in the two major markets of Brazil and mainland China.</li> <li>• Obtained MDR certification.</li> </ul>
AdheResp™	<ul style="list-style-type: none"> <li>• Mesh-type nebulization technology</li> <li>• Breath-actuated nebulization function</li> <li>• High-efficiency drive circuit</li> <li>• The Company is collaborating with pharmaceutical firms to develop drug-device combination products by converting original injectable formulations into inhalable forms for the treatment of COPD and non-cystic fibrosis bronchiectasis (NCFB)</li> </ul>	<ul style="list-style-type: none"> <li>• The Company has started strategic collaboration with multiple pharmaceutical companies to jointly develop integrated drugs and devices, including new pathways for old APIs, new devices for old drugs, and completely new drugs and devices. The collaboration is broad and in-depth.</li> <li>• Patents in many countries have been obtained and are still being applied for.</li> <li>• Obtained US FDA 510(k) marketing authorization.</li> </ul>

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

##### 1. Short- and medium-term business development plan

The short-term operation goal is to continue to establish long-term cooperative relationships with a number of international new drug development pharmaceutical companies and promote the authorized and cooperative development of inhaled drug-device combination products. Based on the existing core technology of drug delivery, the company will provide customized development services for customers' high-value drugs by combining nebulizer design and drug characteristics, and enhance the clinical application value and market competitiveness of new drug products through complete drug-device integration design and patent layout. At present, the company has launched a number of drug-device combination product development projects with many pharmaceutical companies, and continues to stack cooperation projects at different stages of R&D, so that revenue from the signing fee and milestone fee in the early stage

of development to the sales revenue and sales profit sharing after product certification and mass production and sales, establishing a sustainable operating model.

## 2. Medium and long-term business development plan

The medium- and long-term operation strategy is based on existing technology and cooperation, gradually increasing development leadership and strengthening product topic selection and layout capabilities. The company will combine the drug delivery technology platform and external scientific consulting resources to carefully evaluate and select pulmonary therapeutic drug and device combination products with development potential, and integrate and develop drugs with clinical application potential through in-licensing, with the company's existing delivery platform and device technology, and plan to adopt the 505(b)(2) development pathway to improve development efficiency, reduce risks, and shorten the time to market, and finally through out-licensing Create a high value-added revenue stream. Considering the high R&D resources required at this stage, the company will prudently promote it based on overall operating performance and resource allocation to take into account growth momentum and risk control.

## II. Market and production and sales overview

### (I)Market analysis

#### 1. The sales (provision) area of the main goods (services).

Unit: NT\$ thousands; %

Sales area \ Year	2024		2025	
	Sales amount	Proportion	Sales amount	Proportion
United States	123,982	87.55	74,393	74.22
Europe	13,992	9.88	23,881	23.83
Taiwan	3,638	2.57	1,879	1.87
Others	—	—	81	0.08
Total	141,612	100.00	100,234	100.00

#### 2. Market share

The Company will gradually expand its operational scale and corporate value in the short, medium and long term. In the early stages, we mainly focus on the research and development of core products, and establish the market visibility of the company and products, and enhance the company's awareness and brand image in the global

market through cooperation with international industry partners. The company has cooperated with Abbott in Brazil and SMC in China, and successfully introduced the products into the Brazilian and Chinese mainland markets. Since the second half of 2020, the company has further invested in the field of inhaled drug delivery, and has carried out joint development of drug-device combination products with international pharmaceutical companies, gradually establishing a development positioning with drug delivery technology as the core, and providing solutions that integrate nebulizer design and drug delivery efficiency optimization.

Since the company's business model is mainly based on drug delivery technology platforms and customized cooperative development, and its service targets cover multiple pharmaceutical companies and projects at different stages of development around the world, and the application fields involve a variety of indications and treatment scenarios, and the market size and definition of each indication are also different, the overall market scope is highly diverse and fragmented, and it is difficult to accurately estimate the market share by a single market caliber.

### 3. The future supply and demand situation and growth potential of the market

The global market for inhaled drugs for the treatment of respiratory diseases has shown a steady growth trend, and the COVID-19 epidemic has further accelerated the development of inhaled drug delivery related technologies in the new drug industry. Since inhaled drug delivery systems have high technical thresholds and are one of the key links in the drug development process, related integrated development capabilities have gradually become important resources in the industry chain. As market demand continues to expand, international funds have been attracted to enter the market one after another. In May 2020, Altaris Capital acquired 83% of the shares of Kindeva, an integrated CDMO company for inhaled drugs and devices, for \$650 million, and in August 2021, PMI, the world's largest tobacco company, competed with Carlyle Group to acquire Vectura, an integrated CDMO company for inhaled drugs and devices, and the acquisition valuation has been pushed to \$1.4 billion, showing that the market is paying great attention to this field.

The company has entered the field of high-end inhaled drug delivery technology and has collaborated with many international pharmaceutical companies to develop drug-device combination products, and continues to strengthen its technical positioning in drug delivery solutions. By combining nebulizer design and drug delivery technology,

the company and its partners jointly invest in the early clinical development stage of new drugs, helping to improve drug delivery efficiency and therapeutic performance, and further expand international cooperation and licensing opportunities to enhance the company's overall value.

For example, high-priced macromolecule drugs or monoclonal antibody drugs are difficult to develop dry powder dosage forms, so pharmaceutical companies need nebulizers that can nebulize solution dosage forms, with high nebulization efficiency and low carryover functions, corresponding to the future needs of smart healthcare, and even complex functions such as networking and intelligent detection. Since most pharmaceutical companies focus on the research and development of drugs themselves, their ability to design and integrate drug delivery systems is relatively limited, leading to a continuous increase in the demand for external professional cooperation. Recognizing this unmet market need, the company continues to invest in the integrated development of inhaled drug delivery technology and exclusive nebulizers, and gradually establishes a cooperation model with the delivery platform as the core. Since the launch of AdheResp, a high-end nebulizer technology platform, it has successfully attracted many international pharmaceutical companies to negotiate cooperation, and has continued to introduce a number of drug-device integration development projects, gradually accumulating project experience and industry cooperation foundation.

#### 4. Competitive niche

##### (1) Product advantages

The company is one of the few companies in China that focuses on the development of drug delivery nebulizer platforms, mastering the core technology of high-end mesh nebulizers and providing inhaled steroids (ICS) for lung diseases and the use of bronchodilators for nebulization therapy; At present, the company's products Deepto/Pulmoginee have been approved for marketing in Taiwan, the European Union, Brazil, Mainland China, the United States, and Australia. In addition, the company has also invested in the research and development of novel inhalation drug delivery technology, optimized nebulizer products, targeting high-value special drugs such as macromolecule drugs, monoclonal antibodies or mRNA, and customized the nebulization treatment product platform for cooperative pharmaceutical partners by integrating innovative technology with low-temperature rise nebulization modules, and adjusting nebulization conditions including

nebulization rate, effective dose, particle size distribution and average particle size.

## (2)Service model

Generally speaking, for pharmaceutical companies with the need for customized development and production of nebulizers, although there are a variety of lower-priced nebulizer products available on the market, compound products involving drug-device combination have strict regulatory requirements and high requirements for the stability and consistency of drug delivery performance. Therefore, relevant service providers need to continue to invest in device research and development, introduce new technologies, and have regulatory support and mass production capabilities, provide integrated development services, and jointly promote product development with pharmaceutical companies. For pharmaceutical companies with experience in inhaled drug development, partners with leading drug delivery technology and nebulization device integration capabilities are more attractive. Through the cooperative development model with the Company, pharmaceutical companies can reduce development costs, accelerate product launch, focus on core business, and reduce investment risks, which has a key impact on the success of product development.

The company provides cooperative development services for customized nebulizers, cooperates with pharmaceutical companies to develop nebulizers bound to drugs, and authorizes the application and sales rights of the customized nebulizers to pharmaceutical companies.

## (3)Customized services

The company focuses on the integrated development of inhaled drug delivery technology and medical devices, mainly providing customized inhaled drug delivery solutions for the respiratory system and other indications that require treatment through the inhalation route. By integrating drug characteristics, delivery mechanisms, and device design, the company can provide flexible customized development services according to different drugs and clinical needs.

The company has integrated support capabilities from early research, toxicology and pharmacology testing, clinical trial validation, marketing and mass production, to regulatory applications and reviews in various countries, assisting pharmaceutical

companies in effectively implementing drug delivery system design during the development process to improve development efficiency and overall product performance.

Since its establishment, the company has focused on technology research and development, gradually building R&D, testing, and manufacturing capabilities required for inhaled drug delivery and device integration, and continues to invest in relevant resources and professional talent training to strengthen the company's technical depth and integration capabilities in this field, and further enhance its overall competitive advantage.

#### (4) Patent layout

The company attaches great importance to the patent layout of key technologies and continues to strengthen the international competitiveness of inhaled drug delivery and nebulizer-related technologies. Since the establishment of the company, more than 90 related patent layouts have been obtained through layout strategies such as patent applications or trade secrets, and some patents have been valid for 2044; The patent layout is based on the main unit, medicine cup, mouthpiece, drug chamber, airflow, mesh membranel module and various processes, with a total of 54 patent families, most of which have been applied to two standard nebulizer platforms and mesh membranel modules.

### 5. Favorable and unfavorable factors for future development, and the corresponding measures

#### (1) Favorable factors

##### A. The industrial chain is complete and cost-effective

At present, in the global medical mesh nebulizer market, Japan's Omron (Omron) and Germany's Barry (PARI) are the leading positions, and their technology and specifications are leading and mastering the specifications, and the quality and price of nebulizers are much higher than other competing products. Similarly, the popularity among clinicians and international pharmaceutical companies has also left competitors far behind, and Taiwanese manufacturers are mostly low-end products or OEM production in the global medical nebulizer market. Therefore, the company is committed to providing cost-effective medical

mesh nebulizers in the market, in addition to continuously investing in innovative research and development to meet the market's demand for inhaled drug delivery, and insists on cooperating with domestic suppliers for related components, from raw materials to assembly and production lines to control the strictest quality.

#### B.High innovation and technology capabilities

Since its establishment in 2014, the company has gradually developed from a small R&D team to a technology-based company with R&D and production capabilities, with more than 70 employees, including R&D and engineering talents, and more than half of the employees are under the age of 40, with a high degree of flexibility and innovation culture. The company continues to invest in the integrated development of inhaled drug delivery technology and devices, gradually accumulating cross-field cooperation experience, and cultivating medical device and drug delivery technical talents with international cooperation capabilities.

#### C.Strong demand for household products

Due to the impact of the COVID-19 epidemic in 2020, many patients with chronic lung diseases who require nebulization treatment cannot go to the hospital for treatment, which may change the global lung treatment habits, which has also strengthened the demand for home medical nebulizers at home and abroad , it also improves patients' willingness to use it regularly, improves patient compliance to achieve good disease control and treatment results, reduces social medical expenditure and brings well-being to patients.

### (2)Unfavorable factors and response measures

#### A.Strict clinical regulations

Clinical trials and registration regulations vary from country to country, especially the review schedule of the competent authorities in each country is difficult to grasp, affecting the development schedule and marketing progress.

Countermeasures: Regulatory departments need to be familiar with the regulatory inspection and registration of several important countries, such as FDA/CE/TFDA/NMPA, etc., and hold complete technical documents and strengthen post-market product monitoring, etc., and cooperate with local regulatory consulting companies to accelerate the acquisition of licenses and seize the opportunity to enter the market.

## B. Long development time

Product development takes a long time and costs a lot, and whether the working capital is sufficient will affect the progress of new drug development.

Countermeasures: After carefully evaluating targets with market potential and development feasibility, we will concentrate resources and make every effort to advance them, and after obtaining milestone revenue, we can further improve the speed of subsequent product development.

## C. Customer concentration and drug development risks

Since the development of inhaled drugs has a higher technical threshold than oral or injectable dosage forms, related research and development is mostly concentrated in experienced pharmaceutical companies. The company's business focuses on the integration of drug delivery technology and devices, and promotes projects through a cooperative development model with pharmaceutical companies, so the customer structure is relatively concentrated in specific pharmaceutical companies. In addition, the development process of integrated drug-device products is greatly affected by the research and development results of the drug itself, and there is a certain degree of uncertainty. If the development strategy of the cooperative pharmaceutical companies is adjusted, the project schedule is delayed or terminated, or the development of new drugs cannot be successfully completed, it may have an impact on the Company's operating performance.

Countermeasures: Actively expand the market, develop diversified pharmaceutical customers, and consider the limitation of licensing scope to avoid over-reliance on a single pharmaceutical company customer in a single disease area or the same market.

## (II) Important uses and production processes of the main products

### 1. Important uses of the main products

Nebulization therapy is a type of inhalation therapy, in which the nebulizer atomizes liquid drug into 3-5 $\mu$ m mist particles suspended in gas, and as the patient breathes naturally, the drug is inhaled into the lower respiratory tract and lungs, increasing the local drug concentration in the trachea, thereby achieving the therapeutic effect. The advantage of patients receiving nebulization therapy is that the drug can act

directly on the affected area, so nebulization therapy is faster and more effective than traditional oral drugs, and the dosage of the drug is only 1/10 of that of oral drugs, which will significantly reduce the side effects of the drug, which is relatively important for the elderly or children.

## 2. Production process of the main products

The raw materials of plastic parts, silicone parts, key components and packaging materials of vibrating mesh (mesh) nebulizer products are designed and developed by the company, manufactured and provided by suppliers, and then inspected and assembled in the company's clean room factory.

In addition, in terms of the cooperative development of drug-specific nebulizers, the company takes the inhaled drug delivery technology platform as the core, integrates drug characteristics and device parameters through customized design to optimize the delivery performance of different types of drugs, and develops special nebulizer products according to specific needs.

## 3. Production status of APIs and preparations (outsourced), factory qualifications, and regulations and requirements of pharmaceutical authorities for drug production

The company is positioned as a medical device design and development company, focusing on the integrated application of inhaled drug delivery technology and devices. The related cooperative development business is mainly to cooperate with pharmaceutical companies to develop customized nebulizer products and provide them to pharmaceutical companies for use; The pharmaceutical company is responsible for the packaging and sales of the final drug-device combination product, and the company is not involved in the manufacturing process of APIs or preparations.

The company has obtained ISO 13485 and ISO 9001 quality management system certifications, and has an assembly and quality control base in Zhonghe District, New Taipei City, and has passed the factory inspection by the competent authority (TFDA) and meets the requirements of Good Manufacturing Practices (GMP) for medical devices. The company continues to strengthen its quality management system in accordance with relevant international regulations and standards to ensure that its products comply with current good manufacturing practices.

### (III) Supply status of major raw materials

The company's main suppliers are all long-term cooperative manufacturers, and they maintain a good and stable cooperative relationship with the suppliers, in addition to fully grasping the supply of goods, and strictly control the quality and delivery time to ensure the supply of main raw materials. In order to ensure the stability of quality, key components are also inspected item by item.

Main raw materials	Major suppliers	Availability
Palladium-nickel alloy	Supplier A	Good

(IV) The names of customers who have accounted for 10% or more of the total purchases (sales) in any of the most recent two years, and the amount and proportion of purchases (sales), and the reasons for the increase or decrease in the number of purchases or sales

#### 1. Major suppliers in the last two years:

Unit: NT\$ thousands; %

Items	2024				2025			
	Name	Amount	As a percentage of net purchase for the year	Relationship with the issuer	Name	Amount	As a percentage of net purchase for the year	Relationship with the issuer
1	Supplier A	2,083	59.65	—	Supplier A	10,116	42.60	—
2	Unifie Technology	366	10.48	—	Supplier B	2,910	12.25	—
3	—	—	—	—	General Silicones	2,508	10.56	—
4	—	—	—	—	Unifie Technology	2,455	10.34	—
5	Other	1,043	29.87	—	Other	5,758	24.25	—
	Net purchase amount	3,492	100.00	—	Net purchase amount	23,747	100.00	—

Reasons for increase or decrease:

The company and its subsidiaries are mainly engaged in the development and sales of inhaled drug delivery-related products, and the past operation was mainly in the development stage, and most of the materials were used for R&D testing and sample preparation, resulting in a relatively low purchase amount in 2024. Subsequently, the company signed a distribution agreement for Pulmoginee products with the Irish company Aerogen in 2024, which is one of the world's major hospital nebulizer manufacturers, and the company expanded the European and American markets, and began shipping since 2025, driving the increase in the stocking and procurement demand

of related products, resulting in a significant increase in the purchase amount and a slight change in the supplier structure and ranking.

2. Major sales customers in the last two years:

Unit: NT\$ thousands; %

Items	2024				2025			
	Name	Amount	As a percentage of net sales for the year	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year	Relationship with the issuer
1	United Therapeutics	123,368	87.12	—	United Therapeutics	70,926	70.76	—
2	—	—	—	—	Aerogen	26,702	26.64	—
3	Other	18,244	12.88	—	Other	2,606	2.60	—
	Net sales	141,612	100.00	—	Net sales	100,234	100.00	—

Reasons for increase or decrease:

As the company's cooperative development business continues to advance, related labor service income and authorized cooperative development income are gradually recognized. The higher amount in 2024 was mainly due to the signing of a cooperative development contract with the customer United Therapeutics in the current year and the recognition of the signing fee; In 2025, there was no similar one-time income, and the revenue structure was mainly based on development milestone funds. In addition, in terms of sales structure, new product sales of Aerogen were added in 2025, resulting in changes in the overall customer composition and sales amount distribution compared to 2024.

III. The number of employees, average years of service, average age, and distribution of educational qualifications for the most recent two years and as of the date of publication of the annual report

Unit: Persons; %

Year		2024	2025	As of March 31, 2026
Number of employees	Managers	4	5	5
	Direct personnel	9	9	14
	Indirect personnel	55	52	56
	Total	68	66	75

Year	2024	2025	As of March 31, 2026	
Average age (years)	40.21	40.49	39.84	
Average years of service (years)	3.36	4.17	3.91	
Educational background distribution ratio (%)	PhD	2.94	3.03	2.67
	Master's degree	26.47	27.27	24.00
	University, College	57.35	57.58	58.67
	High school	13.24	12.12	13.33
	High school and below	—	—	1.33
	Total	100.00	100.00	100.00

#### IV. Information on environmental protection expenditures

Losses incurred due to environmental pollution in the most recent year and up to the date of publication of the annual report (including compensation and environmental protection audit results for violations of environmental protection laws and regulations, which should specify the date of penalty, the penalty number, the provisions of violation, the content of violation, and the content of penalty), and the estimated amount and response measures that may occur at present and in the future: None.

#### V. Labor-management relations

(I) The Company's employee welfare measures, further education, training, retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures:

##### 1. Employee welfare measures

In addition to providing basic protection of labor and health insurance for employees, the Company also provides group insurance for employees. The welfare implementation measures include three festival welfare funds, birthday gifts, wedding gifts, funeral gifts, club subsidies, regular dinner activities, education and training, etc. In terms of health management, periodic employee health checks are carried out. The employee reward program includes employee stock options and annual employee compensation if there is a profit.

## 2. Further education and training status of employees

For new recruits who joined the Company, the Company arranges an orientation session on their first day, introducing the company overview, work regulations, the working environment, and key personnel. To promote lifelong learning, enhance professional knowledge and skills, and foster cultural literacy for improved service quality and performance, the Company encourages full-time employees, upon approval, to participate in various on-the-job training and development programs. Additionally, the Company organizes periodic business skill-sharing sessions to foster continuous learning and personal growth through work.

## 3. Employee retirement system and its implementation

According to the “Labor Pension Act”, the Company contributes 6% of the salaries to individual pension accounts of the employees, and the employees may also choose to contribute the related pensions to their individual pension accounts.

## 4. Agreement between labor and management

All regulations of the Company are in accordance with the Labor Standards Act and labor-management meetings are held. So far, the labor-management relationship is harmonious and there are no labor-management disputes that require coordination.

## 5. Various measures to protect employee rights and interests

The Company has established a comprehensive document management framework and system that contains various management methods, clearly defines the rights and obligations of employees and welfare items, and regularly reviews the welfare content to protect the rights and interests of employees.

(II) The losses incurred due to labor-management disputes in the most recent year and up to the date of publication of the annual report (including labor inspection results that violate the Labor Standards Act, which should list the date of penalty, penalty number, the provisions of violation, the content of violation, and the content of penalty), and disclose the estimated amount and response measures that may occur now and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained:

Since the establishment of the Company, the labor-management relationship has been harmonious and we have not suffered any losses due to labor-management disputes. In the

future, as both labor and management complement each other and grow synchronously, we should be able to avoid the

## VI. Information and security management

- (I) Information security risk management framework, information security policies, specific management plans, and resources invested in information security management, etc.:

The Company adopts off-site backup of cloud and local databases, and implements appropriate authority control to ensure that the Company's important information is not stolen by external intrusion or equipment damage, which may cause operational risks to the Company. In addition, the Company has also commissioned a professional information unit to assist in setting up firewalls, regularly reviewing equipment and system protection to ensure the security of the Company's information.

- (II) The losses, possible impacts, and response measures incurred due to major information security incidents in the most recent year and up to the publication date of the annual report, if it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained: None.

## VII. Important contracts

Nature of the contract	Contracting party	Term	Main content	Restrictive Provisions	Notes
Lease Agreement	O-Kui Huang	December 1, 2024 – November 30, 2027	Factory lease	—	—
Lease Agreement	Cathay No.2 Real Estate Investment Trust Fund	July 1, 2025 – June 30, 2027	Office rental	—	—
Lease Agreement	Cathay No.2 Real Estate Investment Trust Fund	July 1, 2025 – June 30, 2027	Office rental	—	—
Lease Agreement	Guang Teng Renewable Energy Co., Ltd.	February 1, 2025 – January 31, 2027	Factory lease	—	—
Lease Agreement	Li-Yuan Enterprise Co., Ltd.	November 1, 2025 – October 31, 2035	Factory lease	—	—
Distribution Agreement	Topmed International Biotech Co., Ltd.	April 1, 2024 – March 1, 2025	Product distribution	Confidentiality; Taiwan region	March 1, 2025 Topmed International Biotech

Nature of the contract	Contracting party	Term	Main content	Restrictive Provisions	Notes
Distribution Agreement	Mars Biotech Co., Ltd.	March 1, 2025 – December 31, 2026	Product distribution	Confidentiality; Taiwan region	transferred the sales products and sales channels to Mars Biotech, and Mars Biotech undertook this distribution contract, and the terms of the original contract continued to be valid.
Drug-device combination development contract	ZAMBON S.P.A.	From April 2024	Cooperate in the development of drug-device combination products	Confidentiality; Exclusive indication authorization, Regional authorization	—
Drug-device combination development contract	United Therapeutics	From October 2024	Cooperate in the development of drug-device combination products	Confidentiality; Exclusive indication authorization, Regional authorization	—
Distribution Agreement	Aerogen	From August 2024	Overseas product distribution	Confidentiality; Exclusive indication authorization	—
Bank Loan	Sunny Bank Ltd.	December 20, 2024 – January 6, 2025	Long-term borrowings	—	Mortgage of land and factory buildings

## Five. Review and Analysis of Financial Position and Financial Performance, and Risk Issues

### I. Financial position

The main reasons for and impact of major changes in assets, liabilities and equity in the most recent two years. If the impact is significant, the future response plan should be explained:

Unit: NT\$ thousands; %

Items	year	2024	2025	Increase or decrease	
		Amount	Amount	Amount	%
Current assets		187,364	287,555	100,191	53.47
Property, plant and equipment		19,971	72,953	52,982	265.29
Right-of-use assets		8,744	66,820	58,076	664.18
Intangible assets		13,903	1,234	(12,669)	(91.12)
Other assets		16,808	12,627	(4,181)	(24.88)
<b>Total assets</b>		<b>246,790</b>	<b>441,189</b>	<b>194,399</b>	<b>78.77</b>
Current liabilities		32,744	59,769	27,025	82.53
Non-current liabilities		4,733	93,986	89,253	1,885.76
<b>Total liabilities</b>		<b>37,477</b>	<b>153,755</b>	<b>116,278</b>	<b>310.26</b>
Share capital		300,337	327,168	26,831	8.93
Capital reserve		446,758	624,154	177,396	39.71
Accumulated deficit		(538,007)	(664,117)	(126,110)	23.44
Other equity		225	229	4	1.78
<b>Total equity</b>		<b>209,313</b>	<b>287,434</b>	<b>78,121</b>	<b>37.32</b>

(I) Explanation of the reason for the change (if the change reaches 20% or more and the amount of the change reaches NT\$10 million):

1. Increase in current assets: Mainly due to the cash capital increase in the first quarter of 2025, resulting in an increase in cash positions.
2. Increase in real estate, plant and equipment: Mainly due to the lease and resale of the original factory site, the company purchased relevant land and housing buildings by the board of directors in the fourth quarter of 2024, and completed the purchase in 2025.
3. Increase in right-of-use assets: This is due to the new factory lease in the fourth quarter of 2025.
4. Decrease in intangible assets: Mainly due to the impairment of the know-how generated by the original merged investee company Harvest Precision Innovations Co., Ltd. in the current year.
5. Changes in total assets: detailed explanations 1 to 4.

6. Increase in current liabilities: This is mainly due to the increase in lease liabilities due to new factory leases in the fourth quarter of 2025, as well as the addition of long-term borrowings due to the purchase of factories and the reclassification of parts due within one year to current liabilities.
7. Increase in non-current liabilities: mainly due to borrowing from financial institutions for the purchase of factories.
8. Changes in Total liabilities: Detailed explanations in 6 and 7.
9. Increase in capital reserve: mainly due to the cash capital increase in the first quarter of 2025.
10. Increase in losses to be compensated: mainly due to operating losses in 2025.
11. Change in total equity: Detailed explanations in 10 and 11.
- (II) Future response plans for those with significant impacts:  
The company is committed to research and development, and continues to deliver research and development results to pharmaceutical companies in exchange for cooperation opportunities; The company has signed a contract with customers to jointly develop integrated drug-device combinations, but the development time is long and long, and the company's working capital depends on signing fees and milestone payments.

## II. Financial performance

- (I) The main reasons for the significant changes in operating revenue, operating net profit and pre-tax net profit in the most recent two years:

Unit: NT\$ thousands; %

Items	Year	2024	2025	Increase or decrease	
		Amount	Amount	Amount	%
Operating income		141,612	100,234	(41,378)	(29.22)
Operating costs		(41,961)	(75,314)	(33,353)	79.49
Gross profit (loss)		99,651	24,920	(74,731)	(74.99)
Operating expenses		(137,242)	(144,608)	( 7,366 )	5.37
Net operating loss		(37,591)	(119,688)	(82,097)	218.40
Non-operating income and expenses		(13,337)	(9,040)	4,297	(32.22)
Net loss before tax		(50,928)	(128,728)	(77,800)	152.76
Income tax (expense) benefit		(27,285)	2,618	29,903	(109.60)
Net loss for the period		(78,213)	(126,110)	(47,897)	61.24
Other comprehensive income for the period		398	4	(394)	(98.99)
Total comprehensive loss for the period		(77,815)	(126,106)	(48,291)	(62.06)

Explanation of the reason for the change (if the change reaches 20% or more and the amount of the change reaches NT\$10 million):

1. Decrease in operating income: Mainly due to the recognition of authorized cooperative development income in 2024, resulting in a higher base period, and no similar income in 2025.
2. Increase in operating costs: mainly due to the increase in product shipments in 2025, driving up operating costs; In addition, the revenue in 2024 was mainly based on authorized cooperative development revenue, and there was no corresponding operating cost, resulting in a difference in the base period.
3. Changes in gross profit, Operating loss and Pre-tax loss: Details 1 and 2.
4. Decrease in income tax expenses: Mainly due to the recognition of authorized cooperative development income in 2024, there was no similar income in 2025, so income tax expenses decreased.
5. Changes in net loss and total comprehensive profit and loss for the current period: Detailed 1 explanation.

(II) Expected sales volume and its basis, possible impact on the company's future financial and business and response plan:

1. Expected sales volume and basis: The Company's and its subsidiaries' current main revenue comes from sales revenue, labor revenue and cooperative development-related revenue in the over-the-counter (OTC) market in Taiwan, and the sales volume mainly comes from sales revenue in the over-the-counter (OTC) market and sales revenue after the completion of cooperative development projects. The company and its subsidiaries have completed the first batch of shipments to Europe in the first quarter of 2025, and sales are expected to increase year by year as the number of countries where they are sold continues to increase. In addition, the nebulizer products jointly developed by the company and pharmaceutical customers are still in the development stage and are expected to be launched and sold after 2028, and the estimated revenue will increase significantly according to the minimum annual purchase volume and unit price agreed in the contract.

2. Potential impact on the Company's future financial and business performance and corresponding response plans: Most of the cooperative development businesses of the company and its subsidiaries are currently in the R&D and verification stages, and related products have not yet completed the new drug registration (NDA) and large-scale mass production and listing. As various projects continue to advance, the company still needs to invest in related R&D expenditures and operating expenses, including design verification, product testing, and coordinating with customers to conduct new drug

registration (NDA) procedures. However, through the collection of milestone funds at each development stage, and the completion of the pre-listing cash capital increase in the first quarter of 2026 to enrich working capital, the overall capital plan is still stable. In the future, the company will continue to promote the progress of cooperative development projects and gradually expand the scale of product shipments to enhance the diversification and stability of revenue sources and reduce the impact of fluctuations in a single revenue source on operations.

### III. Cash flow

#### (I) Analysis of cash flow changes in recent years::

Unit: NT\$ thousands; %

Items	Year		Amount of increase (decrease)	Change ratio
	2024	2025		
Net cash (outflow) from operating activities	(32,540)	(66,127)	(33,587)	103.22
Net cash inflow (outflow) from investing activities	44,453	(74,526)	(118,979)	(267.65)
Net cash inflow (outflow) from financing activities	(13,098)	213,368	226,466	(1,729.01)
Analysis of cash flow changes:				
1. Business activities: Mainly due to the recognition of authorized cooperative development income in 2024, resulting in a higher base period, and no similar income in 2025, resulting in an increase in cash outflow from operating activities.				
2. Investment activities: Mainly due to the purchase of factories in 2025, which caused investment activities to change from cash inflow to outflow.				
3. Financing activities: Mainly due to the cash capital increase in the first quarter of 2025, as well as borrowing from financial institutions due to the purchase of factories, causing financing activities to change from cash outflow to inflow.				

#### (II) Improvement plan for insufficient liquidity:

The Company's core business focuses on the joint development of drug-device combination products with pharmaceutical companies and the execution of clinical trials for such products. As the products are still in the development stage and have not yet been launched for sale, the main sources of revenue are service/sample income during the development phase and related development milestone payments. Currently, the Company has no cash shortage and is not at risk of liquidity shortage.

(III)Cash liquidity analysis for the next year (2026):

Unit: NT\$ thousands

Beginning balance of cash	Estimated full-year net cash flow from operating activities	Net cash flow from investing and financing activities for the year	Estimated cash balance at the end of the period	Remedial measures for expected cash shortfall	
				Investment plan	Wealth management plan
138,545	(67,602)	249,896	320,839	—	—
1. Analysis of changes in cash flow in the coming year: (1)Business activities: Mainly due to continuous investment in product development expenses, resulting in net cash outflow in the current period. (2)Investment and financing activities: Mainly due to the pre-listing cash capital increase in 2026, resulting in net cash inflow from investment and financing activities. 2. Remedial measures for estimated cash shortfall: Not applicable as there is no estimated cash shortfall.					

IV. Impact of major capital expenditure on financial operations in recent years:

The Company's significant capital expenditure in the most recent year was mainly the purchase of R&D and production equipment, etc., and its funding sources were mainly the Company's own funds, which had no significant impact on its financial and business operations.

V. Recent annual investment policy, main reasons for profit or loss, improvement plans, and investment plans for the coming year:

(I)The Company's reinvestment policy

The Company currently manages and controls its investments through established internal control systems, including the “Investment Cycle”, “Procedures for Acquisition or Disposal of Assets”, and “Regulations for the Supervision and Management of Subsidiaries”, in order to monitor the financial and operational status of invested businesses and supervise their performance.

(II)The main reasons for profits or losses in the most recent year and the improvement plan

Unit: NT\$ thousands

Reinvestment business	Profit and loss of the investee company in 2025	Main reasons for profit or loss	Improvement plan
HCMED UK LIMITED	(1,233)	The subsidiary is a research and development unit that only provides experimental testing services, so there is no profit from sales.	The subsidiary adjusted its operating strategy in 2025 to become a business development unit. It has no actual operations, so in the future it will only have fixed maintenance expenses from the Company.

(III)Investment plan for the next year:

HCMED UK LIMITED has adjusted its operating strategy to become a business development unit and has no substantive operations, so future investments are only necessary to maintain basic operations.

VI. Risk issues:

(I) The impact of interest rates, exchange rate changes, and inflation on the company's profit and loss, and future response measures:

1. Impact of changes in interest rates

The company's interest income in 2024 and 2025 was NT\$2,484 thousand and NT\$3,283 thousand, respectively, accounting for 1.75% and 3.28% of operating income, respectively, mainly interest on bank demand deposits and time deposits; In addition, the company's financial costs in 2024 and 2025 were NT\$240 thousand and NT\$1,526 thousand, respectively, accounting for (0.17)% and (1.52)% of operating income, respectively. Among them, the financial cost in 2024 was mainly interest expense on lease liabilities, and in 2025, due to the addition of long-term bank loans, in addition to interest on lease liabilities, it also included interest expenses on loans, resulting in an increase in financial costs. In summary, the impact of interest rate changes on the Company is not only reflected in interest income, but also affects borrowing interest expenses, but the overall financial cost as a proportion of operating income is still low, and interest rate changes have no significant impact on the Company's profit and loss.

Although interest income is not the Company's main source of profit, the Company's use of unused funds still takes into account liquidity and safety, and will continue to pay attention to interest rate trends and maintain good relationships with financial institutions to strive for more favorable deposit interest rate conditions and obtain better cost of funds in future capital allocation and financing planning.

## 2. Impact of changes in exchange rates

For business activities denominated in foreign currencies, the Company makes payments for certain consulting fees, inspection fees, and a small portion of electronic component procurement. It also earns revenue from overseas licensing of technology and revenue from product exports. In addition to closely monitoring exchange rate fluctuations, the Company also takes exchange rate risk into account when signing contracts with customers and suppliers in different countries. As a result, foreign exchange gains (losses) for 2024 and 2025 were NT\$1,436 thousand and NT\$1,030 thousand, respectively, accounting for 1.01% and 1.03 % of operating revenue. Exchange rate fluctuations had no material impact on the Company's profit or loss. In addition, to mitigate the impact of exchange rate fluctuations on the Company's financial results, the Company will continuously gather foreign exchange information and monitor trends and movements of major international currencies. By maintaining strong relationships with banks, the Company aims to gain access to more comprehensive foreign exchange information and obtain better exchange rate quotes, thereby reducing the risk associated with exchange rate volatility.

## 3. Impact of inflation

Under the government's policy of stabilizing the financial market order and maintaining stable prices, there has been no significant deterioration in inflation recently. In the most recent year and up to the date of publication of the annual report, inflation had no significant impact on the Company's profit or loss. In the future, the Company will closely monitor changes in the price index and maintain good interactive relationships with suppliers and customers, and adjust product prices in a timely manner to reflect rising costs and reduce the impact of inflation on the Company's operating profits.

(II) Policies for high-risk, high-leverage investments, lending of funds to others, endorsements and guarantees, and derivatives trading, the main reasons for profits or losses, and future response measures:

1. The Company focuses on its core business and does not engage in high-risk, high-leverage investments, loaning funds to others, endorsements and guarantees, or derivative commodity transactions. Therefore, there are no significant risks to the Company's operations.
2. In the event that the Company needs to provide endorsements/guarantees for others, lending of funds to others, or trading derivative financial products in the future due to business development or risk hedging needs, it will follow the “Operational Procedures for Loaning of Funds to Others”, “Operational Procedures for Endorsements/Guarantees” and “Procedures for Acquisition or Disposal of Assets” established by the Company, and will also announce the relevant transaction information in accordance with laws and regulations.

(III) Future R&D plans and expected R&D expenses:

1. Future R&D plans:

The Company's R&D team has improved and refined the existing nebulizer technology, and considering the needs of various types of drugs and patient treatment scenarios, the Company has actively invested in the research and development of several innovative technologies:

(1) Micro synchronized delivery technology (MSDT)

(2) Breath-actuated function

(3) Bluetooth connection

(4) High-efficiency drive circuit

(5) Medium-to-long-term plan: In line with the existing business model, the Company will design solutions to meet the needs of current and potential pharmaceutical clients and various international markets. These efforts include pre-filled drug chamber design, drug locking mechanisms (lock-and-key function), optimization of nebulization modules, and automation and capacity expansion of production lines.

## 2. Estimated R&D expenses:

The Company estimates that the R&D expenditure for 2026 is NT\$73,713 thousand. The future R&D expenditure will be gradually compiled based on the progress of new product and technology development and will maintain a certain proportion depending on the operating conditions to ensure the Company's competitive advantage.

(IV) The impact of major domestic and international policy and legal changes on the Company's financial operations and the corresponding measures:

The Company's daily operations are conducted in accordance with relevant domestic and foreign laws and regulations, and it pays attention to domestic and foreign policy development trends and changes in regulations at all times to fully grasp and respond to changes in the market environment.

(V) The impact of technological changes (including information security risks) and industry changes on the Company's financial operations and the corresponding measures:

The Company's R&D team has developed strong capabilities in the development of medical nebulizer products. In addition to actively pursuing innovative medical device technologies, the Company has also applied for patent protection to safeguard its R&D achievements from infringement. An information technology department has been established along with an internal control system for information management to ensure the confidentiality, integrity, and availability of the Company's information assets in compliance with relevant regulations. The Company enforces strict information security management to address the impacts of technological changes (including information security risks) and industry shifts. In the most recent year and up to the date of publication of the prospectus, the Company has not experienced any significant impact on its financial operations due to technological changes (including information security risks) and industry changes.

(VI) The impact of corporate image changes on corporate crisis management and response measures:

Since its establishment, the Company has focused on its own business, is committed to maintaining its corporate image, continuously strengthening the Company's internal management, complying with laws and regulations, and planning to enter the capital market to attract more outstanding talents to the Company's services and strengthen the strength of the management team. In the most recent year and as of the date of publication of the

annual report, the Company has not had any related corporate crises due to changes in its corporate image.

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

The Company has no other merger and acquisition plans in the most recent year and up to the date of publication of the annual report, but if there is a merger and acquisition plan in the future, the Company will carefully evaluate and consider the specific benefits of the plan in accordance with the Company's Procedures for Acquisition or Disposal of Assets and relevant laws and regulations to ensure the protection of the Company's interests and shareholders' rights.

(VIII) Expected benefits, possible risks and response measures of factory expansion:

In the most recent year and as of the date of publication of the annual report, the Company has no plans to expand the plant.

(IX) Risks and countermeasures faced by purchasing or sales concentration:

1. Risk of concentrated purchases:

The company's purchases to the largest suppliers accounted for 59.65% and 42.60% of the total purchases in 2024 and 2025, respectively. In addition, the company purchases raw materials from different suppliers as much as possible, and pays attention to the changing trend of raw material market supply at any time, and actively develops multiple suppliers to reduce the risk of purchase concentration.

2. Risk of concentrated sales:

The company's largest sales customers accounted for 87.12% and 70.76% respectively in 2024 and 2025, mainly because the company's business is centered on the integrated development of inhaled drug delivery technology and drugs and devices, and the project is promoted through a cooperative development model with pharmaceutical companies. The main sales customers and revenue amount of each year will change with the development progress of the cooperation project and the timing of revenue recognition. Since the relevant revenue is more than recognized when the contractual conditions are met, including labor income, milestone payments or licensing revenue, the sales amount may be concentrated in specific customers. In order to reduce the risk of sales concentration, the company not only continues to deepen its cooperative relationships with existing customers, but also actively expands domestic and foreign drug delivery-related cooperative development projects, gradually expanding its

customer base and application fields.

- (X) The impact, risks and response measures of large-scale transfer or replacement of equity by directors, supervisors or major shareholders holding more than 10% of the shares in the Company:

In the most recent year and as of the date of publication of the annual report, the Company's directors and major shareholders holding more than 10% of the shares have not had a significant impact on the Company's operations due to the large-scale transfer or replacement of shares.

- (XI) Impact of the change in management rights on the company, risks and countermeasures:

In the most recent year and as of the date of publication of the annual report, the Company has not changed its management rights.

- (XII) Litigation or non-litigation events

1. The Company shall disclose the facts in dispute, the subject amount, the commencement date of the litigation, the main parties involved in the litigation, and the current status of the litigation, non-litigation or administrative disputes that have been decided or are currently under investigation in the most recent year and as of the publication date of the annual report, if the results may have a significant impact on shareholders' equity or price of securities: None.
2. Directors, supervisors, general managers, substantial persons in charge, major shareholders holding more than 10% of the shares, and subsidiaries of the Company, litigation, non-litigation, or administrative disputes that have been decided or are currently under investigation in the most recent year and as of the date of publication of the annual report, the results of which may have a significant impact on the Company's shareholders' equity or price of securities: None.

- (XIII) Other important risks and countermeasures

1. The risk of the failure to successfully develop the R&D product and the delay in the development process and the countermeasures taken

The company focuses on the integrated development of inhaled drug delivery technology and drug devices, and related product development involves the integration of device design, drug characteristics and regulatory requirements, the development time is long, and the review threshold for medical devices and drug-device combination

products in various countries is high, coupled with fierce market competition, product development has certain risks. In order to reduce related risks, the company has undergone a rigorous evaluation process before product development, including market size, competitor analysis, intellectual property feasibility and other considerations before investing R&D resources, and continuously evaluates the competitiveness and feasibility of products at all stages of development, as well as paying attention to the revision of laws and regulations in various countries at any time, and cooperating well with professional regulatory agencies and expert consultants, so as to fully grasp the latest medical device regulations, thereby increasing the probability of product success and reducing the risk of failure.

2. The risk that the sale will not be as expected or cannot be authorized to others

The authorization method adopted by the company is individual authorization for a single disease and a single drug; That is, as long as the company's products are applicable to different diseases and drugs, the company can authorize different pharmaceutical companies to use them in different disease fields. Through the business model of multiple licensing, the company can expand its licensing targets, expand the market, and reduce the risk of products that cannot be licensed in specific fields. In addition, the drug-device combination products jointly developed by the Company and pharmaceutical companies are legally bound and sold by both parties, so in order to reduce risks, the pharmaceutical company signed a cooperation agreement with the Company that includes multiple years of guaranteed purchase volume, so that the Company will not only cooperate more closely with the pharmaceutical company, but also reduce the uncertainty of future sales.

3. The risk of working capital shortfall shall describe the adequacy of working capital, the R&D schedule that can be used to cover it, and the countermeasures taken

The funding sources required at each stage of the R&D process are based on strategic considerations, weighing the timing of external authorization and raising and issuing securities to introduce institutional funds to disperse the pressure of capital demand. If funds are not in place in time, prioritize existing R&D projects, prioritize investment in projects with higher success rates, defer other development expenses, and support subsequent research and development through the development of effective project product revenue, guiding the positive circulation of funds.

4. Disclose the restrictive clauses of technology licensing agreements or outsourcing contracts, as well as the risks faced and countermeasures taken

Although this measure will restrict the company's products from being repeatedly authorized for a single disease, and customized products cannot be re-authorized to other pharmaceutical companies, the company's R&D team has rich experience in developing medical devices, a high degree of customization, and high flexibility in cooperation with pharmaceutical customers. No other equipment can be sublicensed to the next pharmaceutical customer. The Company has the ability to design nebulizers suitable for the next pharmaceutical customer based on different factors such as drug characteristics, market attributes, and cost control, and will also apply for appropriate patents on the co-developed product to protect the drug-device combination product.

VII. Other important matters: None.

## Six. Special Notes

### I. Information related to affiliates

In 2025, the companies included in the preparation of the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included under IFRS 10 “Consolidated Financial Statements” as endorsed by the Financial Supervisory Commission. Since the disclosures required in the consolidated financial statements of affiliates are already presented in the aforementioned parent-subsidary consolidated financial statements, the Company is not required to prepare a separate consolidated financial statement for affiliates.

### II. Private placement of securities in the most recent year and up to the date of publication of the annual report: None.

### III. Other supplementary information: None.

**Seven. Any event that has a significant impact on shareholders' equity or securities prices as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that occurred in the most recent year and up to the date of publication of the annual report shall also be stated item by item: None.**



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