

Stock Code: 6543



Perfect Medical Industry Co., Ltd.

2024 Annual report

Publication date: March 21, 2025

For the annual report, please visit the website (MOPS): <http://mops.twse.com.tw>

Website of the Company: <https://www.perfectmedical.com.tw>

I. Name, title, contact number and e-mail address of the spokesperson and acting spokesperson:

Spokesperson

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Tel.: (04) 888-7998 Email: 1082@pwuhui.com.tw

Acting Spokesperson

Name: Chen Hung-Jen Title: General Manager
Tel.: (04) 888-7998 Email: 1025@pwuhui.com.tw

II. Address and telephone number of Headquarters, branches, and factories

Address of Headquarters: No. 100, Xingong 1st Rd., Beidou Township, Changhua County 52149
Headquarters Tel.: (04) 888-7998

Factory (Subsidiary): Perfect Medical Industrial (VN) Co., Ltd.

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Tel.: +84 28-3765-3131

Factory (Subsidiary): Perfect TW Medical Industrial (VN) Co., Ltd.

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Website: <http://www.honsec.com.tw>
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IV. Name of CPA, firm, address, website and telephone number of the most recent financial report:

Name of CPA: Huang Yu-Ting, Lo Wen-Chen
Name of CPA firm: Ernst & Young Global Limited
Address: 26F., No. 186, Shinzheng N. 7th Rd., Xitun Dist., Taichung City 407
Website: https://www.ey.com/zh_tw
Tel.: (04) 2259-8999

V. Name of the exchange where the Company's overseas securities are traded, and the method by which the Company's overseas securities information is accessed: None.

VI. Website of the Company: <https://www.perfectmedical.com.tw>

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One. Letter to Shareholders

Global geopolitical conflicts continue, and the severe international situation has had an impact. Although the medical device industry has rapidly recovered and shown stable growth after the COVID-19 pandemic, the cost increase in global supply chains due to international tensions has exacerbated inflationary pressures, which have yet to improve. The Perfect Medical Group has adopted a more flexible operational model and sound strategies to cope with the impacts brought by changes in the overall international situation. The Group continues to develop its long-term strategic planning. We would like to thank all shareholders for their support and trust in the Perfect Medical team, and we deeply appreciate the efforts and hard work of all Perfect Medical colleagues, as it is through their dedication that the Company has been able to maintain stable and growing revenue results. The following report is presented on the Company's operating results for 2024 and the business plan for 2025:

I. 2024 operating results

(I) Implementation results:

Unit: NTD thousand; %

Items	2024	2023	Amount of increase/decrease	Change ratio
Operating revenue	744,157	734,133	10,024	1.37
Operating net profit	91,241	58,359	32,882	56.34
Non-operating income and expenses	16,138	(4,106)	20,244	(493.03)
Net income after tax	89,123	40,089	49,034	122.31

(II) Budget execution: The Company set internal budget targets for 2024 but did not publicly disclose financial forecasts.

(III) Analysis of financial income, expenditure and profitability

1. Analysis of financial income and expenditure:

Item		2024	2023
Financial structure	Debt to assets ratio (%)	27.89	32.85
	Long-term capital to property, plant and equipment ratio (%)	267.06	235.84
Solvency	Current ratio (%)	301.05	171.47
	Quick ratio (%)	187.32	106.16
	Interest coverage ratio	29.87	13.42

2. Analysis of profitability:

Item	2024	2023
Return on assets (%)	8.76	4.48
Return on equity (%)	12.15	6.11
Ratio of net income before tax to paid-in capital (%)	20.39	11.88
Net profit margin (%)	11.98	5.46
Earnings per share (NTD)	1.81	0.88

(IV) R&D Status

The R&D expenses invested this year amounted to NTD 9,304 thousand, accounting for 1.61% of parent company only operating revenue and 1.25% of consolidated operating revenue, an increase of 25.70% compared to NTD 7,402 thousand in 2024. The main areas of R&D include surgical instruments, suction bags, telescopic safety needles, used needle collection boxes, blood collection needles, and automatic needle holders. This year, the Company also actively engaged with healthcare personnel at large medical institutions for product trials, information exchange, and feedback, aiming to provide more comprehensive medical products to ensure the safety of medical staff.

II. 2025 business plan overview

(I) Operating guidelines for the current year

Due to the geographical advantages of its production bases, Perfect Medical Group's visibility in the international market has been gradually increasing. In addition to continuing to explore the feasibility of sales in various regions, the Group is also striving to seize opportunities for collaboration with international companies, aiming to create greater value for the Group. It is expected that the overall production and sales situation in 2025 will show a stable and growing trend. However, in recent years, the impact of the pandemic, international tensions, and tariff barriers has made supply chain restructuring and the relocation of production bases important issues. To this end, Perfect Medical Group continues to review production costs, optimize production efficiency, and strengthen procurement capabilities to enhance product cost advantages. The Group aims to secure more collaboration opportunities and orders in 2025 by offering more competitive pricing. Additionally, the Group will continue to invest in the development of various sterilization-grade medical consumables and long-term care market-related products, expanding the Company's product portfolio and range to create growth momentum for the future.

Additionally, the Group's Plant No. 2 in Vietnam (Long An) has passed ISO 13485 certification and

obtained the license for producing finished products and exports. It is expected to contribute to the Group's production capacity starting in Q3 of 2025. The Group will accelerate the improvement plans to enhance production efficiency at Plant No. 1 in Vietnam, aiming to create a better competitive advantage for the Group.

(II) R&D Direction

1. Continuously improve existing products, including safety injection syringes, ester-based safety needle-free medication delivery systems, safety curved needles for cancer treatment, infusion sets, and hemodialysis circuits.
2. Development of medical consumable products for general departments, such as blood collection needles for laboratory use, nasal oxygen tubes for respiratory care, oxygen masks, sterilization-grade gauze, patient identification bands, and alcohol pads (sterilized), etc.
3. Development of long-term care medical consumable products, such as silicone gastric tubes (sterilized) and silicone urinary catheters (sterilized).
4. Development of high-value medical consumables, such as low-residue needle-free connectors for cancer injections and high-pressure valve systems for contrast injection.
5. Continuously evaluate the development benefits of advanced catheter products, such as extracorporeal circulation catheters and central venous catheters.

(III) Major production and sales policies

1. Build a complete supply chain partnership to ensure the quality and reliable supply of raw materials, thereby shortening the production cycle and reducing inventory costs.
2. Strengthen bargaining power in procurement, improve R&D and design capabilities, improve process efficiency, and strictly control production costs to improve product competitiveness.
3. Continuously introduce automation in production to improve product quality and delivery efficiency, in order to meet the needs of existing customers and expand potential customer base.
4. Actively develop new customers to increase market share, and adjust the product sales structure to enhance profitability.

(IV) Expected sales volume and basis

The Company's projected sales volume is based on the market outlook forecast for 2025 and customer potential assessments, in line with the Company's expected goals. Additionally, the overall industry and economic conditions are considered for the forecast. It is expected that the sales performance in 2025 will show growth compared to 2024.

III. Impact of external competition, regulatory environment, and overall business environment

(I) External competition environment

For a long time, the global medical device industry has been highly competitive due to the low prices from China, resulting in intense competition within the industry. Although recent years have seen a slight reduction in the threat of Chinese manufacturing due to the US-China trade war and the rise of local manufacturing awareness, the emergence of developing countries will bring another wave of impact. Ordinary medical consumables have long faced price competition, and medical device manufacturers are actively seeking product transformation, focusing on high-end and safer products as their main R&D targets. Additionally, they are introducing highly automated production equipment, improving production efficiency and product quality to reduce production costs and maintain market competitiveness. Therefore, the Company continues to optimize internal operations to ensure it maintains a certain advantage amidst fierce external competition.

(II) Regulatory environment

Governments and international standard organizations, such as the US Food and Drug Administration (US FDA), continue to revise medical device regulations and standards. For example, the FDA has launched the FDA Reauthorization Act (FDARA) and other related regulations, while the European Union implemented the Medical Device Regulation (MDR) and In Vitro Diagnostic Medical Device Regulation (IVDR) in May 2021 and May 2022, respectively. Japan's Pharmaceuticals and Medical Devices Law has also undergone significant changes regarding product registration requirements, quality management systems, and certification bodies. The Company, too, cannot remain unaffected by these developments. Therefore, the Company will actively comply with international medical device regulations, aligning with regulatory requirements and enhancing quality to facilitate global business expansion, with the goal of achieving sustainable operation and growth.

(III) Overall economic environment

According to a United Nations report, in 2023, the global population aged 65 and above accounted for approximately 10% of the total population, or around 800 million people. This figure is expected to grow to 14% by 2039, entering an aging society, and reach 16.6% by 2051, equating to approximately 1.6 billion people, nearly double that of 2023. As the population ages, life expectancy has also increased. Between 1990 and 2023, life expectancy rose by 9 years, with the average life expectancy in 2023 being 73.2 years. By 2051, life expectancy is projected to reach 77.1 years. As the population ages, the demand for elderly care and chronic disease management will expand, leading to a continued rise in medical expenditures. Additionally, medical consumables will evolve in response to changing disease patterns and advancements in medical technology, which are closely linked to life and social welfare and less likely to be affected by economic fluctuations. Therefore, long-term stable growth is expected to continue.

IV. Future development strategy

The Company has been deeply involved in the medical consumables industry for over thirty years. Its main products are widely adopted and highly relied upon by major medical centers and medical institutions. Therefore, in addition to continuously improving existing products and scaling up production to expand domestic and international market share, the Company is also gradually positioning itself in the sterilized medical consumables and long-term care market segments to meet the growing market demand driven by population aging.

The Perfect Medical Team adheres to the philosophy of "Perfect Quality, Respect for Life" as its guiding principle. In addition to providing high-quality products that align with market trends, the team continues to improve and develop products to enhance the efficiency and safety of medical professionals. Furthermore, continuous optimization of processes and management performance is pursued to achieve sustained operational growth and profitability. I would like to take this opportunity to express my gratitude to the directors and shareholders for their long-standing trust and encouragement. The Perfect Medical Team will continue to evolve, innovate, and progress, dedicating ourselves fully to meeting the expectations of our shareholders!

Chairperson: Tung Da Fa Asset Management Co., Ltd. Manager: Chen Hung-Jen Accounting Manager: Yeh Ya-Tung
Corporate Representative: Hsu Kuo-Chi

Two. Corporate Governance Report

I. Information on directors, General Manager, Vice General Managers, assistant managers, and heads of departments and branches

(I) Information on directors and supervisors

1. Information of directors:

March 21, 2025; Unit: shares; %

Title	Name	Gender	Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office	Shareholding at the time of election		Number of shares currently held (Note 1)		Shares currently held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Currently holding concurrent positions in the Company and other companies	Other executives, directors, or supervisors who are spouses or relatives within the second degree of kinship of the Company's directors or supervisors			Remarks
								Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairperson	Tung Da Fa Asset Management Co., Ltd.	-	-	Republic of China	2012.12.25	2023.5.25	3 years	2,820,815	6.18	3,372,817	6.40	-	-	-	-	-	-	-	-	-	-
	Representative: Hsu Kuo-Chi (Note 2)	Male	65~70	Republic of China	2023.5.25	2023.5.25	3 years	-	-	1,185,639	2.25	143,198	0.27	3,372,817	6.40	IEMBA, National University of Kaohsiung Bachelor, Department of International Trade, Chung Chou University of Science and Technology	CEO of the Company Corporate Director Representative of the Company Chairperson, Perfect Medical Industrial (VN) Co., Ltd. Chairperson, Perfect TW Medical Industrial (VN) Co., Ltd. Chairperson, Tung Da Fa Asset Management Co., Ltd. Corporate Director Representative, Gao Da Technology Co., Ltd. Chairperson, Da Pu Investment Co., Ltd.	Administration Department Vice General Manager	Hsu Shun-Chieh	Father and son	-
Vice Chairperson	Gao Da Technology Co., Ltd.	-	-	Republic of China	2015.7.16	2023.5.25	3 years	8,404,852	18.41	9,942,217	18.88	-	-	1,786,366	3.39	-	-	-	-	-	-
	Representative: Chen Po-Chen	Male	35~40	Republic of China	2023.5.25	2023.5.25	3 years	-	-	182,325	0.35	41,039	0.08	-	-	Bachelor, Department of Finance, National Yunlin University of Science and Technology Corporate Director Representative, Perfect Medical Industry Co., Ltd. Responsible person, Pin Tai Ji Ltd.	Chairperson, Pin Tai Ji Ltd.	-	-	-	-
Director	Medifly Co., Ltd. (Note 3)	-	-	Republic of China	2015.7.16	2023.5.25	3 years	504,519	1.10	1,162,956	2.21	-	-	-	-	-	-	-	-	-	-
	Representative: Hsiao Ching-Tsu (Note 4)	Male	65~70	Republic of China	2023.5.25	2023.5.25	3 years	-	-	336,198	0.64	349,937	0.66	-	-	Department of Electronics, Chienkuo Technology University Service staff, Sales Team, Taipower Company	-	-	-	-	-
	Representative: Huang Lung-Hu (Note 4)	Male	60~65	Republic of China	2024.7.8	2024.7.8	3 years	-	-	-	-	-	-	-	-	EMBA, Feng Chia University Operational Manager, Taiwan Branch, Asia Renal Care	Supervisor, Medifly Co., Ltd.	-	-	-	-

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointmen t	Date of election	Term of office	Shareholding at the time of election		Number of shares currently held (Note 1)		Shares currently held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Currently holding concurrent positions in the Company and other companies	Other executives, directors, or supervisors who are spouses or relatives within the second degree of kinship of the Company's directors or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	Chuang Cheng- Kuo (Note 5)	Male 65~70	Republic of China	1989.3.15	2023.5.25	3 years	238,135	0.52	269,798	0.51	-	-	-	-	Department of Business Management, National United University EMBA, National Changhua University of Education PhD, Department of Management, National Changhua University of Education (under study) General Manager, Perfect Medical Industry Co., Ltd. General Manager	-	-	-	-	-
Independent Director	Hsu Chih- Cheng	Male 55~60	Republic of China	2016.6.15	2023.5.25	3 years	79,431	0.17	89,990	0.17	-	-	-	-	Bachelor, Department of Computer Science & Information Engineering, National Taiwan University Master of Information Engineering, State University of New York at Stony Brook	Associate Professor, Department of Information Management, National Central University Advisor, Enterprise Resource Planning and Big Data Analytics Center, National Central University	-	-	-	-
Independent Director	Huang Yu- Hsun	Male 35~40	Republic of China	2022.6.29	2023.5.25	3 years	-	-	-	-	-	-	-	-	Master of Accounting, National Taipei University CPA, Cheng-Yi & Co., CPAs Manager, Audit Department, PwC Taiwan Chief, Audit Department, Deloitte Taiwan	CPA, Cheng-Yi & Co., CPAs	-	-	-	-
Independent Director	Lai Chia- Hui	Male 55~60	Republic of China	2023.9.5	2023.9.5	3 years	-	-	-	-	-	-	-	-	Vice Chairperson, Taiwan Green Energy Association Adjunct Assistant Professor, National Changhua University of Education Adjunct Assistant Professor, Chienkuo Technology University Supervisor, Tera Autotech Corporation	Chairperson, Sen Pao Enterprise Co., Ltd.	-	-	-	-

Note 1: As of March 21, 2025, the Company had issued a total of 52,662,700 shares.

Note 2: If the Chairperson and the General Manager (the highest-ranking executive) are the same person, spouses, or first-degree relatives, an explanation should be provided regarding the reasons, reasonableness, necessity, and corresponding measures:

The Company's CEO, Mr. Hsu Kuo-Chi, is the founder of the Company and is well-versed in the medical industry. His ability to promptly grasp and understand the Company's operational status and formulate business strategies demonstrates both reasonableness and necessity. Additionally, the Company has established an Audit Committee to oversee and enhance the functions of the Board of Directors. The majority of the directors do not concurrently serve as employees or managers, adhering to legal requirements and corporate governance principles. Furthermore, the Company plans to increase the number of independent directors to four in the next full re-election of the board in 2025 to strengthen governance.

Note 3: Medifly Co., Ltd served as a corporate director for two terms from July 16, 2015 to August 20, 2020, and was re-elected as a director on May 25, 2023.

Note 4: On July 8, 2024, Medifly Co., Ltd. reassigned its representative, replacing Mr. Hsiao Ching-Tsu with Mr. Huang Lung-Hu.

Note 5: Director Mr. Chuang Cheng-Kuo served as a director from March 15, 1989, to June 2015. Due to a vacancy in the board of directors, a by-election was held in September 2015, and his term of office lasted from September 2015 to May 2018. In May 2018, he served as the director representative of Gao Da Technology Co., Ltd. Due to another vacancy in the board, a by-election was held in July 2018, followed by a re-election in May 2023. He was elected as a director in his personal capacity and has served in this role ever since.

2. Major shareholders of corporate shareholders

March 21, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
Tung Da Fa Asset Management Co., Ltd.	Hsu Kuo-Chi (68.95%), Lin Shu-Chih (17.69%), Hsu Shun-Chieh (5.56%), Hsu Han-Yuan (0.03%), and Hsu Pei-Ju (7.77%).
Gao Da Technology Co., Ltd.	Hsu Han-Yuan (30.05%), Yeh Hsi-Yi (11.17%), Hsu Pei-Ju (16.24%), Lin Shu-Chih (7.01%), Hsu Kuo-Chi (6.92%), Da Pu Investment Co., Ltd. (3.63%), Hsu Shun-Chieh (3.27%), Hsu Tsu-Wei (3.26%), Hsu Shu-Yuan (2.67%), Chuang Yung-Hung (2.23%).
Medifly Co., Ltd.	Excelsior Medical Co., Ltd. (28.66%), Rifu International Investment Co., Ltd. (20.04%), Chang Chih Cheng (8.75%), Yang Po-Hsun (4.57%), Lan Wu-Yang (4.47%), Wang Yu-Pei (4.44%), Hou Yi-Tai (3.85%), Chou Chih-Hung (3.50%), Chou Yi-Chen (3.45%), Huang Lung-Hu (3.16%).

3. Major shareholders of major shareholders who are corporate entities:

March 21, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
Da Pu Investment Co., Ltd.	Gao Da Technology Co., Ltd. (100%)
Excelsior Medical Co., Ltd.	Jia Yi Investment Co., Ltd. (11.18%), Jia He Investment Co., Ltd. (10.57%), Bestchain Healthtaiwan Co., Ltd. (9.82%), Arich Investment Co., Ltd. (2.98%), Hsuan Hui Investment Co., Ltd. (2.71%), Lin Chun-Yao (1.06%), Bank SinoPac Co., Ltd. (0.62%), Taiwan Bank Custody ING Retirement Fund Investment Account (0.52%), Citibank Custody DFA Emerging Markets Core Equity Investment Account (0.50%), Hsieh Yen-Sheng (0.45%).
Rifu International Investment Co., Ltd.	Teng Chih-Chien (56.35%), Sung Mei-Yen (22.97%), Teng Liu Mei-Ying (7.13%), Teng Hsing-Wen (10.15%), Teng Yu-Ching (3.40%).

4. Information disclosure on the professional qualifications and independence of directors:

Conditions Name	Professional Qualification and Experience	Independence	Number of Independent Director Positions Concurrently Held in Other Publicly Listed Companies
Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi	Chairperson Hsu Kuo-Chi graduated with an IEMBA degree at National University of Kaohsiung. He is currently the Corporate Chairperson Representative and CEO of the Company, with nearly 40 years of experience in entrepreneurship, marketing, and business management. He is skilled in business communication and crisis management, providing advice on risk management and decision-making. There are no circumstances under Article 30 of the Company Act applicable to him.	There are no circumstances among the directors that fall under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.	0
Gao Da Technology Co., Ltd. Representative: Chen Po-Chen	Mr. Chen Po-Chen graduated from the Department of Finance at National Yunlin University of Science and Technology. He is currently the responsible person of Pin Tai Ji Ltd., with experience in procurement, marketing, and business management. He is able to provide financial risk management advice and has no circumstances under any of the provisions of Article 30 of the Company Act.	There are no circumstances among the directors that fall under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.	0
Medifly Co., Ltd. Representative: Hsiao Ching-Tsu (Note)	Mr. Hsiao Ching-Tsu is familiar with the medical industry and possesses professional expertise in engineering. He is skilled in communication and able to provide management and crisis response advice. He has no circumstances under any of the provisions of Article 30 of the Company Act.	There are no circumstances among the directors that fall under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.	0
Medifly Co., Ltd. Representative: Huang Lung-Hu (Note)	Mr. Huang Lung-Hu is currently the supervisor of Medifly Co., Ltd.. He possesses professional marketing and management experience and is capable of providing management and crisis response advice. He has no circumstances under any of the provisions of Article 30 of the Company Act.	There are no circumstances among the directors that fall under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.	0
Chuang Cheng-Kuo	He has served as the General Manager of Perfect Medical Industry Co., Ltd. and the General Manager of the Vietnam subsidiary for over 20 years. He is familiar with the medical industry, Vietnamese culture, and the Vietnamese language, with extensive experience in corporate management. He has no circumstances under any of the provisions of Article 30 of the Company Act.	There are no circumstances among the directors that fall under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.	0
Hsu Chih-Cheng	Currently serving as an Associate Professor in the Department of Information Management at National Central University and as an advisor at the Enterprise Resource Planning and Big Data Analytics Center at National Central University, with expertise in financial data mining, Python-based data mining system development, software engineering, system integration, digital learning, and information management, among other areas. He has no circumstances falling under any of the provisions of Article 30 of the Company Act.	During the two years prior to appointment and throughout the term of service, there have been no instances of the circumstances set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Not a spouse or a relative within the second degree of kinship of any other director, and not a member of any of the conditions described in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act. Not a government agency, corporate shareholder, or its representative as defined in Article 27 of the Company Act.	0

Conditions Name	Professional Qualification and Experience	Independence	Number of Independent Director Positions Concurrently Held in Other Publicly Listed Companies
Huang Yu-Hsun	Currently a CPA at Cheng-Yi & Co., CPAs. Previously served as an Audit Manager at PWC and an Audit Team Leader at Deloitte . Leveraging expertise in financial accounting, tax planning, and auditing to enhance the Company's financial management, corporate governance, and the supervisory function of the Audit Committee. No circumstances as specified in Article 30 of the Company Act.	During the two years prior to appointment and throughout the term of service, there have been no instances of the circumstances set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Not a spouse or a relative within the second degree of kinship of any other director, and not a member of any of the conditions described in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act. Not a government agency, corporate shareholder, or its representative as defined in Article 27 of the Company Act.	0
Lai Chia-Hui	Currently serving as the Chairperson of Sen Pao Enterprise Co., Ltd., holding a Ph.D. from the Department of Electrical Engineering at National Changhua University of Education. Previously served as the Founding Chairperson of the Changhua County Senior Executive Management Research and Development Association and as an Assistant Professor at National Changhua University of Education. Possesses extensive management experience and connections, demonstrating expertise in industry trend analysis, market insights, business operations, marketing strategies, and industrial technology. No circumstances as specified in Article 30 of the Company Act.	During the two years prior to appointment and throughout the term of service, there have been no instances of the circumstances set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Not a spouse or a relative within the second degree of kinship of any other director, and not a member of any of the conditions described in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act. Not a government agency, corporate shareholder, or its representative as defined in Article 27 of the Company Act.	0

Note: On July 8, 2024, Medifly Co., Ltd. reassigned its representative, replacing Mr. Hsiao Ching-Tsu with Mr. Huang Lung-Hu.

5. Diversification and independence of the Board of Directors:

(1) Diversification of the Board of Directors

In order to strengthen corporate governance and promote the sound development of board composition and structure, the company adheres to the diversity policy for the board of directors, as outlined in Article 20 of the 'Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.' This diversity policy includes, but is not limited to, basic conditions and values (such as gender, age, nationality, and culture), as well as professional knowledge and skills (such as professional background, expertise, and industry experience). Article 20 of the 'Corporate Governance Best Practice Principles' and Article 3 of the 'Director Selection Procedure' clearly stipulate that diversity should be considered in the composition of the board of directors. Additionally, it is specified that directors who are also managers of the company should not exceed one-third of the total number of directors. Furthermore, proper diversity guidelines are drafted based on corporate operations, business types, and development requirements. These guidelines should include, but are not limited to, standards concerning the following two aspects:

A..Basic conditions and values :such as gender, age, nationality and culture, etc. Among them, female directors account for one-third of Yida's director seats.

B..Professional knowledge and skills : professional background(e.g, law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

Members of the Board shall generally possess the knowledge, skills and qualities necessary for the performance of their duties. Their overall abilities that should be possessed are as follows:

A. Operational judgment.

B. Accounting and financial analysis.

C. Operation and management.

D. Crisis handling.

E. Industry knowledge.

F. International market outlook.

G. Leadership.

H. Decision-making.

The Company attaches great importance to the diversity and gender equality of its board members. The current board of directors is composed of all male directors. In the future, female directors will be nominated, which will be a specific management goal for the diversification of the Company's board of directors.

The Company's Board of Directors comprises members from various fields across industry and academia, possessing both cross-industry academic expertise and practical management experience. The diversity of professional backgrounds and complementary capabilities is expected to enhance corporate governance and promote the sound development of the board structure. Adhering to a diversified approach, the Company aims to improve overall performance and achieve corporate governance objectives, thereby safeguarding shareholders' rights, strengthening board functions, optimizing the roles of functional committees, respecting stakeholder interests, and enhancing information transparency. The current diversity status of the Company's Board of Directors is outlined in the following table:

Core Items of Diversification Name of director	Basic conditions and values						Industry experience and professional skills									
	Nationality	Gender	Holding concurrent position as an employee of the Company	Age			Tenure of independent directors	Operational judgment capability	Crisis management capability	Business management and leadership capability	Decision-making capability	International market perspective	Pharmaceutical biotechnology industry knowledge	Professional competence in information and electronic engineering	Marketing and promotion expertise	Professional competence in financial accounting analysis
				31 to 40	51 to 60	61 to 70										
Representative of Tung Da Fa Asset Management Co., Ltd.: Hsu Kuo-Chi	Republic of China	Male	✓			✓		✓	✓	✓	✓	✓	✓		✓	✓
Representative of Gao Da Technology Co., Ltd.: Chen Po-Chen		Male		✓				✓	✓	✓	✓	✓			✓	✓
Representative of Medifly Co., Ltd.: Hsiao Ching-Tsu (Note)		Male				✓		✓	✓	✓	✓	✓	✓		✓	
Representative of Medifly Co., Ltd.: Huang Lung-Hu (Note)		Male				✓		✓	✓	✓	✓	✓	✓		✓	
Chuang Cheng-Kuo		Male				✓		✓	✓	✓	✓	✓	✓		✓	✓
Hsu Chih-Cheng		Male			✓		✓	✓	✓	✓	✓	✓		✓	✓	✓
Huang Yu-Hsun		Male		✓				✓	✓	✓	✓	✓			✓	✓
Lai Chia-Hui		Male			✓			✓	✓	✓	✓	✓			✓	

Note: On July 8, 2024, Medifly Co., Ltd. reassigned its representative, replacing Mr. Hsiao Ching-Tsu with Mr. Huang Lung-Hu.

(2) Independence of the Board of Directors:

The Company's Board of Directors consists of seven seats, with three seats designated for independent directors, accounting for 42.86% of the board. For details regarding the board's independence, please refer to Three., II., (I), 1. Information on directors and independent directors, and Three., II., (I), 4. Information disclosure on the professional qualifications and independence of directors. As indicated in the aforementioned board information table, the Company has established an Audit Committee to replace the role of the supervisor. Additionally, none of the seven board members have a spousal or close relative relationship within the second degree of kinship, thus there are no circumstances as specified in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

(II) Information on General Manager, Vice General Managers, assistant managers, and heads of departments and branches

March 21, 2025; Unit: shares: %

Title	Nationality	Name	Gender	Date of election (assumption of office)	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Currently holding concurrent positions in and other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
CEO	Republic of China	Hsu Kuo-Chi	Male	2013.9.24	1,185,639	2.25	143,198	0.27	3,372,817	6.40	EMBA, National University of Kaohsiung IEMBA Bachelor, Department of International Trade, Chung Chou University of Science and Technology	Chairperson, Perfect Medical Industrial (VN) Co., Ltd. Chairperson, Perfect TW Medical Industrial (VN) Co., Ltd. Chairperson, Tung Da Fa Asset Management Co., Ltd. Corporate Chairperson Representative, Gao Da Technology Co., Ltd. Chairperson, Da Pu Investment Co., Ltd.	Administration Department Vice General Manager	Hsu Shun-Chieh	Father and son	-
General Manager	Republic of China	Chen Hung-Jen	Male	2012.12.25	422,906	0.80	250,149	0.48	-	-	Department of Mechanical Engineering, National Taiwan University of Science and Technology Responsible person, Forceful Co., Ltd. Technical Consultant, Delta Electronics, Inc.	General Manager, Perfect Medical Industrial (VN) Co., Ltd. General Manager, Perfect TW Medical Industrial (VN) Co., Ltd.	None	None	None	-
Administration Department Vice General Manager	Republic of China	Hsu Shun-Chieh	Male	2021.7.16	290,515	0.55	1,000	-	-	-	EMBA, National Chiao Tung University Master of Pharmaceutical Technology, Chia Nan University of Pharmacy & Science Project Manager, Metal Industries Research & Development Centre Project Manager, Medical and Pharmaceutical Industry Technology and Development Center	Vice General Manager, Procurement and Legal Affairs Department of Perfect Medical VN, and Special Assistant to the Chairperson Vice General Manager, Procurement and Legal Affairs Department of Perfect TW Medical VN, and Special Assistant to the Chairperson Responsible person, Medi-Life Co., Ltd.	CEO	Hsu Kuo-Chi	Father and son	-
CFO	Republic of China	Yeh Ya-Tung	Female	2021.7.16	-	-	-	-	-	-	Master of Finance, Southern Taiwan University of Science and Technology Bachelor, Department of Business Administration, Mingdao University Finance Manager, Perfect Medical Industry Co., Ltd. Finance Manager, Perfect Medical Industrial (VN) Co., Ltd. General Manager, Perfect TW Medical Industrial (VN) Co., Ltd. Senior Specialist, Finance Department, Supertec Machinery, Inc.	None	None	None	None	-
Audit Office Assistant Manager	Republic of China	Hsieh Yueh-Chu	Female	2018.1.1	107,878	0.20	-	-	-	-	Bachelor, Department of Business Administration, Mingdao University Manager, Administration Department, Perfect Medical Industry Co., Ltd.	None	None	None	None	-
Legal and Regulation Department and Quality Assurance Department Assistant Manager	Republic of China	Chen Tung-Shun	Male	2019.2.1	263,160	0.50	-	-	-	-	Department of Chemical Engineering, Nanya Institute of Technology Chief, Pharmaceutical Plant, Huashin Chemical Pharmaceutical Works Co., Ltd.	Assistant Manager, Quality Assurance Department, Perfect Medical Industrial (VN) Co., Ltd. Assistant Manager, Quality Assurance Department, Perfect TW Medical Industrial (VN) Co., Ltd.	None	None	None	-
R&D Department Manager	Republic of China	Chen Yu-Lung	Male	2022.7.1	28,155	0.05	-	-	-	-	Bachelor, Department of Mechanical Engineering, National Kaohsiung University of Science and Technology Section Chief, R&D Department, Advanced International Multitech Co., Ltd. PM, Aerospace Project, Gongin Precision Industries Co., Ltd.	None	None	None	None	-

II. Remuneration to directors, General Manager, and Vice General Managers in the most recent fiscal year

(I) Remuneration to general directors and independent directors

December 31, 2024; Unit: NTD thousands

December 31, 2024, Unit: NTD thousands

Title	Name	Remuneration to directors								The sum of A, B, C and D and as a percentage of net income after tax		Relevant remuneration received by those concurrently serving as employees								The sum of A, B, C, D, E, F and G as a percentage of net income after tax		Remuneration from the reinvested business other than the subsidiaries or the parent company		
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Business execution cost (D)				Salaries, bonuses, and special allowances (E)		Severance pay and pension (F)		Employee remuneration (G)								
		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	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		The Company	All companies included in the consolidated financial statements			
																		Amount of cash	Amount of stock	Amount of cash	Amount of stock			
Chairperson	Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi																							
Vice Chairperson	Gao Da Technology Co., Ltd. Representative: Chen Po-Chen																							
Corporate Director	Da Pu Investment Co., Ltd. Representative: Lin Teng-Tsung	-	-	-	-	3,440	3,440	522	522	3,962 (4.4%)	3,962 (4.4%)	3,274	3,274	-	-	1,074	-	1,074	-	8,310 (9.3%)	8,310 (9.3%)	-		
Corporate Director	Medifly Co., Ltd. Representative: Hsiao Ching-Tsu (Note)																							
	Medifly Co., Ltd. Representative: Huang Lung-Hu (Note)																							
Director	Chuang Cheng-Kuo																							
Independent Director	Hsu Chih-Cheng																							
Independent Director	Huang Yu-Hsun	600	600	-	-	-	-	150	150	750 (0.9%)	750 (0.9%)	-	-	-	-	-	-	-	-	750 (0.9%)	750 (0.9%)	-		
Independent Director	Lai Chia-Hui																							
Total		600	600	-	-	3,440	3,440	672	672	4,712 (5.3%)	4,712 (5.3%)	3,274	3,274	-	-	1,074	-	1,074	-	9,060 (10.2%)	9,060 (10.2%)	-		
1. The remuneration policy, system, standards, and structure for independent directors are outlined based on the responsibilities, risks, time commitment, and other factors. The linkage between these factors and the amount of remuneration provided is detailed accordingly. The remuneration structure for independent directors at the Company includes director remuneration and business execution expenses. According to Article 23 of the Company's Articles of Incorporation, the remuneration for the Company's directors is authorized by the Board of Directors. The payment standards are determined based on the directors' level of participation in the Company's operations and the value of their contributions, taking into account the usual standards in the domestic industry.																								
2. Apart from the disclosures in the table above, there were no circumstances in the most recent year where the Company's directors received remuneration for services provided to any company within the financial report (such as serving as non-employee consultants, etc.).																								

Note: On July 8, 2024, Medifly Co., Ltd. reassigned its representative, replacing Mr. Hsiao Ching-Tsu with Mr. Huang Lung-Hu.

Remuneration scale table

Remuneration scale of each director of the Company	Name of director			
	Total of the remuneration in the preceding four items (A+B+C+D)		Total of the remuneration in the preceding seven items (A+B+C+D+E+F+G)	
	The Company	All companies included in the consolidated financial statements H	The Company	All companies included in the consolidated financial statements I
Less than NTD 1,000,000	Hsu Kuo-Chi, Gao Da Technology Co., Ltd., Chen Po-Chen, Medifly Co., Ltd., Hsiao Ching-Tsu, Huang Lung-Hu, Chuang Cheng-Kuo, Hsu Chih-Cheng, Huang Yu-Hsun, Lai Chia-Hui	Hsu Kuo-Chi, Gao Da Technology Co., Ltd., Chen Po-Chen, Medifly Co., Ltd., Hsiao Ching-Tsu, Huang Lung-Hu, Chuang Cheng-Kuo, Hsu Chih-Cheng, Huang Yu-Hsun, Lai Chia-Hui	Gao Da Technology Co., Ltd., Chen Po-Chen, Medifly Co., Ltd., Hsiao Ching-Tsu, Huang Lung-Hu, Chuang Cheng-Kuo, Hsu Chih-Cheng, Huang Yu-Hsun, Lai Chia-Hui	Gao Da Technology Co., Ltd., Chen Po-Chen, Medifly Co., Ltd., Hsiao Ching-Tsu, Huang Lung-Hu, Chuang Cheng-Kuo, Hsu Chih-Cheng, Huang Yu-Hsun, Lai Chia-Hui
NTD 1,000,000 (inclusive) - NTD 2,000,000 (non-inclusive)	Tung Da Fa Asset Management Co., Ltd.	Tung Da Fa Asset Management Co., Ltd.	Tung Da Fa Asset Management Co., Ltd.	Tung Da Fa Asset Management Co., Ltd.
NTD 2,000,000 (inclusive) - NTD 3,500,000 (non-inclusive)	-	-	Hsu Kuo-Chi	Hsu Kuo-Chi
NTD 3,500,000 (inclusive) - NTD 5,000,000 (non-inclusive)	-	-	-	-
NTD 5,000,000 (inclusive) - NTD 10,000,000 (non-inclusive)	-	-	-	-
NTD 10,000,000 (inclusive) - NTD 15,000,000 (non-inclusive)	-	-	-	-
NTD 15,000,000 (inclusive) - NTD 30,000,000 (non-inclusive)	-	-	-	-
NTD 30,000,000 (inclusive) - NTD 50,000,000 (non-inclusive)	-	-	-	-
NTD 50,000,000 (inclusive) - NTD 100,000,000 (non-inclusive)	-	-	-	-
More than NTD 100,000,000	-	-	-	-
Total	11	11	11	11

Note: The remuneration details disclosed in this table differ from the concept of income under the Income Tax Act. Therefore, the purpose of this table is for informational disclosure only and is not intended for taxation purposes.

(II) Remuneration to General Manager and Vice General Managers in the most recent fiscal year

December 31, 2024; Unit: NTD thousands

Title	Name	Salaries (A)		Severance pay and pension (B)		Bonuses and special allowances (C) (Note 1)		Amount of employee remuneration (D)				The sum of A, B, C and D and as a percentage of net income after tax (%)		Remuneration from the reinvested business other than the subsidiaries or the parent company
		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		The Company	All companies included in the consolidated financial statements	
								Amount of cash	Amount of stock	Amount of cash	Amount of stock			
CEO	Hsu Kuo-Chi	5,218	5,338	-	-	1,006	1,006	2,422	-	2,422	-	8,646 (9.7%)	8,766 (9.8%)	-
General Manager	Chen Hung-Jen													
Administration Department Vice General Manager	Hsu Shun- Chieh													

Note 1: Includes transportation allowances or the use of company vehicles, with the usage cost calculated based on the depreciation amount of the vehicle.

Note 2: The remuneration details disclosed in this table differ from the concept of income under the Income Tax Act. Therefore, the purpose of this table is for informational disclosure only and is not intended for taxation purposes.

Remuneration scale table

Remuneration scale of each General Manager and Vice General Managers of the Company	Name of General Manager and Vice General Managers	
	The Company	All companies included in the consolidated financial statements
Less than NTD 1,000,000	-	-
NTD 1,000,000 (inclusive) - NTD 2,000,000 (non-inclusive)	Hsu Shun-Chieh	Hsu Shun-Chieh
NTD 2,000,000 (inclusive) - NTD 3,500,000 (non-inclusive)	Hsu Kuo-Chi, Chen Hung-Jen	Hsu Kuo-Chi, Chen Hung-Jen
NTD 3,500,000 (inclusive) - NTD 5,000,000 (non-inclusive)	-	-
NTD 5,000,000 (inclusive) - NTD 10,000,000 (non-inclusive)	-	-
NTD 10,000,000 (inclusive) - NTD 15,000,000 (non-inclusive)	-	-
NTD 15,000,000 (inclusive) - NTD 30,000,000 (non-inclusive)	-	-
NTD 30,000,000 (inclusive) - NTD 50,000,000 (non-inclusive)	-	-
NTD 50,000,000 (inclusive) - NTD 100,000,000 (non-inclusive)	-	-
More than NTD 100,000,000	-	-
Total	3	3

(III) Names of managers receiving employee remuneration and the status of distribution

December 31, 2024

	Title	Name	Amount of stock (NTD thousand)	Amount of cash (NTD thousand)	Total (NTD thousand)	As a percentage of net income after tax (%)
Managers	CEO	Hsu Kuo-Chi	-	3,226	3,226	3.62
	General Manager	Chen Hung-Jen				
	Administration Department Vice General Manager	Hsu Shun-Chieh				
	CFO	Yeh Ya-Tung				
	Audit Office Assistant Manager	Hsieh Yueh-Chu				
	Legal and Regulation Department and Quality Assurance Department Assistant Manager	Chen Tung-Shun				
	R&D Department Manager	Chen Yu-Lung				

(IV) Analysis of the total amount of remuneration paid to the directors, General Manager, and Vice General Managers of the Company and all companies in the consolidated financial statements in the most recent two years, as a percentage of the net income after tax of the parent company only statements. This analysis includes an explanation of the remuneration policy, standards, and structure, the process for determining the remuneration, and the relationship between remuneration and operational performance as well as future risks.

1. The total amount of remuneration paid to the directors, independent directors, General Manager, and Vice General Managers in the most recent two years as a percentage of net income after tax:

Unit: NTD thousand

Year Items	2023				2024			
	Total remuneration		As a percentage of net income after tax (%) (Note 1)		Total remuneration		As a percentage of net income after tax (%) (Note 2)	
	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 (including independent directors) (Note 3)	4,057	4,057	10.1	10.1	4,712	4,712	5.3	5.3
General Manager and Vice General Manager	7,903	8,034	19.7	20.0	8,646	8,766	9.7	9.8

Note 1: The net income after tax for the Company in 2023 was NTD 40,089 thousand.

Note 2: The net income after tax for the Company in 2024 was NTD 89,123 thousand.

Note 3: The total remuneration to directors (including independent directors) does not include remuneration for those concurrently serving as employees.

2. The policy, standards, and composition of remuneration to directors and managers, the procedures for setting remuneration, and the relationship between business performance and future risks.

(1) Policy, Standards, and Structure of Remuneration Payment

A. Remuneration to directors

According to Article 23 of the Company's Articles of Incorporation, the remuneration for

directors is authorized by the Board of Directors. The payment standards are determined based on the directors' level of participation in the Company's operations and the value of their contributions, taking into account industry standards. In addition, according to the Articles of Incorporation, if the Company achieves a profit in a given fiscal year, up to 5% of the profit shall be allocated as remuneration for directors. The Compensation Committee shall assess the correlation between remuneration and business performance based on the results of the annual performance evaluation (for evaluation criteria, please refer to pages 17-18 on the implementation of the Board performance evaluation) and propose a distribution ratio. The proposal shall be approved by the Board of Directors and reported to the Shareholders' Meeting before distribution.

B. Remuneration to independent directors

The remuneration for the Company's independent directors is determined in accordance with the Company's 'Regulations on Directors' and Executives' Remuneration' and is approved by the Board of Directors as a fixed annual payment. Independent directors do not participate in the distribution of directors' remuneration, nor do they receive transportation allowances for attending Board meetings.

C. Remuneration to managers

The remuneration for the Company's managers is determined in accordance with the Company's "Regulations on Directors' and Executives' Remuneration." It is calculated based on the position held, experience, business performance, responsibilities, and contributions to the Company, in accordance with the Company's salary system standards and reference to industry benchmarks.

Additionally, according to the Company's Articles of Incorporation, if the Company generates a profit, 2-10% shall be allocated as employee compensation. The relevant remuneration is proposed and reviewed by the Compensation Committee, approved by the Board of Directors, and reported to the Shareholders' Meeting before distribution.

(2) Procedure for Determining Remuneration

A. To regularly assess the remuneration of directors and executives, the evaluation is based on the results of assessments conducted in accordance with the Company's "Board Performance Evaluation Regulations" and "Regulations on Directors' and Executives' Remuneration."

B. The performance evaluation and remuneration reasonableness of the Company's directors and executives are reviewed and assessed annually by the Compensation Committee and the Board of Directors. In addition to considering individual performance achievements and contributions to the Company, the assessment also takes into account the Company's overall operational performance, industry risks, and future development trends. The remuneration system is reviewed periodically based on actual business conditions and relevant regulations to ensure fair compensation. The distribution of directors' and executives' remuneration for the year 2024 has been reviewed by the Compensation Committee and submitted to the Board of Directors for approval.

(3) The relationship between business performance and future risks

The Company's remuneration policies, payment standards, and compensation system are primarily reviewed based on overall operational performance. Compensation standards are determined by evaluating performance achievement rates and individual contributions, aiming to enhance the overall effectiveness of the Board of Directors and management team. Additionally, industry compensation benchmarks are referenced to ensure the competitiveness of executive remuneration, thereby retaining top managerial talent.

Going forward, the performance targets of the Company's managers will be integrated with risk control measures to ensure that potential risks within their scope of responsibility are effectively managed and mitigated. Performance evaluations will be based on actual results and will be linked to human resource policies, including salary and compensation structures. The Company's key management decisions are made with a balanced consideration of various risk factors. The effectiveness of these decisions is reflected in the Company's profitability, and executive remuneration is directly tied to risk management performance.

III. Operational Status of Corporate Governance

(I) Operational status of the Board of Directors

In the most recent year (2024), the Board of Directors held 7 meetings, with the attendance of directors and independent directors as follows:

Title	Name	Number of actual attendance in person	Number of attendance by proxy	Actual attendance rate (%)	Remarks
Chairperson	Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi	7	0	100.00	
Vice Chairperson	Gao Da Technology Co., Ltd. Representative: Chen Po-Chen	7	0	100.00	
Director	Medifly Co., Ltd. Representative: Hsiao Ching-Tsu (Note)	4	0	100.00	
	Medifly Co., Ltd. Representative: Huang Lung-Hu (Note)	3	0	100.00	
Director	Chuang Cheng-Kuo	7	0	100.00	
Independent Director	Hsu Chih-Cheng	7	0	100.00	
Independent Director	Huang Yu-Hsun	7	0	100.00	
Independent Director	Lai Chia-Hui	7	0	100.00	

Note: On July 8, 2024, Medifly Co., Ltd. reassigned its representative, replacing Mr. Hsiao Ching-Tsu with Mr. Huang Lung-Hu.

Other matters to be recorded:

- I. If any of the following circumstances occur in the operation of the Board of Directors, the date, term, content of the agenda, all independent directors' opinions, and the Company's handling of the independent directors' opinions should be stated:
 - (I) Matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to pages 16 to 17 of this Annual Report, "Independent Directors' Opinions on Material Motions or Resolution Outcomes".
 - (II) Except for the aforementioned matters, other board resolutions with recorded or written statements reflecting dissenting or reserved opinions by independent directors: None.
- II. The implementation of directors' recusal from matters involving conflicts of interest should specify the director's name, the content of the motion, the reason for the conflict of interest, and their participation in the voting process:

Name of director	Content of motion	Reasons of recusal	Participation in voting
Representative of Tung Da Fa Asset Management Co., Ltd.: Hsu Kuo-Chi Gao Da Technology Co., Ltd. Representative: Chen Po-Chen Medifly Co., Ltd. Representative: Hsiao Ching-Tsu Chuang Cheng-Kuo	The Company's 2023 remuneration distribution to employees and directors.	Involving personal interest	Did not participated in voting
Tung Da Fa Asset Management Co., Ltd. Representative: Hsu Kuo-Chi	The proposed employee stock option plan for the first cash capital increase in 2024.	Involving personal interest	Did not participated in voting

Representative of Tung Da Fa Asset Management Co., Ltd.: Hsu Kuo-Chi Gao Da Technology Co., Ltd. Representative: Chen Po-Chen Medifly Co., Ltd. Representative: Hsiao Ching-Tsu Chuang Cheng-Kuo	Proposed to review the director remuneration policy, system, standards, and structure.	Involving personal interest	Did not participated in voting
Hsu Chih-Cheng Huang Yu-Hsun Lai Chia-Hui	Proposed to review the independent director remuneration policy, system, standards, and structure.	Involving personal interest	Did not participated in voting
Representative of Tung Da Fa Asset Management Co., Ltd.: Hsu Kuo-Chi	Proposed to review the CEO performance evaluation and remuneration policy, system, standards, and structure.	Involving personal interest	Did not participated in voting

- III. Listed companies should disclose information regarding the self (or peer) evaluation cycle and period of the Board of Directors, the scope of the evaluation, methods, and evaluation content: As the Company has not yet passed the Board of Directors' performance evaluation procedures, the evaluation will be conducted after the board approves the procedures in the near future.

(I) Internal Self-Evaluation

Evaluation cycle	Once a year	
Evaluation period	2024/1/1-2024/12/31	
Scope of assessment	The board of direc directors, individual directors and Functional Committee	
Evaluation approach	Self- Evaluation	
Assessment content and results	1. Board performance evaluations	
	Evaluation approach	Evaluation points
	A. Degree of involvement in the operation of the Company	19.29
	B. Quality of board decision making	19.14
	C. Composition and structure of the board	19.18
	D. Selection and continuing education of directors	19.81
	E.Internal control.	20.00
	Total points	97.42
	2. Performance Evaluation of individual directors	
	Evaluation approach	Evaluation points
	A. Understanding of corporate objectives and tasks	16.67
	B. Cognition of directors' responsibilities	16.67
	C.Involvement in company operations	16.55
	D.Internal relationship management and communication	16.51
	E. Directors' professional and continuing education	16.51
	F.Internal control	16.67
	Total points	99.58
	3. Performance evaluation by Functional Committee:	

		Evaluation approach		Evaluation points
		A.Participation in company operation		20.00
		B.Cognition of Functional Committee's responsibilities		19.81
		C.Decision making quality of Functional Committee		19.62
		D.Composition and selection of members of Functional Committee		20.00
		E.Internal control		20.00
		Total points		99.43
		Conclusion: : The internal self-evaluation scores for the Board of Directors, board members, and functional committees in the year 2024 all exceeded 95 points on average, indicating effective overall operations. The self-evaluation results will be reported to the Board of Directors in the near future.		

IV. The goals for strengthening the functions of the Board of Directors in the current and most recent year (e.g., establishing an Audit Committee, improving information transparency, etc.) and the evaluation of their implementation:

(I) The Company established an Audit Committee on July 16, 2015, to oversee the functions of the Board of Directors, with the aim of maximizing shareholders' interests.

(II) The Company has incorporated the conduct of board meetings into its internal control system in accordance with applicable laws and regulations, and the Audit Unit conducts regular audits.

(III) The Company convenes the Board of Directors at least once every quarter, and important resolutions made after each meeting are uploaded to the MOPS in accordance with laws and regulations to protect shareholders' rights.

(IV) In accordance with Article 15, Paragraph 2 of the “Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Board of Directors of TPEX Listed Companies”, announced by the competent authority on December 27, 2018: "Listed companies shall establish “Standard Operating Procedures for Handling Requests from Directors” and provide appropriate and timely responses to directors' requests". The Company approved the establishment of the "Standard Operating Procedures for Handling Requests from Directors" by resolution of the Board of Directors on December 17, 2019.

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

In the most recent year (2024), the Audit Committee held 7 meetings, with the attendance of independent directors as follows:

Title	Name	Number of actual attendance in person	Number of attendance by proxy	Actual attendance rate (%)	Remarks
Independent Director	Hsu Chih-Cheng	7	0	100.00	
Independent Director	Huang Yu-Hsun	7	0	100.00	
Independent Director	Lai Chia-Hui	7	0	100.00	

Other matters to be recorded:

I. If any of the following circumstances occur in the operation of the Audit Committee, the date, term, agenda items, dissenting opinions of independent directors, reserved opinions, or major recommendations, the resolution results of the Audit Committee, and the Company's handling of the Audit Committee's opinions should be specified.

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

Date of meeting	Content of motion	Opinions of the Audit Committee	The Company's handling of the opinions of the Audit Committee
2024.3.12	The Company independently recognized asset impairment losses in its Q4 financial statements for 2023 in accordance with the provisions of the IAS.	Approved by the Audit Committee and submitted to the Board of Directors.	The Board of Directors approved the motion unanimously.
	The proposal for the ratification of the Company's 2023 Business Report and Financial Statements.		
	The proposal for the Company's 2023 earnings distribution plan.		
	The proposal for the Company's 2023 Internal Control System Statement.		
	The proposal for the Company's first cash capital increase and issuance of new share in 2024.		
	The proposed employee stock option plan for the first cash capital increase in 2024.		
	The proposal to establish the pre-approval process and general policy for non-assurance services provided by Ernst & Young and its affiliates.		
	The proposal for the amendments to the Company's "Rules of Procedure for Board of Directors Meetings".		
2024.4.9	The proposal to establish the issue price and subscription record date for the first cash capital increase in 2024.	Approved by the Audit Committee and submitted to the Board of Directors.	The Board of Directors approved the motion unanimously.
	The proposal for the Company's distribution of cash dividends in 2023.		
2024.6.27	The proposal to amend the Company's "Production Cycle" and "Property, Plant, and Equipment Cycle".	Approved by the Audit Committee and submitted to the Board of Directors.	The Board of Directors approved the motion unanimously.
	The proposal to amend the Company's "Audit Committee Organizational Charter" and "Internal Audit System" procedures.		

	Date of meeting	Content of motion	Opinions of the Audit Committee	The Company's handling of the opinions of the Audit Committee
	2024.8.9	The proposal for the ratification of the Company's consolidated financial statements for Q2 of 2024.	Approved by the Audit Committee and submitted to the Board of Directors.	The Board of Directors approved the motion unanimously.
		The proposal for business transactions and fund loans with the Company's 100% owned subsidiary, Perfect Medical Industrial (VN) Co., Ltd.		
		The proposal to apply for an additional mid-term property secured credit facility with Chang Hwa Bank.		
		The proposal to lift the non-compete restriction on the representative appointed by the corporate director of Medifly Co., Ltd.		
		The proposal for the third-phase plant construction investment by the Company's 100% owned subsidiary, Perfect TW Medical Industrial (VN) Co., Ltd.		
		The proposal for a cash capital increase of USD 1,800 thousand in the Company's 100% owned subsidiary, Perfect TW Medical Industrial (VN) Co., Ltd.		
		The proposal for the construction of the Company's warehouse and operations headquarters.		The Board of Directors has reserved the decision on this proposal and will present it for discussion after providing a complete evaluation report.
	2024.9.20	The proposal for the Company's 2024 first-half earnings distribution plan.	Approved by the Audit Committee and submitted to the Board of Directors.	The Board of Directors approved the motion unanimously.
	2024.12.9	The proposal for the 2025 budget plan.	Approved by the Audit Committee and submitted to the Board of Directors.	The Board of Directors approved the motion unanimously.
		The proposal for the 2025 audit plan.		
		The proposal for the renewal of the credit facility application with CTBC Bank.		
		The proposal for the application to change the conditions of the credit facility and increase the mortgage amount with Taichung Bank.		
		The proposal to amend the Company's "Procurement Cycle" and "Property, Plant, and Equipment Cycle".		
		The proposal to amend the "Accounting System" and "Regulations Governing the Use of Seals".		
		The proposal to amend the "Approval Authority Management Procedures" and "Bonus and Dividend Distribution Management Procedures".		
		The proposal for Perfect Medical Industrial (VN) Co., Ltd. to continue leasing factory space from Perfect TW Medical Industrial (VN) Co., Ltd.		
(II) Other matters, aside from the aforementioned, that were not approved by the Audit Committee but were approved by more than two-thirds of all directors: No such situation.				

- II. The implementation of independent directors' recusal from matters involving conflicts of interest should specify the independent director's name, the content of the motion, the reason for the conflict of interest, and their participation in the voting process:

Name of director	Content of motion	Reasons of recusal	Participation in voting
Hsu Chih-Cheng Huang Yu-Hsun Lai Chia-Hui	Proposed to review the independent director remuneration policy, system, standards, and structure.	Involving personal interest	Did not participated in voting

- III. Communication between independent directors, the head of internal audit, and the CPAs (including material matters discussed regarding the Company's financial and business status, methods, and outcomes):
- (I) The head of internal audit, in accordance with the annual audit plan, submits the audit results to the independent directors by the end of the month following the completion of the audit items for that month. Additionally, during each Audit Committee and board meeting, an audit business report is presented. The execution and effectiveness of the audit business have been thoroughly communicated.
 - (II) After the completion of the semiannual and annual audits, the accountants will communicate with the independent directors either in writing or in person.
 - (III) There have been no instances of disagreement between the independent directors, the head of internal audit, and the CPAs this year.

(III) The Company's governance operations and any deviations with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Assessment Items	Operational Status			Deviations with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I. Has the company established and disclosed 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 has been approved by the Board of Directors to promote and enhance the operation of corporate governance.	No significant difference.
II. Company shareholding structure and shareholder rights				
(I) Has the Company established internal procedures for handling shareholder suggestions, questions, disputes, and litigation matters, and implemented these procedures accordingly?	✓		(I) The Company has established "shareholder services" audit regulations within its internal control system and has designated a spokesperson, an acting spokesperson, and a professional shareholder services agency to handle shareholder-related issues.	(I) No significant difference.
(II) Does the Company maintain a list of the major shareholders who effectively control the Company and the ultimate controllers of these major shareholders?	✓		(II) The Company's actual controlling shareholder is an insider. The shareholder services unit reports insider shareholding changes on a monthly basis, allowing the Company to constantly monitor the list of major shareholders.	(II) No significant difference.
(III) Has the Company established and implemented risk management and firewall mechanisms between itself and its related parties?	✓		(III) The Company implements risk control and firewall mechanisms for related-party transactions with affiliates in accordance with internal control systems such as the "Procedures for Related Party Transactions", "Procedures for Loaning Funds to Others", "Procedures for Endorsements/Guarantees", and "Procedures for Supervising and Monitoring Subsidiaries".	(III) No significant difference.
(IV) Has the Company established internal regulations prohibiting insiders from trading securities based on non-public information?	✓		(IV) The Company has established the "Insider Trading Prevention Management Regulations" and the "Ethical Corporate Management Best Practice Principles", which are disclosed on both internal and external company websites. Regular training is provided to insiders, prohibiting them from using undisclosed information to trade securities on the market. Furthermore, insiders are instructed not to trade the Company's stock during the close periods defined as 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report. Starting from 2025, once the meeting officials have confirmed the actual date of each board meeting, all directors will be notified in advance to observe the close trading period prior to the announcement of the financial reports, in order to safeguard shareholders' rights.	(IV) No significant difference.
III. The Composition and Duties of the Board of Directors				
(I) Has the Board of Directors formulated a diversity policy and implemented specific management objectives?	✓		(I) The Company has established a diversity policy for the board members in its "Corporate Governance Best Practice Principles". When selecting and nominating board members, the Company	(I) No significant difference.

Assessment Items	Operational Status			Deviations with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(II) In addition to the legally required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?		✓	<p>takes into account factors such as age, educational and professional backgrounds, and independence, in accordance with the Company's operations, business model, and development needs. All members possess the professional knowledge, skills, practical experience, and ethical standards required for their roles. The Company also plans to implement a gender diversity policy during the next board election, prioritizing both professional experience and gender equality principles.</p> <p>(II) As of the publication date of the annual report, the Company has not established any additional functional committees. In the future, new committees will be established based on actual needs.</p>	(II) It will be carried out based on the Company's needs and in accordance with the requirements of the competent authority.
(III) Has the Company established Regulations Governing the Board Performance Evaluation and methods, conducted regular annual performance evaluations, reported the evaluation results to the Board of Directors, and used these results as a reference for individual director remuneration and reappointment nominations?	✓		<p>(III) The Company has established the "Regulations Governing the Board Performance Evaluation", which require an annual internal performance evaluation of the Board of Directors and its functional committees in accordance with predefined evaluation procedures and criteria. The assessment is conducted through self-assessment questionnaires, with collected responses documented and reported to the Board of Directors as a basis for review and improvement.</p> <p>The results of the performance evaluation serve as a reference for the selection and nomination of directors. Additionally, individual board member performance evaluations are taken into account when determining remuneration.</p> <p>In 2024, the internal self-evaluation scores for the Board of Directors, board members, and functional committees all exceeded an average of 95 points, indicating effective overall operations. The self-evaluation results will be formally reported to the Board of Directors in the near future.</p>	(III) No significant difference.
(IV) Does the Company regularly assess the independence of CPAs?	✓		<p>(IV) To strengthen corporate governance, the Audit Committee conducts an annual assessment of the independence and suitability of the CPA responsible for the Company's financial statements. The CPA is required to provide a statement of independence, and the evaluation results are reported to the Board of Directors.</p> <p>Based on the assessment, CPAs Huang Yu-Ting and Luo Wen-Zhen from Ernst & Young have no direct or indirect financial interests with the Company or its directors. Their audit and tax</p>	(IV) No difference.

Assessment Items	Operational Status			Deviations with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			services meet the evaluation criteria in terms of quality and timeliness, demonstrating their competence as the Company's attesting CPAs.	
IV. Has the listed company appointed suitable and adequately qualified corporate governance personnel and designated a head of corporate governance responsible for corporate governance matters (including but not limited to providing directors and supervisors with the necessary information to perform their duties, assisting directors and supervisors in complying with laws, handling Board of Directors and shareholders' meetings in accordance with legal requirements, and preparing minutes of Board of Directors and shareholders' meetings)?	✓		The Company has established a shareholder services unit under the Finance Department. The shareholder services personnel assist the directors and independent directors in complying with legal requirements, handling Board of Directors and shareholders' meetings in accordance with the law, preparing minutes for the board and shareholders' meetings, and managing other related matters as directed by the supervisors. Recently, the Board of Directors is planning to resolve the appointment of a head of corporate governance.	No significant difference.
V. Has the Company established communication channels with its stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a dedicated stakeholder section on the Company website to appropriately address important corporate social responsibility issues raised by stakeholders?	✓		The Company has designated a spokesperson, an acting spokesperson, and entrusted a professional shareholder services agency to establish effective communication channels with stakeholders. Important company information can also be accessed through the MOPS.	No significant difference.
VI. Has the Company appointed a professional shareholder services agency to handle shareholder meeting affairs?	✓		The Company has appointed Horizon Securities Corp.'s Shareholder Services Department to handle shareholders' meeting affairs.	No difference.
VII. Information Transparency (I) Does the Company have a website to disclose financial, business, and corporate governance information? (II) Does the Company adopt other methods of information disclosure (such as establishing an English website, designating personnel to be responsible for collecting and disclosing company information, implementing a spokesperson system, and placing the process of institutional investor briefings on the Company's website)? (III) Does the Company announce and report the annual financial report within two months after the end of the year, and announce and report the financial reports for Q1, Q2, and Q3, as well as monthly operational conditions, ahead of the prescribed deadlines?	✓ ✓ ✓		(I) The Company has a website and regularly discloses financial, business, and corporate governance information on the MOPS. (II) The Company has established an English website, set up a spokesperson office to handle information disclosure matters, and assigned dedicated personnel to collect and disclose information on the MOPS in accordance with regulations. (III) The Company is an emerging stock company and is required to announce and report the annual financial report within four months after the end of the year, and to announce and report the financial report for Q2 and monthly operational conditions before the prescribed deadlines.	(I) No significant difference. (II) No significant difference. (III) No significant difference.
VIII. Does the Company have other important information that	✓		1. Employee rights, employee care: The Company has established a	No significant difference.

Assessment Items	Operational Status			Deviations with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
helps to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relationships, stakeholders rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the purchase of liability insurance for directors and supervisors by the Company, etc.)?			<p>Employee Welfare Committee to promote various welfare measures, such as employee gatherings, travel activities, and subsidies for new home completion, weddings, and funerals. These measures are carried out in accordance with the Labor Standards Act and relevant regulations, with a sound welfare system, comprehensive training programs, and regular labor-management meetings.</p> <p>2. Investor relations: The Company discloses relevant information on the MOPS in a timely manner in accordance with regulations, and the Company's operational status can also be accessed through the Company's website.</p> <p>3. Supplier relationships: The Company fulfills its relevant rights and obligations to suppliers in accordance with agreements, ensuring that delivery times, prices, quality, and services meet requirements, and establishing and maintaining good cooperative relationships with them.</p> <p>4. Stakeholders rights: The Company has established various management policies and procedures to be implemented in accordance with regulations to protect the interests of all stakeholders.</p> <p>5. Continuing education of directors and independent directors: The Company's directors and independent directors regularly participate in continuing education courses.</p> <p>6. Implementation of risk management policies and risk measurement standards: The Company has established internal control systems and relevant internal regulations in accordance with the law to carry out various risk management and assessments.</p> <p>7. Implementation of customer policies: The Company is dedicated to meeting customer needs and has established a consumer service hotline at 0800-207158 to ensure the improvement of service quality and the protection of customer rights.</p> <p>8. Purchase of liability insurance for directors and independent directors: The Company has purchased directors and supervisor liability insurance for the relevant personnel and reports information such as the insurance amount and coverage to the Board of Directors.</p>	
IX. Please explain the improvements made based on the results of the corporate governance evaluation released by the Taiwan Stock Exchange Corporation's Corporate Governance Center for the most recent year, and propose priority areas for improvement and measures for those that have not yet been improved. (Not applicable to companies not included in the evaluation): The Company is currently an emerging stock company and has not yet been included in the evaluation.				

(IV) If the Company has established a Remuneration Committee or a Nomination Committee, it should disclose its composition and operational status

1. Information on members of the Remuneration Committee

March 21, 2025

Identity	Name	Conditions	Professional Qualification and Experience	Compliance with independence requirements	Number of Remuneration Committee member positions Concurrently held in other publicly listed companies
Independent Director (Convenor)	Hsu Chih-Cheng		Currently serving as an Associate Professor in the Department of Information Management at National Central University and as an advisor at the Enterprise Resource Planning and Big Data Analytics Center at National Central University, with expertise in financial data mining, Python-based data mining system development, software engineering, system integration, digital learning, and information management, among other areas. He has no circumstances falling under any of the provisions of Article 30 of the Company Act.	During the two years prior to appointment and throughout the term of service, there have been no instances of the circumstances set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Not a spouse or a relative within the second degree of kinship of any other director, and not a member of any of the conditions described in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act. Not a government agency, corporate shareholder, or its representative as defined in Article 27 of the Company Act.	0
Independent Director	Huang Yu-Hsun		Currently a CPA at Cheng-Yi & Co., CPAs. Previously served as an Audit Manager at PwC Taiwan and an Audit Team Leader at Deloitte Taiwan. Leveraging expertise in financial accounting, tax planning, and auditing to enhance the Company's financial management, corporate governance, and the supervisory function of the Audit Committee. No circumstances as specified in Article 30 of the Company Act.	During the two years prior to appointment and throughout the term of service, there have been no instances of the circumstances set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Not a spouse or a relative within the second degree of kinship of any other director, and not a member of any of the conditions described in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act. Not a government agency, corporate shareholder, or its representative as defined in Article 27 of the Company Act.	0
Independent Director	Lai Chia-Hui		Currently serving as the Chairperson of Sen Pao Enterprise Co., Ltd., holding a Ph.D. from the Department of Electrical Engineering at National Changhua University of Education. Previously served as the Founding Chairperson of the Changhua County Senior Executive Management Research and Development Association and as an Assistant Professor at National Changhua University of Education. Possesses extensive management experience and connections, demonstrating expertise in industry trend analysis, market insights, business operations, marketing strategies, and industrial technology. No circumstances as specified in Article 30 of the Company Act.	During the two years prior to appointment and throughout the term of service, there have been no instances of the circumstances set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Not a spouse or a relative within the second degree of kinship of any other director, and not a member of any of the conditions described in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act. Not a government agency, corporate shareholder, or its representative as defined in Article 27 of the Company Act.	0

Note 1: Please refer to pages 4 to 5 for director information and pages 7 to 9 for the disclosure of directors' professional qualifications and the independence of independent directors.

2. Information on the operation of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) Term of office for this committee: June 12, 2023 to May 24, 2026. In the most recent year (2024), the Remuneration Committee held 3 meetings. The qualifications and attendance of the committee members are as follows:

Title	Name	Number of actual attendance in person	Number of attendance by proxy	Actual attendance rate (%)	Remarks
Convenor	Hsu Chih-Cheng	3	0	100.00	
Committee member	Huang Yu-Hsun	3	0	100.00	
Committee member	Lai Chia-Hui	3	0	100.00	
Other matters to be recorded:					
I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should specify the date of the board meeting, the term, the content of motion, the resolution of the board, and how the Company handled the Remuneration Committee's opinions (for example, if the remuneration package approved by the board is more favorable than the Remuneration Committee's recommendation, the differences and reasons should be explained): No such situation.					
II. For the resolution of the Remuneration Committee, if any member has opposing or reserved opinions and there is a record or written statement, it should specify the date of the Remuneration Committee meeting, the term, the content of motion, the opinions of all members, and how the opinions of the members were handled: No such situation.					

(V) Implementation of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason therefor

Promotion Items	Implementation Status			Deviations with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development, set up a full-time (or part-time) unit for sustainable development, and authorized senior management to handle related matters with oversight from the Board of Directors?	✓		The Company is actively advancing sustainable development in accordance with the Sustainable Development Best Practice Principles. In March 2025, the Board of Directors appointed a Chief Sustainability Officer and established the "ESG Task Force." The ESG Task Force is responsible for embedding environmental, social, and corporate governance (ESG) principles into the Company's culture and business strategy, formulating action plans, and overseeing their implementation. It will report to the Board of Directors annually and disclose progress on the Company's website and in the Sustainability Report.	In the future, actions will be implemented in full compliance with legal regulations and required guidelines.
II. Does the Company conduct a risk evaluation of environmental, social, and corporate governance issues related to its operations based on the materiality principle, and establish relevant risk management policies or strategies?	✓		Currently, material issues require a risk evaluation and must be submitted to the Board of Directors for review. In the near future, a risk control team will be established and relevant operating procedures will be formulated.	In the near future, relevant operating procedures for risk control will be established.
III. Environmental Issues				
(I) Does the Company establish an appropriate environmental management system based on the characteristics of its industry?	✓		(I) Our company has established the " Safety and Health Work Rules. " to ensure workplace safety for employees. In addition to requiring employees and contractors to strictly follow both our company's and clients' regulations when executing projects, we are committed to managing and controlling occupational safety and health risks related to the work environment, activities, instruments, and equipment. Furthermore, we conduct regular monitoring and inspections of the work environment.	(I) No significant difference.
(II) Is the Company committed to improving the energy utilization efficiency and use of renewable materials with low impact on the environment?	✓		(II) The Company cooperates with government environmental protection and resource recycling programs for all reusable resources and strives to use renewable materials that reduce environmental impact whenever possible.	(II) No significant difference.
(III) Does the Company assess the potential risks and opportunities of climate change to the business, both currently and in the future, and take relevant response measures?	✓		(III) In response to the risks posed by climate change, the Company currently only implements indoor temperature control for air conditioning at optimal levels and regularly cleans air filters. Energy-consuming old equipment is gradually being phased out, with environmentally-friendly and energy-efficient equipment being the first choice for new purchases.	(III) No significant difference.
(IV) Does the Company track the GHG emissions, water usage, and total waste weight for the past two years, and establish policies for reducing GHG emissions, water usage, or other waste management?		✓	(IV) "Starting in 2024, the Company has been monitoring greenhouse gas (GHG) emissions, water usage, and total waste weight. In accordance with the ISO 14064-1:2018 standard, the inventory boundary includes the central office, warehouse, and Kaohsiung office. The recorded GHG emissions are approximately 749.5961 metric tons, water usage is around 4,060 metric tons, and total waste amounts to approximately 24 metric tons. The Company actively promotes energy management by tracking water, electricity, and overall resource consumption. It utilizes	(IV) Currently, the Company has not established specific policies for greenhouse gas reduction, resource conservation, or waste management. However, relevant measures are already being implemented, and the Company will comply with legal requirements as mandated.

Promotion Items	Implementation Status			Deviations with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			energy-efficient products, such as LED lighting and heat pumps, while continuously digitizing forms, raising awareness of energy conservation, and encouraging carpooling for official vehicles. Energy conservation is prioritized as the primary method for carbon reduction."	
IV. Social Issues				
(I) Does the Company establish relevant management policies and procedures in accordance with applicable laws and international human rights conventions?	✓		(I) The Company has established internal control systems and relevant management measures based on the Labor Standards Act, and regularly holds labor-management meetings to safeguard employees' basic rights.	(I) No significant difference.
(II) Does the Company establish and implement reasonable employee welfare measures (including remuneration, leave, and other benefits), and appropriately reflect business performance or results in employee remuneration?	✓		(II) The Company's Articles of Incorporation stipulate that if the company generates a profit for the year, 2%-10% shall be allocated as employee compensation. The Company provides employees with social insurance in accordance with the law, including labor insurance and national health insurance, covering the required insurance premiums and allocating retirement funds accordingly. Employee wages meet or exceed the legally mandated minimum wage, along with statutory benefits. In compliance with the Labor Standards Act and relevant regulations, the Company has established an Employee Handbook, outlining employee benefits and leave policies. Additionally, an Employee Welfare Committee has been established, with monthly welfare funds allocated for the committee to manage and distribute toward employee birthdays, holiday bonuses, employee trips and gatherings, and gatherings.	(II) No significant difference.
(III) Does the Company provide a safe and healthy working environment for employees and conduct regular safety and health education for them?	✓		(III) The Company regularly conducts occupational safety and fire drills, first aid training, employee health checks, and timely promotes health and safety regulations. The Company did not experience any major occupational safety incidents or fire events in 2024.	(III) No significant difference.
(IV) Does the Company establish an effective career development and training program for employees?	✓		(IV) The Company has established a comprehensive career development program designed for employees across different positions. The training curriculum encompasses core values, professional skills, management, and general education. Additionally, the Company offers diverse learning opportunities through seminars, lectures, external training, in-person sessions, and online courses.	(IV) No significant difference.
(V) Regarding customer health and safety, customer privacy, marketing, labeling, and other related issues, does the Company comply with relevant laws and international standards, and establish policies and procedures to protect consumer or customer rights and handle complaints?	✓		(V) The Company has established a dedicated Regulatory Affairs Unit responsible for collecting and analyzing domestic and international medical device regulations. This unit also oversees the application, modification, and renewal of global medical device sales licenses, as well as the planning of product quality certification processes. To ensure product safety, the Company continuously implements comprehensive quality management, strictly adhering to relevant	(V) No significant difference.

Promotion Items	Implementation Status			Deviations with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(VI) Does the Company establish supplier management policies, requiring suppliers to comply with relevant regulations on environmental protection, occupational health and safety, labor rights, and other issues, and how are these policies implemented?		✓	<p>regulations and international standards. The Company has obtained ISO 13485, QMS (GMP), and EU CE MDR certifications, while several products have also been SGS-certified, meeting customer expectations for quality and compliance.</p> <p>To enhance product and service quality while ensuring the utmost protection of customer privacy, the Company provides an 0800 toll-free customer service hotline and email, serving as channels for consumer complaints and safeguarding consumer rights.</p> <p>(VI) The Company has established a supplier evaluation process to carefully assess suppliers' creditworthiness and determine whether their sourcing and manufacturing processes impact the environment and society.</p> <p>The Company actively promotes corporate sustainability policies and practices among its suppliers and requires their cooperation in complying with relevant regulations and government laws on environmental protection, occupational safety and health, and labor rights. These efforts aim to achieve a balanced development of economic, social, and environmental sustainability.</p>	(VI) Related regulations will be evaluated and added.
V. Does the Company prepare Corporate Social Responsibility reports or other reports disclosing its non-financial information by referring to internationally recognized reporting preparation standards or guidelines? Has the aforementioned report obtained assurance or verification opinions from a third-party verification entity?		✓	The Company is currently an Emerging Stock Company. In March 2025, it established an ESG Task Force to gather and analyze corporate sustainability issues in accordance with GRI standards and to prepare a sustainability report in compliance with the Regulations Governing the Preparation and Submission of Sustainability Reports by TWSE- and TPEX-Listed Companies.	In accordance with future legal regulations and enforcement measures.
<p>VI. If the Company, in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", has established its own Sustainable Development Best Practice Principles, please describe its current practices and any deviations from the Principles:</p> <p>The Company has established the "Sustainable Development Best Practice Principles" to implement sustainable development and promote progress in the economic, environmental, and social areas in order to achieve sustainability goals. This principle serves as a guideline for management and all employees to follow, and it is used to manage the Company's risks and impacts related to the economy, environment, and society. Currently, there are no significant differences in its implementation and operation.</p>				
<p>VII. Other important information that helps to understand the implementation of sustainable development initiatives:</p> <p>(I) Resource Recycling: Committed to energy conservation, carbon reduction, resource recycling, and other measures, in alignment with environmental protection policies to implement the sustainable development plan.</p> <p>(II) Social Contribution: Regularly donating masks, syringes, participating in blood donation activities, and employing employees with physical and mental disabilities.</p> <p>(III) Respecting Stakeholder Rights: A dedicated hotline has been set up to understand stakeholders' reasonable expectations and needs through appropriate communication methods, and to respond appropriately to their concerns regarding important sustainability issues.</p>				

(VI) The pursuit of ethical corporate management and the deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reason therefor

Evaluation Item	Operational Status			Deviations with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I. Formulation of ethical corporate management policies and solutions				
(I) Has the Company established an ethical corporate management policy approved by the Board of Directors, and clearly stated the ethical corporate management policy, practices, and the commitment of the Board of Directors and senior management to actively implement the policy in its regulations and external documents?	✓		(I) The Company has established Procedures for Ethical Management and Guidelines for Conduct within its internal control measures, which were approved by the Board of Directors. These guidelines specifically outline the matters that the Company and its personnel should observe when conducting business activities.	(I) No difference.
(II) Has the Company established a risk assessment mechanism for unethical conduct, regularly analyzing and evaluating business activities with higher risks of unethical conduct within its operations, and developed measures to prevent unethical conduct based on this analysis? Additionally, do these measures at least cover the preventive actions outlined in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		(II) The Company has established the "Procedures for Ethical Business Operations and Code of Conduct," which strictly regulate the prevention of transactions with unethical operators and other compliance matters. These procedures also cover the various actions specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies." Additionally, a dedicated unit has been established to handle cases related to unethical conduct, thereby eliminating the risks associated with such actions.	(II) No significant difference.
(III) Has the Company clearly defined operational procedures, code of conduct, penalties for violations, and a grievance system within its measures to prevent unethical conduct? Moreover, has the Company implemented these measures effectively and conducted regular reviews and revisions of the plan?	✓		(III) The Company has established Procedures for Ethical Management and Guidelines for Conduct, as well as a penalty system for violations and a grievance procedure within its internal control measures, to implement its ethical corporate management policy.	(III) No significant difference.
II. Implement Ethical Corporate Management				
(I) Does the Company evaluate the integrity records of its counterparties and explicitly stipulate integrity clauses in contracts signed with them?	✓		(I) The Company has an evaluation procedure record for counterparties and includes integrity clauses in agreements, while setting credit rating standards for customers.	(I) No significant difference.
(II) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management, and does it report at least once a year to the board on its ethical corporate management policies, measures for preventing unethical conduct, and supervision of implementation?		✓	(II) To strengthen the management of ethical business practices, the Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Business Operations and Code of Conduct," both of which have been approved by the Board of Directors. The Chairperson's Office serves as the dedicated unit responsible for formulating and overseeing the implementation of these procedures and guidelines. Additionally, the unit provides an annual report to the Board of Directors on the execution status.	(II) In the future, a dedicated unit will be clearly defined.
(IV) Has the Company established a conflict-of-interest prevention policy, provided appropriate reporting channels, and ensured its	✓		(III) The Company has established regulations to prevent conflicts of interest, provided reporting channels, and effectively	(III) No significant difference

Evaluation Item	Operational Status			Deviations with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
effective implementation?			implemented them.	
(IV) Has the Company established an effective accounting system and internal control system to implement ethical corporate management, with the internal audit unit formulating relevant audit plans based on the assessment of unethical conduct risks and conducting audits on the compliance of fraud prevention programs, or engaged CPAs to perform such audits?	✓		(IV) The Company has established an effective accounting system and internal control system, with internal audit personnel conducting regular audits.	(IV) No significant difference
(V) Does the Company regularly conduct internal and external training on ethical corporate management?	✓		(V) The Company provides pre-employment training for new employees to promote ethical corporate management and encourages personnel to participate in relevant external training courses.	(V) No significant difference.
III. Operational Status of the Company's Whistleblowing System				
(I) Has the Company established a specific whistleblowing and reward system, created convenient whistleblowing channels, and assigned appropriate personnel to handle the cases of those being reported?	✓		(I) The Company has established a dedicated unit, providing a whistleblowing channel and implementing a reward and penalty system.	(I) No significant difference.
(II) Has the Company established standard operating procedures for handling whistleblowing matters, including follow-up actions after the investigation and related confidentiality mechanisms?	✓		(II) The Company has established Procedures for Ethical Management and Guidelines for Conduct in its internal control regulations, specifying the standard operating procedures for handling whistleblowing matters, the follow-up actions to be taken after an investigation, and related confidentiality mechanisms.	(II) No significant difference.
(III) Does the Company take measures to protect whistleblowers from improper treatment as a result of their whistleblowing?	✓		(III) Whistleblowing cases are handled by the designated unit, which adheres to confidentiality mechanisms to ensure the protection of the whistleblower.	(III) No significant difference
IV. Enhance Information Disclosure Has the Company disclosed the content of its established Ethical Corporate Management Best Practice Principles and its implementation results on its website and the MOPS?	✓		The Company has disclosed the content of its established Ethical Corporate Management Best Practice Principles on both internal and external websites, as well as on the MOPS. The implementation of the ethical corporate management policy is also disclosed in the annual report.	No significant difference
V. The company has established its own integrity management code based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies". There are no significant differences between the Company's operations and the provisions of the established principles. The Company has established an "Ethical Corporate Management Best Practice Principles", and there are no significant differences between its implementation and operations and the provisions of the principles.				
VI. Other important information that helps to understand the Company's ethical corporate management operations (such as whether the Company reviews and revises its established Ethical Corporate Management Best Practice Principles, etc.): 1. Complying with the Company Act, Securities and Exchange Act, Labor Standards Act, and accounting system to protect the rights and interests of employees and shareholders. 2. Establishing an Audit Committee composed of independent directors to strengthen the Company's internal monitoring mechanism. 3. Major investments, fund loans, endorsements and guarantees, bank financing limits, and budget policies of the Company must all be evaluated and analyzed by the responsible departments and reported to the Board of Directors for approval.				

(VII) Other important information that enhances understanding of the Company's governance operations: The Company has established relevant internal control regulations for compliance, and the details can be found on the Company's website.

(VIII) Implementation status of the internal control system

1. Statement of Internal Control

Perfect Medical Industry Co., Ltd.

Statement of Internal Control System

Date: March 13, 2025

The Company's internal control system for 2024, based on its self-evaluation results, is hereby declared as follows:

- I. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Board of Directors and management, and the Company has established this system. The purpose is to provide reasonable assurance in achieving objectives related to operational effectiveness and efficiency (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant regulations and laws.
- II. The internal control system has inherent limitations. Regardless of how well-designed it is, an effective internal control system can only provide reasonable assurance in achieving the three objectives mentioned above. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once any deficiencies are identified, the Company will take corrective actions.
- III. The Company evaluates the effectiveness of its internal control system based on the items specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"), to assess whether the design and implementation of the internal control system are effective. The "Regulations" use the following five components to evaluate the internal control system based on the management control process: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Monitoring operations. Each component includes several items. The aforementioned items can be found in the provisions of the "Regulations".
- IV. The Company has already applied the aforementioned evaluation items for the internal control system to assess the effectiveness of its design and implementation.
- V. Based on the evaluation results mentioned above, the Company believes that as of December 31, 2024, its internal control system (including supervision and management of subsidiaries), which includes understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, transparency of reporting, and compliance with relevant regulations and laws, is effective in its design and execution, and can reasonably ensure the achievement of the aforementioned objectives.
- VI. This statement will become a key part of the Company's annual report and public disclosure document and will be made publicly available. The contents disclosed above, if found to be false, concealed, or involve any illegal activity, will be subject to legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Company's Board of Directors on March 13, 2025. Of the 7 directors present, none opposed, and the rest agreed with the content of this statement, which is hereby declared.

Perfect Medical Industry Co., Ltd.

Chairperson: Tung Da Fa Asset Management Co., Ltd.
Corporate Representative: Hsu Kuo-Chi

CEO: Hsu Kuo-Chi

General Manager: Chen Hung-Jen

2. If the internal control system is reviewed by a CPA, the CPA's review report should be disclosed: None.
 (IX) Important resolutions of the shareholders' meeting and the Board of Directors for the most recent year and up to the publication date of the annual report:

1. Major resolutions of the annual general shareholders' meeting

Date	Name of meeting	Major resolutions
2024.6.27	2024 Annual General Shareholders' Meeting	1. Ratification of the business report and financial statements for 2023. 2. Ratification of the profit distribution plan for 2023

2. Major resolutions of the Board of Directors

Date	Name of meeting	Major resolutions
2024.3.12	1st meeting of the Board of Directors of 2024	1. Approved the Company's recognition of asset impairment losses in its Q4 financial report for 2023, as determined in accordance with the provisions of the IAS. 2. Approved the Company's 2023 allocation of employees and directors remuneration for 2023. 3. Approved the proposal for the ratification of the Company's 2023 Business Report and Financial Statements. 4. Approved the proposal for the Company's 2023 earnings distribution plan. 5. Approved the proposal for the Company's 2023 Internal Control System Statement. 6. Approved the Company's 2023 remuneration distribution to employees and directors. 7. Approved the proposal for the Company's first cash capital increase and issuance of new share in 2024. 8. Approved the proposed employee stock option plan for the first cash capital increase in 2024. 9. Approved the proposal to review the independent director remuneration policy, system, standards, and structure. 10. Approved the proposal to review the director remuneration policy, system, standards, and structure. 11. Approved the proposal to review the CEO performance evaluation and remuneration policy, system, standards, and structure. 12. Approved the proposal to review the General Manager and managers and performance evaluation and remuneration policy, system, standards, and structure. 13. Approved the proposal to establish the pre-approval process and general policy for non-assurance services provided by Ernst & Young and its affiliates. 14. Approved the proposal for the amendments to the Company's "Rules of Procedure for Board of Directors Meetings". 15. Approved the convening of the 2024 Annual General Shareholders' Meeting. 16. Approved the period and location for accepting proposals from shareholders holding more than 1% of the shares.
2024.4.9	2nd meeting of the Board of Directors of 2024	1. Approved the proposal to establish the issue price and subscription record date for the first cash capital increase in 2024. 2. Approved the proposal for the Company's distribution of cash dividends in 2023. 3. Approved the newly added resolution regarding the reasons for convening the Company's 2024 Annual General Shareholders' Meeting.
2024.6.27	3rd meeting of the Board of Directors of 2024	1. Approved the proposal to establish the subscription record date for the first cash capital increase in 2024. 2. Approved the ratification of the application for the renewal of the credit facility limit with financial institutions. 3. Approved the proposal to amend the Company's "Production Cycle" and "Property, Plant, and Equipment Cycle". 4. Approved the proposal to amend the Company's "Audit Committee Organizational Charter" and "Internal Audit System" procedures. 5. Approved the salary adjustment for all employees at Taiwan Perfect Medical plants.

Date	Name of meeting	Major resolutions
2024.7.26	4th meeting of the Board of Directors of 2024	<ol style="list-style-type: none"> 1. Approved the investment plan for the cleanroom equipment on the 2nd and 3rd floors of the first-phase plant of Perfect TW Medical Industrial (VN) Co., Ltd., a 100% owned subsidiary of the Company. 2. Approved the cash capital increase plan for Perfect TW Medical Industrial (VN) Co., Ltd., a 100% owned subsidiary of the Company.
2024.8.9	5th meeting of the Board of Directors of 2024	<ol style="list-style-type: none"> 1. Approved the proposal for the ratification of the Company's consolidated financial statements for Q2 of 2024. 2. Approved the proposal for business transactions and fund loans with the Company's 100% owned subsidiary, Perfect Medical Industrial (VN) Co., Ltd. 3. Approved the proposal to apply for an additional mid-term property secured credit facility with Chang Hwa Bank. 4. Approved the renewal of the credit facility application with financial institutions. 5. Approved the proposal to lift the non-compete restriction on the representative appointed by the corporate director of Medifly Co., Ltd. 6. Approved the proposal for the construction of the Company's warehouse and operations headquarters. 7. Approved the proposal for the third-phase plant construction investment by the Company's 100% owned subsidiary, Perfect TW Medical Industrial (VN) Co., Ltd. 8. Approved the proposal for a cash capital increase of USD 1,800 thousand in the Company's 100% owned subsidiary, Perfect TW Medical Industrial (VN) Co., Ltd. <p>Extraordinary motions:</p> <ol style="list-style-type: none"> 1. Approved the proposal to apply for an additional mid-term secured loan credit facility with Bank Sinopac. 2. Approved the proposal for the Company to apply for a mid-term loan credit facility from Taichung Bank. 3. Approved the proposal for the Company to apply for the renewal of the credit facility with Yuanta Bank.
2024.9.20	6th meeting of the Board of Directors of 2024	<ol style="list-style-type: none"> 1. Approved the proposal for the Company's 2024 first-half earnings distribution plan.
2024.12.9	7th meeting of the Board of Directors of 2024	<ol style="list-style-type: none"> 1. Approved the proposal for the 2025 budget plan. 2. Approved the proposal for the 2025 audit plan. 3. Approved the proposal for the renewal of the credit facility application with CTBC Bank. 4. Approved the proposal for the application to change the conditions of the credit facility and increase the mortgage amount with Taichung Bank. 5. Approved the proposal to amend the Company's "Procurement Cycle" and "Property, Plant, and Equipment Cycle". 6. Approved the proposal to amend the "Accounting System" and "Regulations Governing the Use of Seals". 7. Approved the proposal to amend the "Approval Authority Management Procedures" and "Bonus and Dividend Distribution Management Procedures". 8. Approved the proposal for Perfect Medical Industrial (VN) Co., Ltd. to continue leasing factory space from Perfect TW Medical Industrial (VN) Co., Ltd.
2025.2.3	1st meeting of the Board of Directors of 2025	<ol style="list-style-type: none"> 1. Approved the convening of the 2025 Annual General Shareholders' Meeting. 2. Approved the period and location for accepting proposals from shareholders holding more than 1% of the shares.

(X) For the most recent year and up to the publication date of the annual report, the main contents of any dissenting opinions or written statements from directors or supervisors regarding important resolutions passed by the Board of Directors: No such situation.

IV. Information on CPA professional fees

(I) CPA professional fees scale table

Unit: NTD thousand

Name of CPA firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
Ernst & Young Global Limited	Huang Yu-Ting	2024.1.1 to 2024.12.31	1,450	615	2,065	
	Lo Wen-Chen					

- (II) Disclosure of the audit and non-audit fees paid to the CPAs, their firm, and affiliates, as well as the details of non-audit services: The non-audit service fees for 2024 amounted to NTD 615 thousand, covering tax certification, transfer pricing report, capital increase filing, and change registration service fees.
- (III) If the Company has changed its accounting firm and the audit fees for the year of change are lower than those of the previous year, the audit fees before and after the change, as well as the reasons for the change, should be disclosed: No such situation
- (IV) If the audit fees have decreased by more than 10% compared to the previous year, the amount, percentage of the decrease, and the reasons for the reduction should be disclosed: No such situation

V. Information on changes of CPAs: No such situation.

VI. If the Chairperson, General Manager, or managers responsible for financial or accounting affairs of the Company have worked at the attesting CPA firm or its affiliates within the past year, their names, titles, and periods of employment at the CPA firm or its affiliates should be disclosed: No such situation.

VII. Changes in share transfers and share pledges of directors, managers, and shareholders holding more than 10% of the shares in the most recent year and up to the publication date of the annual report:

(I) Changes in shareholdings of directors, managers, and major shareholders:

Unit: shares

Title	Name	2024		As of March 21, 2025	
		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
Chairperson	Tung Da Fa Asset Management Co., Ltd.	552,002	2,100,000	-	-
	Representative: Hsu Kuo-Chi	28,184	-	-	-
Vice Chairperson	Gao Da Technology Co., Ltd.	1,402,365	2,070,000	(20,000)	(1,390,000)
	Representative: Chen Po-Chen	22,788	-	-	-
Director	Medifly Co., Ltd.	431,437	-	-	-
	Representative: Hsiao Ching-Tsu (Note)	-	-	-	-
	Representative: Huang Lung-Hu (Note)	-	-	-	-
Director	Chuang Cheng-Kuo	31,663	-	-	-
Independent Director	Hsu Chih-Cheng	10,559	-	-	-
Independent Director	Huang Yu-Hsun	-	-	-	-
Independent Director	Lai Chia-Hui	-	-	-	-
CEO	Hsu Kuo-Chi	28,184	-	-	-
General Manager	Chen Hung-Jen	(37,065)	-	-	-
Major Shareholders	Gao Da Technology Co., Ltd.	1,402,365	2,070,000	(20,000)	(1,390,000)
Assistant Manager, Legal and Regulation Department and Quality Assurance Department	Chen Tung-Shun	55,994	-	-	-
Assistant Manager, Audit Office	Hsieh Yueh-Chu	(38,878)	-	-	-
Administration Department Vice General Manager	Hsu Shun-Chieh	123,230	-	-	-
CFO	Yeh Ya-Tung	(20,000)	-	-	-
Manager, R&D Department	Chen Yu-Lung	21,824	-	-	-

Note: On July 8, 2024, Medifly Co., Ltd. reassigned its representative, replacing Mr. Hsiao Ching-Tsu with Mr. Huang Lung-Hu.

(II) The counterparty of the transfer of equity is a related party: No such situation.

(III) The counterparty of the pledge of equity is a related party: No such situation.

VIII. Information on the top ten shareholders by shareholding ratio who are related parties to each other or who are spouse or relatives within the second degree of kinship:

March 21, 2025; Unit: shares; %

Name	Shares held by the person		Shares held by spouse and underage children		Total shares held in the name of others		The names and relationships of the top ten shareholders who are related to each other or who are spouses or relatives within the second degree of kinship:		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relations	
Gao Da Technology Co., Ltd.	9,942,217	18.88	-	-	-	-	Tung Da Fa Asset Management Co., Ltd.-	Chairperson of the Company	-
Tung Da Fa Asset Management Co., Ltd.	3,372,817	6.40	-	-	-	-	Hsu Kuo-Chi	Chairperson of the Company	-
Tseng Hsin-Tien	2,211,453	4.20	-	-	-	-	-	-	-
Hsiao Ssu-Yin	2,172,499	4.13	230,554	0.44	-	-	-	-	-
Li Wong Investment Co., Ltd.	2,089,968	3.97	-	-	-	-	-	-	-
Da Pu Investment Co., Ltd.	1,786,366	3.39	-	-	-	-	Hsu Kuo-Chi	Chairperson of the Company	-
Hsu Kuo-Chi	1,185,639	2.25	143,198	0.27	3,372,817	6.40	1. Tung Da Fa Asset Management Co., Ltd. 2. Da Pu Investment Co., Ltd. 3. Gao Da Technology Co., Ltd.	Chairperson of the Company Corporate Chairperson Representative of the Company	-
Medifly Co., Ltd.	1,162,956	2.21	-	-	-	-	-	-	-
Lin Ting-Yi	1,032,000	1.96	-	-	-	-	-	-	-
Cheng Chuan-Mei	950,132	1.80	178,124	0.34	-	-	-	-	-

IX. The number of shares held by the Company, its directors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested business, with the combined shareholding ratio calculated accordingly:

March 21, 2025; Unit: shares; %

Reinvested Business	The Company's Investment		Investments by directors, supervisors, managers, and directly or indirectly controlled enterprises		Comprehensive Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Perfect Medical Industrial (VN) Co., Ltd. (Note)	-	100.00	-	-	-	100.00
Perfect TW Medical Industrial (VN) Co., Ltd. (Note)	-	100.00	-	-	-	100.00
Medi-Life Co., Ltd. (Note)	-	100.00	-	-	-	100.00

Note: It is a limited company and has no shares.

Three. Financing Status

I. Capital and Shares

(I) Source of share capital

1. The formation of share capital

March 21, 2025; Unit: NTD thousands; thousand shares

Year/Month	Issuance price	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital contribution made with assets other than cash	Others
2024.08	15.2	80,000	800,000	52,662.7	526,627	Capital increase in cash by NTD 70 million	—	Jing-Shou-Shang-Zi No. 11330132890 dated 2024.8.15

2. Types of shares

March 21, 2025; Unit: thousand shares

Types of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	52,662.7	27,337.3	80,000	Emerging stocks

3. Information related to the consolidated reporting system: Not applicable.

(II) List of major shareholders

March 21, 2025; Unit: shares; %

Name of major shareholders	Shares	Number of shares held	Shareholding ratio
Gao Da Technology Co., Ltd.		9,942,217	18.88
Tung Da Fa Asset Management Co., Ltd.		3,372,817	6.40
Tseng Hsin-Tien		2,211,453	4.20
Hsiao Ssu-Yin		2,172,499	4.13
Li Wong Investment Co., Ltd.		2,089,968	3.97
Da Pu Investment Co., Ltd.		1,786,366	3.39
Hsu Kuo-Chi		1,185,639	2.25
Medifly Co., Ltd.		1,162,956	2.21
Lin Ting-Yi		1,032,000	1.96
Cheng Chuan-Mei		950,132	1.80

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

1. Dividend policy defined in the Company's Articles of Incorporation

The Company's profit distribution or loss appropriation is conducted after the end of each semi-annual accounting period. For profit distribution in cash, the Board of Directors resolves it in accordance with Articles 228-1 and 240, Paragraph 5 of the Company Act, and reports it to the shareholders' meeting, without the need to submit it for approval by the shareholders' meeting.

After the Company's annual final accounts, if there is any surplus, the Company shall first remit funds for tax payments and to cover accumulated losses, then allocate 10% to the legal reserve. However, this requirement does not apply when the legal reserve has accumulated to an amount equal to the Company's total paid-in capital. Next, in accordance with laws, regulations set by the competent authority, or based on business needs, a special reserve may be allocated or reversed. If any earnings remains, together with accumulated undistributed earnings, the Board of Directors shall prepare a proposal for profit distribution and submit it to the shareholders' meeting for resolution on the distribution of shareholders' dividends.

The Company shall allocate no less than 10% of its distributable earnings as dividends to shareholders, which may be in the form of cash or stock. Among these, the proportion of cash dividends shall not be less than 10%. The Company may, in accordance with Article 241 of the Company Act, distribute all or part of the legal reserve and capital reserve in the form of new shares or cash to shareholders in proportion to their existing shares, provided that the Company has no accumulated losses. The distribution method shall follow the provisions of the Company Act.

2. Implementation status

- (1) The Company had undistributed earnings of NTD 38,197,448 at the beginning of 2024. The net profit after tax for this period was NTD 89,123,116. In accordance with the provisions of the Company Act, 10% of the legal reserve, amounting to NTD 8,912,312, was appropriated. Additionally, the special reserve of NTD 3,724,555 was reversed. The distributable earnings amounted to NTD 122,132,807.
- (2) Distribution of cash dividends from earnings of 2024

Unit: NTD

2024	Date of distribution of dividends	Cash dividend per share	Total cash dividend
First half of the year	2024.11.12	0.63	33,177,501
Second half of the year	Note	0.87	45,816,549
Total		1.50	78,994,050

Note: As of the date of publication of the annual report, the distribution date for the second-half cash dividends has not yet been resolved

- (3) Explanation of expected significant changes in the dividend policy: No such situation.

(IV) The impact of the proposed stock dividend distribution at this shareholders' meeting on the Company's operating performance and earnings per share: Not applicable

(V) Remuneration to employee and directors

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

If the Company has profits for the year, 2% to 10% shall be allocated as employee remuneration, to be distributed in the form of stock or cash as resolved by the Board of Directors. The recipients of such distribution include employees of subsidiary companies who meet certain conditions. The Company may, from the aforementioned profit amount, allocate no more than 5% as director remuneration, as resolved by the Board of Directors. The distribution of employee and director remuneration should be reported to the shareholders' meeting. However, if the Company has accumulated losses, the amount required for compensation should be reserved in advance, and employee and director remuneration should be allocated according to the proportion mentioned above.

2. The basis for estimating employee and director remuneration for this period, the basis for calculating the number of shares for stock-based employee remuneration, and the accounting treatment if there is a discrepancy between the estimated amount and the actual distribution amount:

- (1) The Company estimates employee and director remuneration based on the profit for the year (profit before tax excluding the distribution of employee and director remuneration).
- (2) If there are changes after the financial report release date of the following year, the changes will be treated according to accounting estimates, and the impact of such changes will be recognized in the profit or loss of the following year.

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

The amount of employee and director remuneration distributed in cash or stock. If there is a difference between the recognized expense amount and the estimated amount for the year, the difference, the reason, and the treatment should be disclosed:

- (1) In 2024, the Company's employee remuneration amounted to NTD 5,504,444 and director remuneration amounted to NTD 3,439,700, with no difference from the recognized expense amount for 2024.
- (2) The amount of employee remuneration distributed in stock and its proportion to the net profit after tax of the parent company only financial report for this period, as well as the total amount of employee remuneration: The Board of Directors has resolved to distribute employee remuneration in cash, therefore this does not apply.

4. The actual distribution of employee and director remuneration for the previous year (including the number of shares, amount, and stock price), and if there is any difference from the recognized employee and director remuneration, the difference, the reason, and the treatment should be disclosed:

The Company distributed employee remuneration of NTD 2,420,200 and director remuneration of NTD 2,240,922 for 2023 on June 27, 2024. The above remuneration was approved by the Board of Directors on March 12, 2024, and reported at the annual general shareholders' meeting on June 27, 2024. There is no difference between the actual distribution amount and the recognized amount.

(VI) Repurchase of the Company's shares: No such situation.

II. Handling of corporate bonds (including overseas corporate bonds) : No such situation.

III. Handling of preferred shares: No such situation.

IV. Handling of overseas depository receipts: No such situation.

V. Handling of employee stock options:

- (I) For employee stock options that have not yet matured, the situation as of the publication date of the annual report should be disclosed, along with the impact on shareholder equity. For employee stock options that are part of a private placement, they should be clearly indicated in a significant manner:

March 21, 2025

Types of employee stock options	Employee stock options of 2023
Effective date of reporting and total number of units	April 11, 2023
Date of issuance (handling)	April 17, 2023
Number of issued units	
Number of units available for issuance	3,760 units
Percentage of shares issued for subscription to total issued shares (%)	7.14%
Duration period of subscription	From two years after the expiration until the end of the remaining term
Method of performance	Issuance of new shares
Restricted subscription period and ratio	100% can be exercised after two years.
Number of shares acquired	0 shares
Amount of share subscription shares	0 shares
Number of unexercised subscription shares	3,760,000 shares
The subscription price per share of the unexercised subscription shares	NTD 15.5
Percentage of the number of unexercised subscription shares to total number of shares issued (%)	7.14%
Impact on shareholders' equity	The issuance of employee stock options is aimed at retaining the talent needed for the Company's development and enhancing employees' sense of loyalty and belonging to the Company, thereby benefiting the Company and its shareholders. Furthermore, the option holders may only exercise their stock options after two years from the date of grant, in accordance with the regulations. The conversion of employee stock options into shares is limited and will not have a significant impact on shareholder equity.

(II) The names of the managers and the top ten employees who have acquired employee stock options up to the publication date of the annual report, along with the acquisition and subscription details:

	Title	Name	Number of subscription shares acquired	Percentage of the number of subscription shares acquired to total number of shares issued	Exercised				Unexercised			
					Number of subscription shares	Subscription price	Subscription amount	Percentage of the number of subscription shares to total number of shares issued	Number of subscription shares	Subscription price	Subscription amount	percentage of the number of subscription shares to total number of shares issued
Managers	CEO	Hsu Kuo-Chi	2,240,000	4.25%	—	—	—	—	2,240,000	15.5	34,720,000	4.25%
	General Manager	Chen Hung-Jen										
	Administration Department Vice General Manager	Hsu Shun-Chieh										
	CFO	Yeh Ya-Tung										
	Assistant Manager, Legal and Regulation Department and Quality Assurance Department	Chen Tung-Shun										
	Assistant Manager, Audit Office	Hsieh Yueh-Chu										
	Manager, R&D Department	Chen Yu-Lung										
Employee	Assistant Manager of subsidiary	Lu Chih-Chien	688,000	1.31%	—	—	—	—	688,000	15.5	10,664,000	1.31%
	Manager	Hsu Yi-Hsiung										
	Manager	Chang Ming-Yi										
	Manager of subsidiary	Chen Tien-Liang										
	Manager of subsidiary	Fu Chun-Ming										
	Manager of subsidiary	Wu Yi-Chun										
	Manager of subsidiary	Chen Ping-Yu										
	Deputy Assistant Manager	Huang Li-Chen										
	Deputy Assistant Manager	Lai Min-Sung										
	Deputy Assistant Manager	Yen Pei-Ting										

VI. Handling of new shares with restricted employee rights: No such situation.

VII. Handling of new share issuance for mergers or the acquisition of shares in other companies: No such situation.

VIII. Implementation status of capital utilization plan: No such situation.

Four. Operational Overview

I. Business Content

(I) Scope of business

1. The main activities of the business

- (1) CF01011 Medical Devices Manufacturing
- (2) F108031 Wholesale of Medical Devices
- (3) F208031 Retail Sale of Medical Apparatus
- (4) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. The Company's current main business products and their proportions

Unit: NTD thousand; %

Major products	2023		2024	
	Amount	Ratio	Amount	Ratio
Medical consumables	734,133	100.00	744,157	100.00
Total	734,133	100.00	744,157	100.00

3. The Company's current products and services

The Company is a manufacturer of medical consumables. The product line includes: injection syringes, hemodialysis circuits, infusion sets, blood transfusion sets, precision infusion sets, safety syringes, dialysis fistula needles, scalp needles, blood glucose injectors, blood collection devices, extension tubes, medical masks, and other medical consumables.

4. New products planned to be developed

The Company aims to develop medical devices with high economic value, focusing on the R&D of medical materials that meet clinical market demands. The main R&D team is based in Taiwan, complemented by the product verification team from the Company's subsidiary in Vietnam. Through continuous testing and feedback, both parties aim to achieve vertical integration and work together to reach the expected results. In addition, the Company collaborates with professional regulatory verification personnel for license and patent applications, ensuring that its products are enriched and complete to meet global trends, policy regulations, medical device laws, and international medical device standards. The Company's planned main development directions and products are as follows:

- (1) Continuously improve existing products, including safety injection syringes, ester-based safety needle-free medication delivery systems, safety curved needles for cancer treatment, infusion sets, and hemodialysis circuits.
- (2) Development of general medical consumables products, such as blood collection needles used in clinical laboratories; nasal cannula and oxygen masks for respiratory care; and epidemic prevention consumables including low-residue vaccine injection needles, medical masks, alcohol wipes, etc.
- (3) Development of high-value medical consumables, such as low-residue needle-free connectors for cancer injections and high-pressure valve systems for contrast injection.
- (4) Continuously evaluate the development benefits of advanced catheter products, such as extracorporeal circulation catheters and central venous catheters.

The development of the above new products aligns with the Company's core technology in mold forming, and will greatly contribute to the enrichment of the future product line.

(II) Industry overview

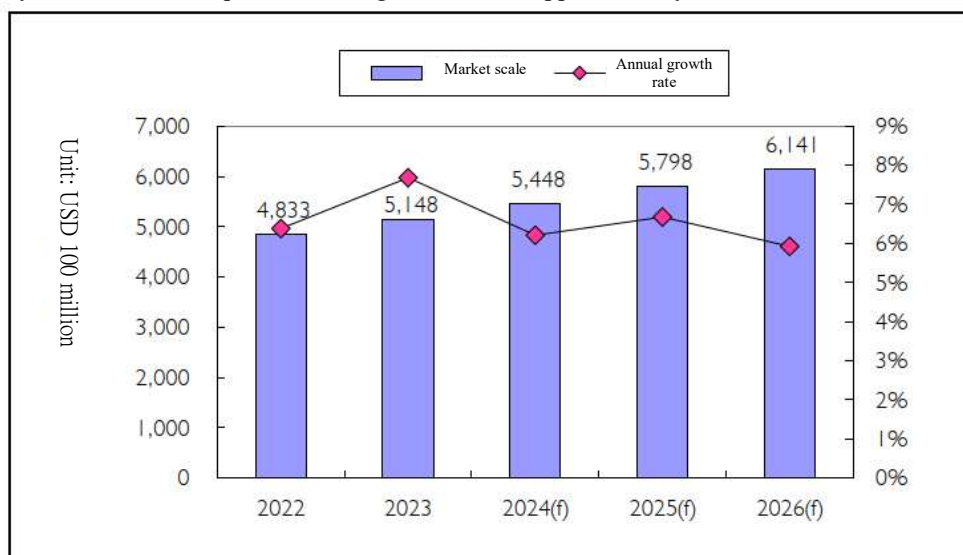
1. The current status and development of the industry, as well as various development trends and competitive conditions of the products

(1) The development trends of the global medical device market

The World Health Organization (WHO) announced in May 2023 that the COVID-19 pandemic, after three years, has officially ended, and healthcare has returned to normal. The global medical device industry has resumed its pre-pandemic layout. However, the pandemic has impacted the healthcare environment by driving the development of the telemedicine industry and enhancing medical efficiency through artificial intelligence. In addition, as public awareness of personal health has risen, acceptance of home healthcare has significantly increased, leading to a shift from the traditional fee-for-service payment model to a value-based approach. Under the impact of the pandemic, global stakeholders in the healthcare system are re-evaluating their strategies to address challenges related to medical manpower, costs, and efficiency in the face of an ultra-aging society.

During the pandemic, the global medical device demand structure was affected. However, with the increasing healthcare needs in cardiovascular, orthopedic, and general surgery fields driven by an aging society, the return to normal medical visits has gradually emerged, and the momentum for product sales growth has also started to reappear. Overall, the global medical device industry is gradually returning to its pre-pandemic state, driven by the demands of an aging society, the restoration of routine healthcare, and steady growth in medical needs. According to a research report by BMI Research, the global medical device market size in 2023 was USD 514.77

billion, reflecting a 6.5% growth compared to 2022. It is estimated to reach USD 614.15 billion by 2026, with a compound annual growth rate of approximately 6.2% from 2023 to 2026.



Source: BMI Research (April 2024); Industrial Economics & Knowledge Center, ITRI Industry (May 2024)

Fig. 1. Global Medical Device Market Size Forecast for 2022 to 2026

In 2023, the global medical device market remained dominated by the Americas, accounting for 52.4% of the total market share. This was followed by Western Europe at 23.7%, the Asia-Pacific region at 18.3%, Central and Eastern Europe at 3.7%, and the Middle East and Africa at 1.9%. The overall ranking of regional markets is expected to remain largely unchanged in the future, with the Americas, Western Europe, and the Asia-Pacific region continuing to be the top three markets.

A. USA

The United States is the world's largest single medical device market. In 2023, the U.S. medical device market reached USD 241.88 billion, reflecting a 7.55% growth compared to USD 224.91 billion in 2022. The overall market size is projected to reach USD 279.31 billion by 2026, with a compound annual growth rate of 4.9% from 2023 to 2026.

The United States is experiencing a rising proportion of its population aged 65 and above due to the aging baby boomer generation and a declining birth rate. In 2023, this demographic was estimated to account for 17.6% of the total population. Additionally, the increasing prevalence of chronic diseases has driven overall healthcare expenditures upward. The U.S. maintains the highest healthcare spending as a percentage of GDP globally. In response to rising healthcare expenditures and financial burdens, the U.S. government has, in recent years, shifted the healthcare system and spending toward a value-based model, aiming to reduce unnecessary costs and maximize the efficiency of medical resources.

Despite challenges such as interest rate fluctuations and slowing economic growth in the U.S. and globally, the aging population and the increasing burden of chronic diseases continue to drive long-term demand growth in the medical device industry. With the advancement of artificial intelligence and precision medicine, a new generation of medical devices and solutions is continuously emerging, offering personalized and efficient treatment options for patients. These innovations not only enhance the quality of healthcare services but also provide new growth momentum for the industry. The U.S. medical device market is expected to maintain a steady growth trend in the future.

B. Germany

In 2023, Germany ranked second only to the United States as the world's second-largest single medical device market. The German medical device market reached USD 35.61 billion in 2023, reflecting a 5.6% growth compared to 2022. The compound annual growth rate for 2022 to 2026 is projected at 4.7%. Germany accounted for 27% of the overall Western European medical device market and 6.9% of the global medical device market.

Germany, the economic powerhouse of Europe, faced significant challenges due to the pandemic, including labor shortages and supply chain bottlenecks in the automotive and industrial production sectors, leading to stagnation in exports. Additionally, the Russia-Ukraine war caused Russia to drastically cut natural gas supplies, driving up energy prices and, in turn, increasing food and electricity costs. These factors contributed to a downturn in Germany's economy. According to Eurostat data, Germany's GDP even declined by -0.3% in Q4 of 2023.

C. China

In 2023, China's medical device market size was approximately USD 33.27 billion, showing

a 4.5% annual growth compared to 2022, accounting for 6.4% of the global market.

The changes in the Chinese market are attributed to the official lifting of COVID-19 restrictions in early 2023. The market returned to basic medical needs, and medical institutions resumed normal operations, leading to a recovery in the demand for general surgeries and medical furniture-related medical devices. In 2023, under the framework of the 14-5 Year Plan, the Healthy China 2030 initiative, and the 2035 Vision Goals, China continued to build a comprehensive public health system, develop a self-sufficient and sustainable medical industry ecosystem, and promote large-scale upgrades of hospitals and other medical facilities. Additionally, emerging medical technologies, such as smart healthcare, were introduced to support domestic medical device manufacturers. This approach, with a focus on health management, aims to enhance national health and address significant public health issues related to major diseases.

D. Japan

Japan is the fourth-largest medical device market in the world. In 2023, the market size was approximately USD 25.61 billion. It is expected to grow at a compound annual growth rate of 7.9% from 2023 to 2026, with the market size projected to reach USD 33.2 billion by 2026.

As the impact of the pandemic gradually fades, Japan's medical device market shows signs of stable recovery in 2023, with an overall optimistic outlook for the future. After the pandemic, the adoption of emerging technologies will become one of the key factors driving the growth of the future medical device market, and will support stable market development during periods of economic fluctuations. Among them, the import growth of patient assistive devices and other medical devices was the most significant, while diagnostic imaging products showed a decline. The import performance of other medical devices was the most remarkable. Japan, as the world's third-largest economy, has a deep-rooted democratic tradition and a strong economic foundation. Its advanced high-tech manufacturing industry, high-quality labor force, and low unemployment rate all provide a solid foundation for the medical device industry.

In addition, Japan has the highest proportion of elderly population in the world, which provides a substantial market demand for the medical device industry. Japan's standard of living and healthcare quality rank among the best in the world. Additionally, its strong legal system and protection of property rights give its medical device industry a competitive advantage globally. The advancement of medical technology, particularly the application of artificial intelligence in healthcare, has also provided a new growth opportunity for Japan's medical device industry. Despite having numerous advantages, Japan's medical device industry also faces some internal challenges. The influence of economic interest groups and other lobbying organizations is relatively strong, which could affect fair competition and policy formulation within the industry. Additionally, excessive regulations and government intervention have led to high operating costs for businesses. Another significant issue is the slow pace of medical device reforms and approval processes, as well as the tension between the government and industry regarding pricing and reimbursement policies, all of which hinder the rapid development of the industry.

E. Taiwan

In 2023, Taiwan's medical device market has shown a new face in the post-pandemic era. The comprehensive health insurance system and the Long-Term Care 2.0 policy continue to drive stable demand growth for elderly care, rehabilitation equipment, and assistive products, becoming an important pillar for market development.

As the impact of the pandemic diminishes, the demand for medical devices has returned to normal, with a significant increase in demand for routine medical care and surgeries. At the same time, the alleviation of raw material shortages and global supply chain issues has also driven a rebound in medical demand that was delayed in 2022, occurring in 2023. However, global supply chain issues remain an unstable factor, affecting the production and supply of medical devices.

In 2024, Taiwan's medical device import and export market is expected to show a stabilization trend. In terms of exports, with the global pandemic easing and the demand for epidemic prevention supplies decreasing, medical systems in various countries are gradually returning to normal operations. Conventional medical devices are expected to rebound. If emerging markets are actively explored and high-value-added products are continuously developed, it will help enhance export competitiveness. In terms of imports, with domestic medical demand continuing to rise and the demand for advanced medical equipment increasing, the import market is expected to remain stable. However, factors such as global inflation pressure and supply chain bottlenecks may still affect import costs.

(2) Industry development and future trends

A. Industry development

Other types of medical devices are diverse, and as global medical market demand rises, Taiwanese manufacturers, amid market fluctuations and industry competition, have been seeking industrial transformation. They are actively developing high-tech products with higher product margins, such as high-end catheters. For example, Bioteque and Pacific Hospital Supply are focusing on developing high-tech catheters and expanding their clinical application areas to enhance product competitiveness. Companies like BenQ Materials, Oriental Resources Development, Coreleader Biotech, and Advanced Medication are committed to upgrading and developing advanced dressing products, targeting higher-level products such as wet dressings and antibacterial dressings, thus driving export momentum in this field.

Some manufacturers are also expanding their production capacity by building new factories and actively improving process management, or transferring lower-margin products to countries with lower production costs. For example, Motex Healthcare is investing in the expansion of its plant in Changhua, while Pacific Hospital Supply is expanding its new plant in Tongluo. Bioteque is transferring its blood dialysis-related product lines, such as blood circuit tubes, puncture needles, and key components, to its plant in the Philippines, where production costs are lower, while its Taiwan plant focuses on expanding higher-margin TPU internal catheters and pharmaceutical soft bags. Perfect Medical Industry is establishing a plant in Vietnam with lower production costs, while its Taiwan base focuses on mold and product design development.

By continuously strengthening core technologies and managing costs, manufacturers are reducing the impact of competition from developing countries and consistently enhancing their competitiveness in international markets. The steady growth in export value over the years demonstrates that other medical devices have become a key advantage for Taiwan's medical device exports.

B. Future trends

- ① In response to the aging society, there has been an increase in the medical demand for chronic diseases associated with the elderly, such as cardiovascular diseases, osteoarthritis, osteoporosis, Alzheimer's disease, hypertension, and diabetes. In addition, there has been an increase in the demand for assistive technologies for the elderly, the establishment of related healthcare institutions, and the formulation of new welfare policies.
- ② The development of AI-driven smart healthcare and IoT (Internet of Things) technologies connects hospitals, clinics, and individuals. This connects electronic medical records, doctor reports, self-examination history, vaccination certificates, maternal health records, and baby health records.
- ③ AI is the new trend in smart medical diagnosis, assisting in diagnosis and clinical decision support. It mainly functions in the form of software, connecting medical data record platforms for analysis and diagnosis.
- ④ The policy has shifted from treatment to preventive healthcare development, prioritizing solutions for preventing disease progression, early diagnosis, and early treatment to reduce the occurrence of diseases.
- ⑤ With the arrival of an aging society, home healthcare is on the rise, driving the development of home electrocardiograms and portable ultrasound devices.

(3) Correlation among the upstream, midstream and downstream sectors in the industry

Upstream: The raw materials used by Perfect Medical meet medical-grade standards and are tested for compliance, with imports from Taiwan or countries such as Europe, the United States, and Japan. All other materials and components are also required to pass quality inspections, ensuring that delivery, production volume, and quality are well coordinated.

Midstream: This includes medical device research and manufacturers, safety standard testing, clinical medical testing, mold development/injection molding machines/extrusion machines, automated production machinery, and assembly lines, including those used by the Company. The products produced by each machine are rigorously tested and inspected, all in compliance with ISO standards.

Downstream: In collaboration with domestic and international distributors and agents, a strong distribution and service network is established, reaching various clinics and hospitals. Medical masks are sold through e-commerce platforms or pharmacies, covering a wide range of industries. The brand's recognition continues to grow.

(4) Various development trends and competitive conditions of the products

The analysis, development trend and competitive landscape for Perfect Medical product are shown in the table below:

Product category	Product analysis and future trends		Competitive conditions
	Analysis of the current status	Future development trends	
Safety syringe	The product has a more sophisticated structure, and there are few manufacturers that have introduced it into mass production.	The future trend is moving towards high safety and ease of operation.	Domestic manufacturers produce few of these products. The Company will respond by incorporating more automation equipment and developing new molds to reduce costs.
Precision pipes	This involves extrusion technology for tubular products, with a higher level of technical expertise and higher machine equipment costs. The number of competing manufacturers is relatively low.	Precision pipes are trending toward high quality and high precision.	Perfect Medical will enhance quality and technology to cope with competition from other manufacturers.
Drug pouches	Taiwan has only one manufacturer, and it belongs to a blue ocean market.	The demand for drug pouches is gradually growing each year.	The Company will develop high-quality drug filling soft pouches and introduce fully automated production equipment to capture the Taiwanese drug pouch market.
Masks	Due to the widespread prevalence of COVID-19, market demand has decreased.	Designs with multiple colors and styles will gradually become the mainstream choice for consumers.	Production will focus only on items with stable sales to maintain product quality.
Chemotherapy injection/infusion products	It is a high-tech product, with most products currently imported from abroad, and there are few competitors in Taiwan.	The demand for cancer treatment in Taiwan continues to increase, making it a key area actively expanded by hospitals.	Currently, this type of product is concentrated in two foreign companies, BD and ICU. The Company plans to launch various product series in the next two years to capture the Taiwanese market.
Blood collection and testing products	It is a high-tech product, with most products currently imported from abroad, and there are few competitors in Taiwan.	The future trend is moving towards high safety and ease of operation.	Currently, this type of product is concentrated in two foreign companies. The Company plans to launch various product series in the next two years to capture the Taiwanese market.
Respiratory products	These are mature products, with little difference in functionality and appearance among brands, resulting in competitive market pricing.	With the trend of rising labor costs in Taiwan, Taiwanese-made brands will face pressure on their costs.	Respiratory products are complex and difficult to automate, requiring significant manual assembly. However, the employees at the Company's Vietnam plant already have extensive assembly experience with circuits, giving it a significant advantage in labor costs for these products.

(III) Technology and R&D overview

1. The technical level of the Company's business operations

The Company's main products currently include plastic injection syringes, infusion sets, precision infusion sets, blood transfusion sets, blood circulation circuits, extension tubes, and other related consumables. The market share of these products ranks among the top three domestically. Its core precision manufacturing technologies—high-speed precision pipe extrusion, micro-component injection molding, ultrasonic welding, and precision multi-cavity mold production—have accumulated a wealth of experience and capabilities. These strengths make the Company highly competitive in terms of production capacity, quality, and product diversity. In the future, by leveraging the accumulated manufacturing capabilities and integrating them into automated production lines, the Company aims to further enhance quality and reduce costs. Additionally, the Company will seek to secure OEM partnerships or strategic alliances with international industry leaders, accelerating revenue growth. The following is an introduction to the distinctive features of the Company's process technology:

Technology	Features
High-speed precision pipe extrusion (HS-PPE)	The PVC medical pipe produced by the Company's production line has a tolerance that can be controlled within $\pm 0.05\text{mm}$, and it features high-speed production capabilities. The production speed is three times that of traditional medical extrusion production lines.
Micro injection molding (MIM)	It is primarily used for producing small, precision medical injection parts. Its key feature is the ability to precisely control the accuracy and smoothness of the molded parts, making it an essential technology for the production of precision infusion sets. The micro-needles produced using this process can precisely control the drip rate, meeting the exact infusion requirements.
Ultrasonic welding (UPW)	Ultrasonic welding of thermoplastics is a welding technique that uses ultrasonic vibrations to rapidly melt the contact surfaces of two plastic components. The welding strength is close to that of the original material, offering advantages in quality, strength, and cost compared to manual bonding.
Precision multi-cavity mold production	Perfect Medical has accumulated over 20 years of experience in precision medical multi-cavity mold manufacturing. For products with high annual production demand, the number of cavities is a key factor in investment return rate. Perfect Medical has the capability to design and manufacture precision injection molds with 64 cavities, capable of achieving an annual production volume of over 100 million injection parts.
Introduction of ester-resistant materials	Perfect Medical has successfully developed ester-resistant materials, which can be used in high-strength cancer drug injection products, such as three-way valves, drug infusion connectors, and safety needles. This technology is key to entering the chemotherapy injection product market in the future.

2. R&D status

With years of experience in the medical equipment industry, Perfect Medical Industry not only listens to customer feedback but also continues to research and develop to provide users with safer and more user-friendly medical products for their operations. In recent years, the Company has closely collaborated with academic research institutions and medical centers for technical discussions and strategic alliances. We continuously introduce key technologies from both domestic and international sources and participate in the government's SBIR innovation program to rapidly enhance our R&D capabilities. The various research and development initiatives are outlined as follows:

(1) Precision injection - Micro residue injection technology

This technology, developed by the Company specifically for precision injection needs, significantly enhances the injection accuracy of valuable medications and potent chemotherapy drugs. Its design is simple and reliable, allowing for mass production. Among these, the needle-free micro residue connector product has received CITD subsidy funds from the Ministry of Economic Affairs in 2023 and has been granted a new patent.

(2) Cancer injection - Telescopic safety needle

This safety needle, exclusively developed by the Company for cancer injections, is a result of a collaborative development project with a medical center and academic institutions. It has received the 2022 Central SBIR grant and an invention patent, and in 2023, it was honored with the Taiwan Excellence Award.

(3) Safety injection - Side cover safety bi-directional blood collection needle

This safety needle, exclusively developed by the Company for blood collection, addresses the current market gap where only one foreign manufacturer offers similar products. Perfect Medical has developed a rapid judgment visualized blood collection chamber. This design offers unique features not available in current market products and was developed through market research to best meet the needs of healthcare professionals. The development project is a collaboration with medical centers and academic institutions, and it has received the 2024 CITD Ministry of Economic Affairs grant and a new patent.

(4) Long-term care silicon pipe products

With the development of long-term care, invasive tube products such as nasogastric tubes, urinary catheters, and suction catheters are gradually being made from silicone materials based on the concept of patient-friendly palliative care, allowing for long-term use and preventing the pain and infection caused by repeated insertions. The Company has already started evaluating the development of silicone-based products and will further research the application of antimicrobial coatings on the outer layer to prevent patient infections.

3. Research & development expenses

Unit: NTD thousand

Items \ Year	2024	As of February 28, 2025
R&D expenses	9,304	1,941
Net operating revenue	744,157	111,921
Percentage (%)	1.25	1.73

4. Successfully developed technologies or products

March 21, 2025

Year	Successfully developed technologies or products
2022	Obtained Taiwan Invention Patent - Safety Needle. Obtained Taiwan Invention Patent - Pull-Up Safety Needle. Obtained Taiwan Utility Model Patent - Replaceable Needle and Low-Residual Syringe Structure. Obtained Taiwan Utility Model Patent - Safety Needle. Obtained Taiwan Utility Model Patent - Medical Connector.
2024	Obtained Taiwan Utility Model Patent - Blood Collection Needle.

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

1. Short-term business development plans

- (1) Maintain existing channels and actively promote safety products to increase the market share of related consumables.
- (2) Strengthen quality control to gain customer trust in the Company's products.
- (3) Control costs to respond to market prices.
- (4) Additionally, actively seek distribution opportunities for medical consumables required by other medical specialties, with the aim of developing a diversified product sales business.

2. Mid-term business development plans

- (1) Expand and increase the transaction volume in the ASEAN market, such as in the Philippines, Pakistan, Vietnam, Indonesia, etc. With a large population, rapid economic growth, and rising national income, the potential for the dialysis market in ASEAN countries is vast.
- (2) Expand the R&D of new products, such as needle-free sets and safety needle series products.
- (3) Supply OEM production for large manufacturers and enhance product quality to meet international standards.
- (4) Strengthen efforts to expand into the European, American, Indian, and South American markets, while securing sales channels.

3. Long-term business development plans

- (1) Integrate upstream and downstream medical resources externally, develop competitive new medical products, increase cross-industry strategic partners, and continuously expand medical channels. Expand from the domestic market to Asia, laying the foundation for long-term profitability. Internally, continue to streamline the organization, reduce various administrative and sales costs, and improve operational performance.
- (2) Global development to expand product sales regions.
- (3) Continuously strengthen brand marketing.

II Market and production and sales overview

(I) Market analysis

1. Sales regions of major products

Unit: NTD thousand; %

Sales region	2023		2024	
	Amount	Ratio	Amount	Ratio
Domestic sales	473,472	64.50	477,700	64.20
Export sales	260,661	35.50	266,457	35.80
Total	734,133	100.00	744,157	100.00

2. Market share

(1) Domestic sales market:

The Company's primary sales region is Taiwan, accounting for approximately 64.2% of the Group's consolidated revenue. Since there is no available sales data for each product category in the domestic market, based on the 2024 Medical Device Industry Yearbook, the import value of other medical devices in Taiwan for 2023 was approximately NTD 17.72 billion. With an average annual growth rate of 7.2% from 2019 to 2023, it is estimated that the import value of other medical devices in Taiwan for 2024 will be approximately NTD 18.99 billion. The Company's estimated domestic medical consumables revenue for 2024 is approximately NTD 470 million, yielding an estimated market share of about 2.4%.

(2) Export sales market:

The Company's export sales markets cover Europe, the Middle East, Southeast Asia, Northeast Asia, and other regions. In each of these markets, there are competing products, making it difficult to gather market share information for each country.

3. Future market supply and demand and growth potential

(1) According to a research report by BMI Research, the global medical device market size in 2023 was USD 514.77 billion, reflecting a 6.5% growth compared to 2022. It is estimated to reach USD 614.15 billion by 2026, with a compound annual growth rate of approximately 6.2% from 2023 to 2026, reflecting the overall trend of an aging population.

(2) Following the COVID-19 pandemic, medical demand has returned to normal, with increased market demand for medical devices related to sensory degeneration assistance or surgery. This includes continued growth in the demand for dental and orthopedic implants, surgical instruments, and surgical imaging guidance equipment.

(3) With the increase in the elderly population and the rising prevalence of chronic diseases such as obesity, diabetes, and hypertension, along with changes in dietary habits, Taiwan now has the highest rate of dialysis globally. The number of dialysis patients has increased by approximately 79,000 to 80,000 people annually in recent years. Furthermore, the improvement in medical standards has increased the survival rate of dialysis patients, with nearly half of the prevalent patients undergoing dialysis for 5 years or more. As a result, the demand for kidney disease treatment and dialysis consumables continues to grow.

In summary, with the aging population, rising global economic standards, and widespread access to healthcare, the industry is poised for growth. Therefore, it can be expected that the global medical industry will exhibit a steady growth trend.

4. Competitive niche

(1) The main manufacturing plant in Vietnam has a competitive labor cost advantage. The Company's subsidiary in Long An Province will begin producing parts this year, with finished products expected to be produced next year. We will expand local production lines and workforce, increasing production capacity to achieve economies of scale, while actively introducing automated production processes to significantly reduce costs.

(2) Actively engage in technical collaboration and OEM/ODM negotiations with international major manufacturers, introducing their management techniques and quality assurance standards to ensure that both quality and pricing remain competitive.

(3) The Company is a professional medical device manufacturer that has passed CE MARK, GMP, and FDA factory inspections. Not only can our products be sold domestically, but they can also be officially promoted abroad. Each year, the Company actively participates in major medical exhibitions in regions with significant market opportunities. Our products not only meet international quality standards but also help establish a high level of brand recognition.

5. Favorable and unfavorable factors for future development and countermeasures

(1) Favorable factors

① Complete patent layout

For the products that the Company has developed and plans to develop, a complete patent

layout has been established. The status of patent applications and acquisitions can be referred to in the aforementioned list of "Successfully developed technologies or products".

② Cooperation with international medical corporations

The Company meets the high-quality standards of international medical corporations and has successfully entered the supply chain of major global medical manufacturers, with products being sold to various countries through these international corporations.

③ Industry-academia collaboration for new product development

The Company has established industry-academia collaboration, fostering relevant talent and seeking support from academic research institutions to accelerate the R&D timeline.

(2) Unfavorable factors and countermeasures

For the advancement of the global medical device industry, the Company will face and need to overcome issues such as:

	Unfavorable factors	Countermeasures
1	ISO and IEC revised 110 and 11 international standards for medical devices, respectively, between 2021 and 2022, with the majority related to the impact of the COVID-19 pandemic.	The Company strictly controls sterilization-related quality and submits products for testing to obtain certification that complies with international standards.
2	The lengthy product regulatory certification process and the difficulty in obtaining market authorization, along with countries protecting the development of their local medical device industries, make it challenging for foreign manufacturers to enter due to the complex medical laws and regulations.	Foreign customers accelerate the process of obtaining permits and sales certifications with the assistance of distributors and agents.
3	The lenient regulations and patent reviews in emerging markets make it easier for R&D technologies, as well as manufacturing processes, to be replicated.	By enhancing product technology, focusing on the development of new materials, and improving functionality and material quality, the Company ensures continuous product development that is difficult to replicate.

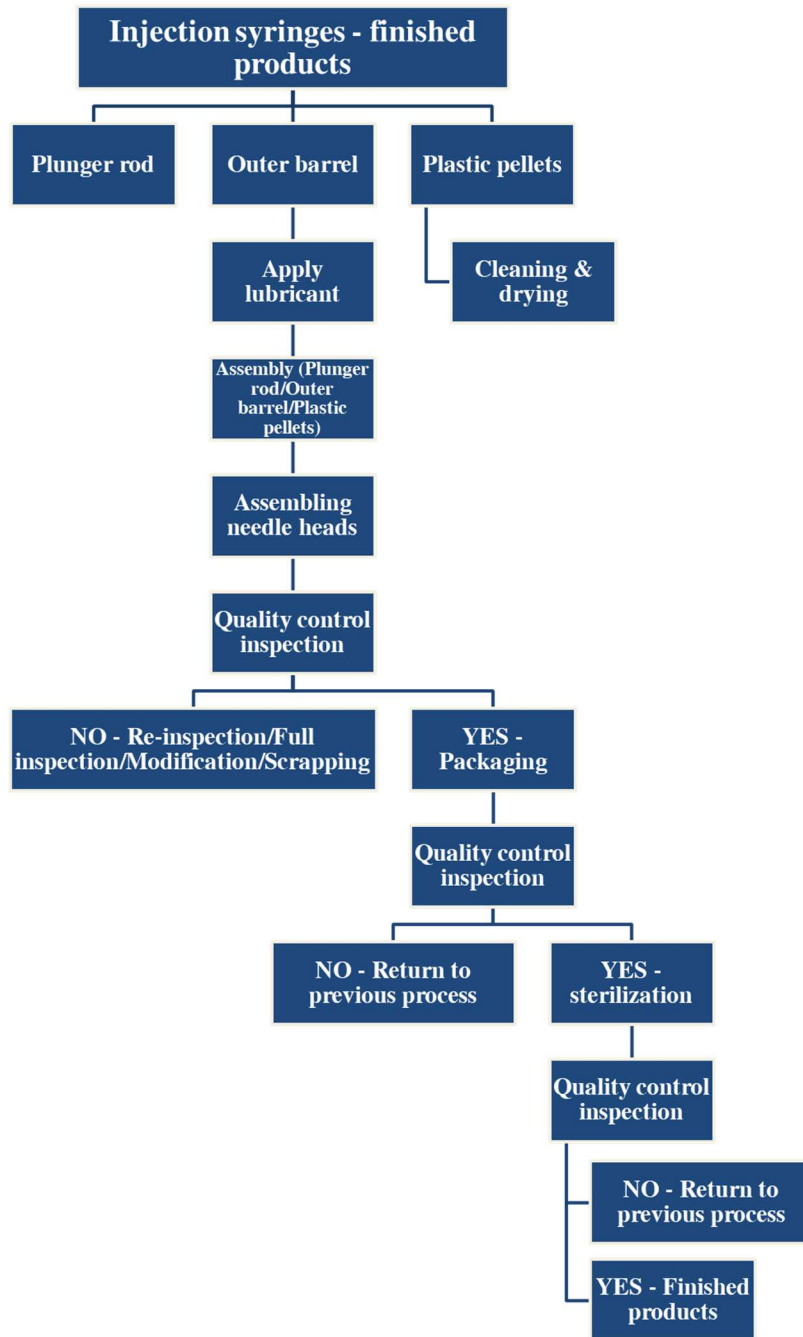
(II) Important uses and production processes of major products

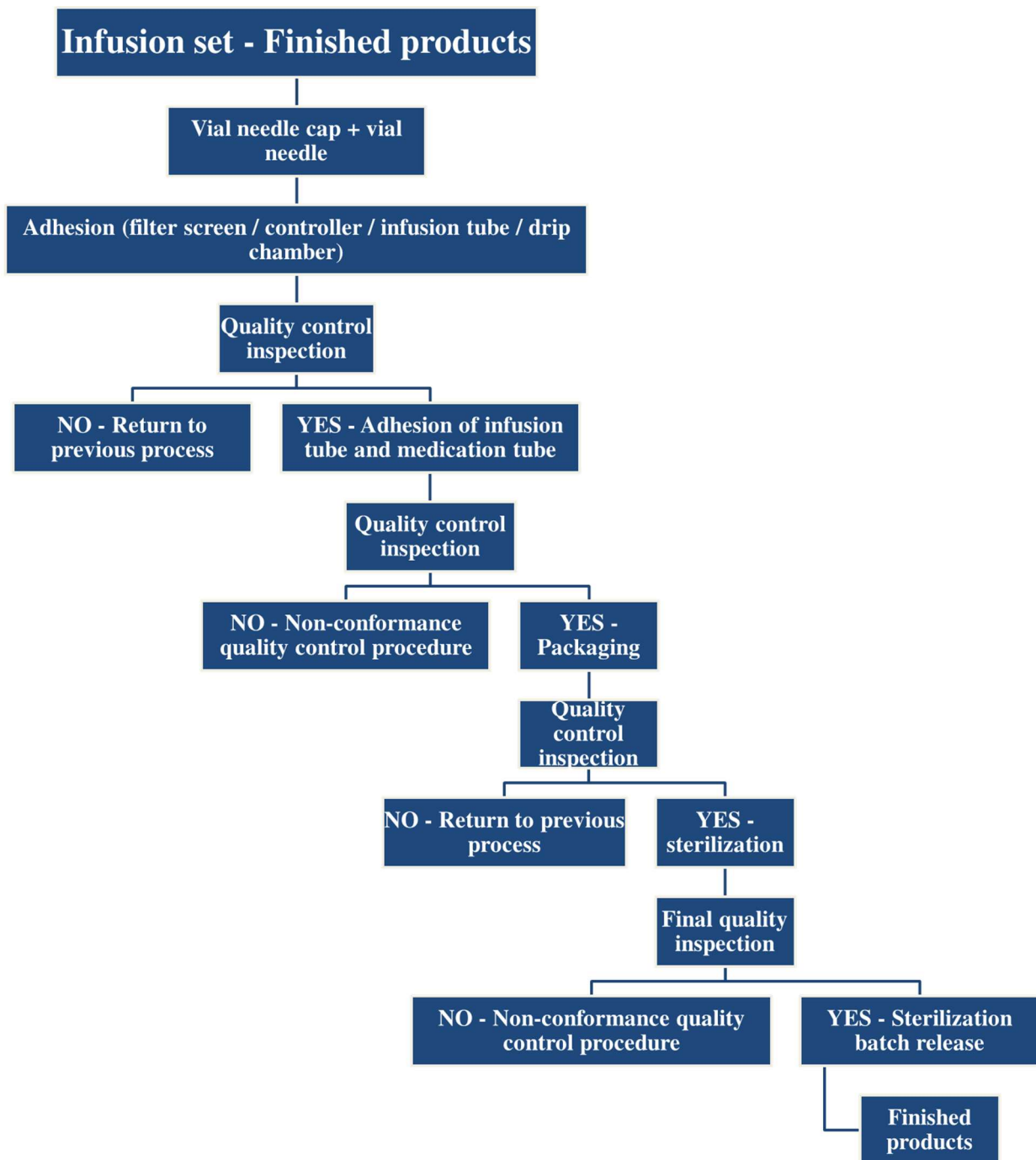
1. Use of products

- (1) Plastic syringe: Used for injecting medication into patients or drawing fluid from the body.
- (2) Infusion set: Used for intravenous injection to supply medication, blood, or fluids, nutrients, and electrolytes required by the patient's body.
- (3) Blood transfusion set: A transfusion device that inserts liquid from a container into the venous bloodstream through a needle or catheter, helping blood and fluids enter the body as quickly as possible. Suitable for emergency blood transfusion and fluid infusion in clinical departments such as the emergency department and operating rooms.
- (4) Blood circuit: Provides a pathway to access the patient's blood for hemodialysis or other chronic treatments, used to treat kidney failure or kidney toxicity, primarily in conjunction with dialysis circuit catheters. Before dialysis, it functions as a lubricating catheter, removing air from the catheter and bacteria adhering to the inner walls of the tube. After dialysis, the flushing set is used to clean the catheter and return any remaining blood within the catheter back to the body.
- (5) Extension pipe: A catheter used in conjunction with intravenous infusion devices to extend usage, serving as a component of the intravenous injection system or for easy addition of medication, enhancing the safety and convenience of intravenous injections.
- (6) Mask: Used to prevent the transmission of microorganisms and particulate matter between patients and healthcare personnel.

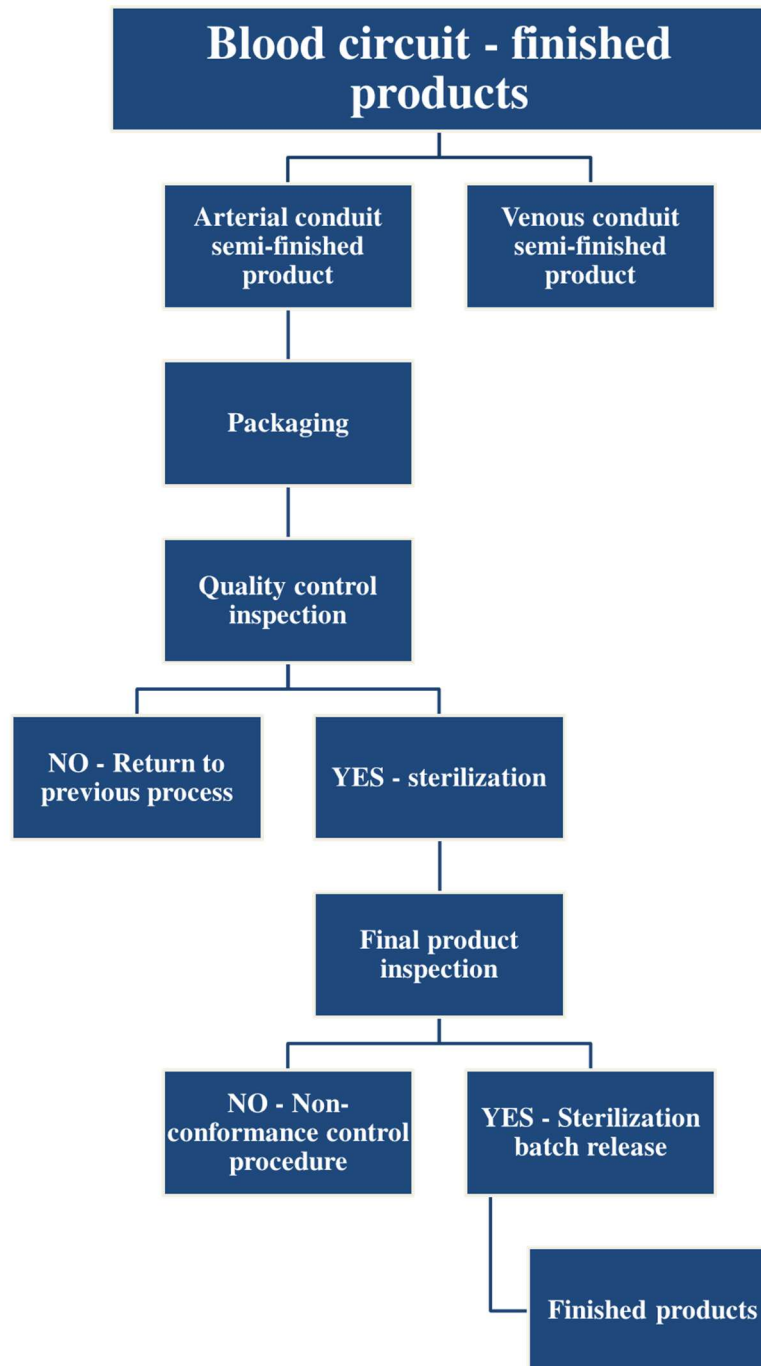
2. Production processes of major products:

(1) Plastic syringe: Molding → Printing → Assembly → Packaging → Sterilization

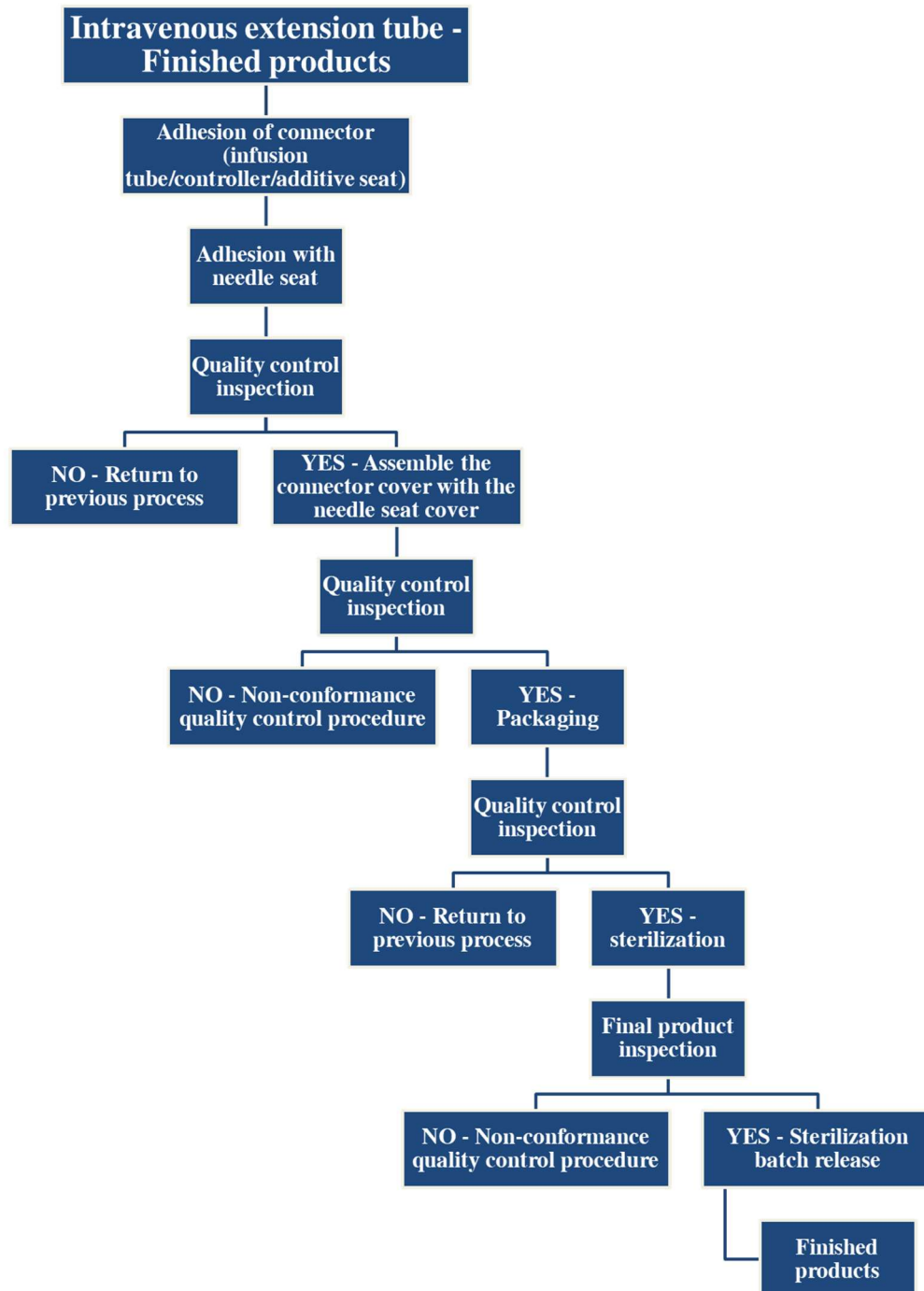




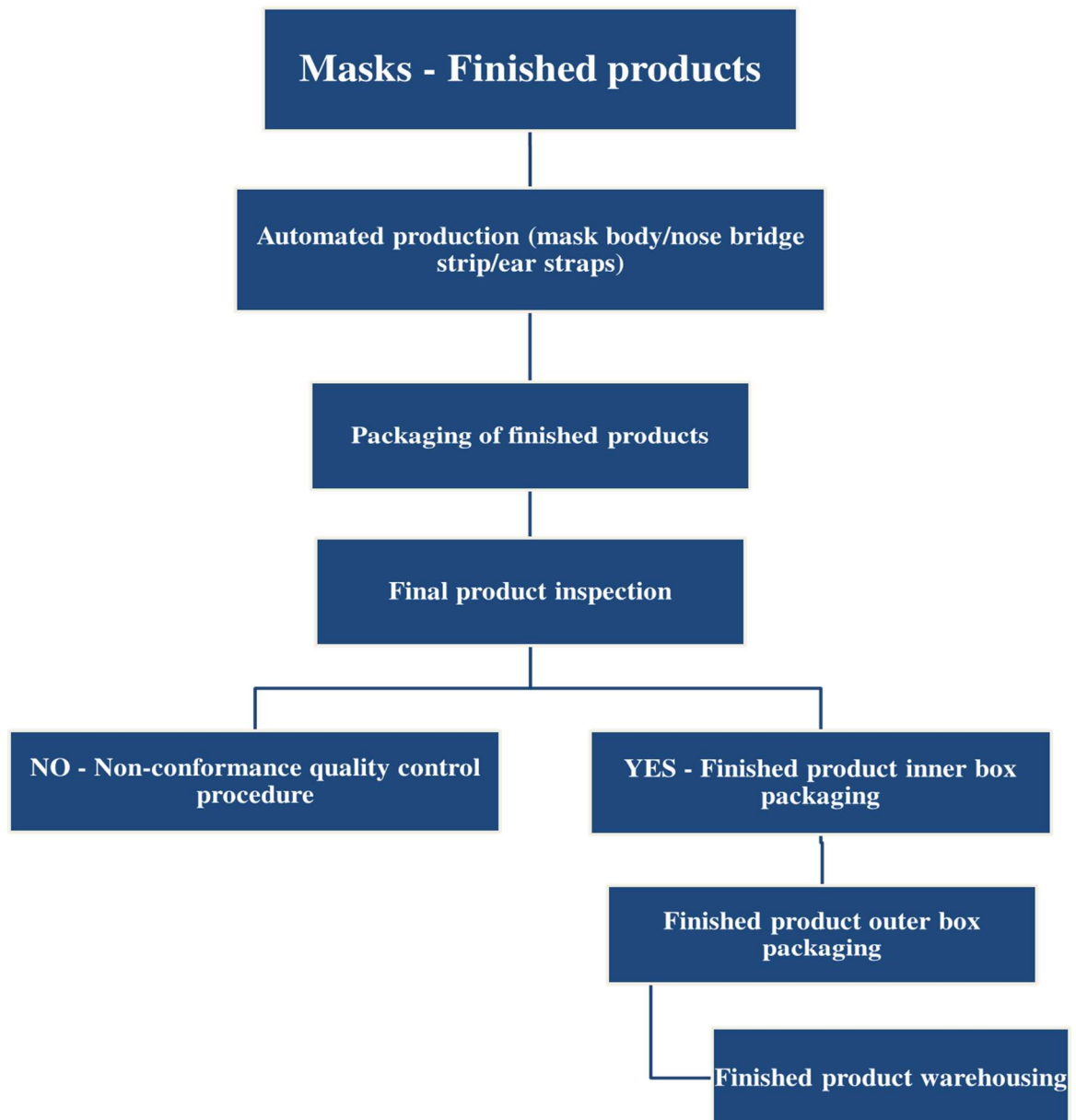
(3) Blood circuit: Molding → Bonding → Packaging → Sterilization



(4) Extension pipe: Molding → Bonding → Packaging → Sterilization



(5) Mask: Molding → Welding → Fixing → Packaging



- (III) Supplying status of main raw materials: The main raw materials include plastic pellets, various plastic components, and packaging paper rolls, which are sourced from qualified domestic and international suppliers. The suppliers and sources of goods are abundant, ensuring a sufficient and stable supply.
- (IV) List of major suppliers and customers
1. The name of any supplier who accounted for more than 10% of the total purchase amount in either of the past two years, along with the purchase amount and proportion, and an explanation of the reasons for any increase or decrease in the amounts:

Unit: NTD thousand; %

Items	2023				2024			
	Name	Amount	As a percentage of net purchase of the year	Relations with the issuer	Name	Amount	As a percentage of net purchase of the year	Relations with the issuer
1	Company J	40,069	15.44	None	Company J	45,332	16.44	None
2	Company K	33,302	12.83	None	Company K	26,007	9.43	None
3	Others	186,173	71.73	-	Others	204,366	74.13	-
	Net purchase	259,544	100.00	-	Net purchase	275,705	100.00	-

Note: The variation in procurement is mainly due to differences in plastic pellet demand, leading to slight fluctuations in purchase quantities.

2. The name of any customer who accounted for more than 10% of the total sales amount in either of the past two years, along with the sales amount and proportion, and an explanation of the reasons for any increase or decrease in the amounts:

Unit: NTD thousand; %

Items	2023				2024			
	Name	Amount	As a percentage of net sales of the year	Relations with the issuer	Name	Amount	As a percentage of net sales of the year	Relations with the issuer
1	Customer Jia	83,014	11.31	None	Customer Jia	93,762	12.60	None
2	Others	651,119	88.69	-	Others	650,395	87.40	-
	Net sales	734,133	100.00	-	Net sales	744,157	100.00	-

Note: The variation in sales is primarily due to increased customer demand for infusion sets and an adjustment in selling prices.

III. Employee data for the most recent two years and up to the publication date of the annual report

March 21, 2025

Year		2023	2024	As of March 21, 2025
Number of employees	Direct employees	781	743	708
	Indirect employees	205	221	220
	Total	986	964	928
Average age		37.69	36.57	36.78
Average years of service		7.76	8.09	8.23
Education background distribution ratio (%)	Ph.D.	-	-	-
	Master's degree	0.81	0.93	1.08
	Bachelor's degree	14.10	14.63	16.16
	High School	32.15	32.57	31.68
	High school level or below	52.94	51.87	51.08

IV. Information on environmental protection expenditure

For the most recent year and up to the publication date of the annual report, please disclose any losses incurred due to environmental pollution (including compensation and violations of environmental regulations based on environmental protection inspections). This should include the disposition date, disposition number, violated regulation articles, details of the violated regulations, and the content of the disposition. Additionally, disclose any estimated amounts related to potential future incidents and the countermeasures to address them. If it is not reasonably possible to estimate, provide an explanation of the facts preventing a reasonable estimation: No such situation.

V. Labor-management Relations

- (I) The Company's various employee welfare measures, continuing education, training, retirement system, and their implementation status, as well as agreements between labor and management and the maintenance of employee rights and benefits:

1. Company welfare-related measures

(1) Implementation of incentive system

Items	Items	Description
1	Outstanding Employee rewards	If the incident is verified as true or there is concrete evidence, recognition in the form of major merit, minor merit, or commendation along with bonuses is conferred based on the degree of excellence
2	Sales bonus	Sales bonuses are awarded for achieving sales targets.
3	Proposal bonus	Different rewards are given based on the proposal content and the achieved benefits
4	Year-end bonus	Year-end bonuses are distributed based on the Company's annual business performance
5	Performance bonus	Performance bonuses are awarded based on individual employee work performance
6	Salary adjustment	Employee salaries are adjusted based on individual work performance
7	Employee stock subscription	Employee stock options are granted according to the stock subscription plan
8	Employee remuneration	In accordance with the Company's Articles of Incorporation, based on earnings before tax each year, the Board of Directors shall propose to allocate employee remuneration at no less than 2% to 10%.

(2) Implementation of employee welfare measures:

Items	Company	Items	Employee Welfare Committee
1	Employee health checkup	1	Monetary gifts for weddings, funerals, and celebrations
2	Employer liability insurance	2	Birthday gift money, Labor Day gift money, Mid-Autumn Festival gift money
3	Employee purchase discounts	3	Year-end banquet lottery draw
4	Monetary gifts for weddings, funerals, celebrations, and childbirth	4	Employee travel
5	Birthday gift money, Labor Day gift money, Mid-Autumn Festival gift money	5	Employee banquets
6	Sponsorship funds for the year-end banquet lottery draw		
7	Employee travel subsidies		

2. Continuing education and training-related measures

To enhance work quality and efficiency, the Company provides new employee training and internal on-the-job training. Additionally, each department allocates an annual budget for external training.

3. Retirement system-related measures

The Company allocates 6% of the employee's monthly insured salary to the labor pension personal account to ensure the employee's livelihood after retirement.

4. Labor-management agreement

Adhering to the principle of caring for and supporting employees, the Company adopts a two-way communication approach for policy promotion, addressing employee concerns, and counseling. Regular labor-management meetings are held to achieve "mutual cooperation", "quality improvement", "enhancement of employee skills", "improvement of labor conditions", "protection of labor rights", "promotion of employee welfare", "care for employee well-being", and "assistance in the government's policy implementation".

5. Labor-management agreements and measures for the protection of employee rights and benefits

An Employee Welfare Committee is established in accordance with the law to oversee the management of employee welfare funds, including allocation, safekeeping, usage, and related matters as specified by relevant laws. After the implementation of the Labor Pension Act, the employer contributes 6% of the employee's monthly wage to the employee's personal pension account as per the regulations of the Labor Pension Act. Additionally, employees may voluntarily contribute within the 6% of their monthly wage.

Serving as a bridge for communication between labor and the Company, the maintenance of employee rights and the implementation of welfare systems are based on legal regulations.

- (II) For the most recent year and up to the publication date of the annual report, the Company discloses any losses incurred due to labor disputes, along with estimated amounts and measures to address potential future occurrences. If a reasonable estimate cannot be made, the facts explaining the inability to estimate should be stated: No such situation.

VI. Cybersecurity Management:

- (I) Description of the cybersecurity risk management framework, cybersecurity policies, specific management plans, and resources allocated to cybersecurity management:

1. Information security organization

The Company has designated personnel responsible for monitoring cybersecurity and closely follows developments in computer and network technology to effectively identify potential risks. Through regular reviews and assessments of the information management control cycle, the Company ensures its appropriateness and effectiveness. Additionally, legal network security software is purchased to enhance security and response capabilities.

2. Establish an information security organization

- (1) Network security management: External networks are isolated by next-gen physical firewalls.

Employees working externally must connect to the internal network through secure channels, and third-party penetration testing is periodically conducted to assess network security.

- (2) System access control: Users accessing the ERP system or service hosts must adhere to password principles, including password complexity, and regularly update their passwords. Access to company network folders is controlled through permission settings. The email system is equipped with spam filtering (SPAM) and file size restrictions. External browser access to emails is not allowed, and third-party social engineering drills are occasionally conducted to enforce information security policies.

- (3) Virus protection and management: All company servers and computers must have antivirus software installed and implement next-gen risk assessment along with next-gen endpoint detection and response (EDR) to detect, investigate, and respond to abnormal activities on endpoint devices.

Firewall firmware updates are performed quarterly or semi-annually according to the firmware versions released by the manufacturer.

- (4) Ensuring system availability: Next-gen backup software is used to regularly back up important databases and application hosts. Remote access is conducted via VPN connections, with mandatory multi-factor authentication enabled, and employee information security awareness is reinforced.
- (5) Computer equipment security management: A remote backup mechanism is used to reduce the disaster risks caused by natural or man-made events. Third-party disaster recovery drills are conducted regularly to ensure that IT systems supporting critical business functions can quickly resume normal operations after an interruption.

3. Specific management plan and resources for investment security management

- (1) The Company's audit unit incorporates cybersecurity inspection controls into the annual audit plan and conducts audits at least once per year. Additionally, the dedicated unit performs an annual self-assessment of the internal control system.
 - (2) To enhance employees' cybersecurity awareness, the Company continuously conducts cybersecurity awareness training and phishing simulation exercises. These initiatives help strengthen employees' security awareness and reduce human-related cybersecurity risks.
- (II) Specify the losses, potential impacts, and measures taken due to significant cybersecurity incidents for the most recent year and up to the publication date of the annual report. If a reasonable estimate cannot be made, the facts explaining the inability to estimate should be stated: No such situation.

VII. Major Contracts

List the parties, key contents, restrictive clauses, and contract start and end dates for active and valid supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other significant contracts that may affect shareholders' equity, including those that expired in the most recent year, up to the publication date of the annual report:

Contractual nature	The concerned party	Date of contract start and end	Main content	Restrictive clauses
Long-term loan contract	Chang Hwa Commercial Bank	2022.2.18 to 2025.10.18	Equipment mortgage loans	None
Long-term loan contract	Taichung Commercial Bank	2025.1.17 to 2029.1.17	Land secured loan	None
Long-term loan contract	Hua Nan Bank	2024.1.12 to 2029.1.12	Post-pandemic revitalization project loan	None
Long-term loan contract	CTBC Bank	2024.1.12 to 2026.1.12	Time deposit collateral	None
Long-term loan contract	Bank SinoPac	2024.9.6 to 2029.9.6	Property mortgage loan	None
Sales contract	Customer A	2013.12.20 to automatic extension	Product sales	None
Sales contract	Customer B	2017.3.17 to automatic extension	Product contract	None
Sales contract	Customer Jia	2024.8.1 to automatic extension	Product contrac	None

Five. Review and Analysis of Financial Position and Performance, along with Risk Factors

I. Financial position

Unit: NTD thousand; %

Items \ Year	2024	2023	Amount of increase/decrease	Percentage of increase/decrease
Current assets	562,623	479,256	83,367	17.40
Property, plant and equipment	347,435	300,616	46,819	15.57
Intangible assets	2,765	1,648	1,117	67.78
Other assets	201,927	206,960	(5,033)	(2.43)
Total assets	1,114,750	988,480	126,270	12.77
Current liabilities	186,884	279,494	(92,610)	(33.13)
Long-term liabilities	123,438	44,971	78,467	174.48
Other liabilities	569	256	313	122.27
Total liabilities	310,891	324,721	(13,830)	(4.26)
Share capital	526,627	456,627	70,000	15.33
Capital reserve	122,301	79,908	42,393	53.05
Retained earnings	202,213	178,231	23,982	13.46
Other equity	(47,282)	(51,007)	3,725	(7.30)
Total equity	803,859	663,759	140,100	21.11
<p>Significant changes (those with a change of more than 20% and a change amount of more than NTD 10 million) and their main causes and impact analysis are as follows:</p> <ol style="list-style-type: none"> 1. Decrease in current liabilities and increase in long-term liabilities: This is primarily due to the capital increase in 2024 used to repay short-term loans, along with the addition of long-term loans. 2. Increase in capital reserve: This is mainly due to the premium from the cash capital increase conducted in 2024. 3. Increase in total equity: Mainly due to the cash capital increase conducted in 2024. 				

II. Financial performance

(I) Analysis of the changes in operating results over the past two years

Unit: NTD thousand; %

Items \ Year	2024	2023	Amount of increase/decrease	Percentage of increase/decrease
Net operating revenue	744,157	734,133	10,024	1.37
Operating cost	505,964	533,576	(27,612)	(5.17)
Operating gross profit	238,193	200,557	37,636	18.77
Operating expenses	146,952	142,198	4,754	3.34
Operating profit	91,241	58,359	32,882	56.34
Non-operating income and expenses	16,138	(4,106)	20,244	(493.03)
Net income before tax	107,379	54,253	53,126	97.92
Income tax expense	18,256	14,164	4,092	28.89
Net income of the current period	89,123	40,089	49,034	122.31
Significant changes (those with a change of more than 20% and a change amount of more than NTD 10 million) and their main causes and impact analysis are as follows:				
1. Significant changes:				
(1) Increase in operating profit: This is mainly due to the stabilization of international raw material prices, a decrease in production costs, and the reversal of sluggish inventory.				
(2) Increase in non-operating income and expenses: This is mainly due to the impact of unrealized exchange rate gains or losses.				
(3) Increase in net profit before tax and net profit for the current period: This is due to the stabilization of international raw material prices, a decrease in production costs, the reversal of sluggish inventory, and the impact of unrealized exchange rate gains or losses, resulting in an increase in both net profit before tax and net profit for the current period in 2024.				
2. Future response plan:				
The above changes have not had any significant adverse impact on the Company, and the overall performance of the Company shows no major abnormalities, so there is no need to formulate a response plan.				

(II) Expected sales volume and its basis, along with potential impacts on the Company's future financial and business performance and response plans:

As the Company has not prepared or announced financial forecasts, the expected sales volume and its basis are not applicable. Furthermore, the overall performance of the Company shows no major abnormalities, so there is no need to formulate a response plan. The sales volume for the upcoming year is based on the actual sales performance of previous years, considering market demand changes and the Company's operational goals, and is determined in reference to the scale set by the Company.

III. Cash flow

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

Unit: NTD thousand; %

Items \ Year	2024	2023	Amount of increase/decrease	Percentage of increase/decrease
Operating activities	143,542	149,873	(6,331)	(4.22)
Investment activities	(110,922)	(63,570)	(47,352)	74.49
Financing activities	13,474	(16,402)	29,876	(182.15)
Analysis of the changes in the cash flow increase or decrease ratio: 1. Decrease in cash flow from operating activities: This is mainly due to an increase in net profit before tax, but the increase in inventory, the decrease in impairment loss on non-financial assets, and the increase in income tax payments, resulting in a decrease of NTD 6,331 thousand in cash flow from operating activities. 2. Decrease in cash flow from investing activities: This is mainly due to an increase of NTD 33,001 thousand in the acquisition of property, plant, and equipment, and an increase of NTD 14,065 thousand in other non-current assets. 3. Increase in cash flow from financing activities: This is mainly due to a cash capital increase of NTD 107,870 thousand, an increase of NTD 48,246 thousand in cash dividend payments, and an increase in repayment amounts.				

(II) Plan for improving liquidity shortages: The Group has not experienced any cash shortages and there is no concern regarding liquidity insufficiency.

(III) Cash liquidity analysis for the upcoming year (2025)

Unit: NTD thousand

Cash balance in the beginning of the period	Expected annual cash flow from operating activities	Expected annual cash inflow (outflow) from other activities	Expected remaining cash balance (deficit) amount	Remedies for expected insufficient cash	
				Investment plan	Financial plan
207,175	152,100	(46,248)	313,027	-	-
1. Analysis of the cash flow changes for the upcoming year: (1) Operating activities cash flow: The Company expects that operating revenue in 2025 will grow compared to 2024, and it is estimated that stable profitability will be maintained, resulting in a net cash inflow from operating activities for the full year. The Company will continue to monitor receivables collection and strengthen inventory management. (2) Expected cash inflows (outflows) from other activities for the year: The Company anticipates an increase in group investment activities of NTD 143,793 thousand in 2025, an increase in bank loans of NTD 143,362 thousand, and the payment of dividends totaling NTD 45,817 thousand in 2025. 2. Remedies for expected insufficient cash and liquidity analysis: None					

IV. The impact of significant capital expenditures in the recent year on financial and business operations:

The Company's 100% owned subsidiary, Perfect TW Medical Industrial (VN) Co., Ltd., focused on the customer product validation process and gradually installed machinery and equipment in 2025. It is expected to bring benefits to the Group in 2026. The funding is provided by our own resources or long-term loans, which will have no significant impact on our financial operations.

V. Recent year's policy on equity investments, the main reasons for profits or losses, improvement plans, and investment plans for the coming year:

(I) Reinvestment policy

The Company has established the "Procedures for Acquisition or Disposal of Assets" in accordance with the provisions of the "Investment Management Measures" and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", which serve as the basis for the Company's equity investment activities. In addition, the Company has established subsidiary management regulations within its internal control system, formulating relevant guidelines for the management of information disclosure, finances, operations, inventory, and financial matters. The Company also conducts regular auditing operations and establishes related operational risk mechanisms to enhance the operational effectiveness of its equity investments.

(II) Recent year's policy on equity investments, the main reasons for profits or losses, and improvement plans:

Unit: NTD thousand; %

Reinvested company	Shareholding ratio	Recognition of (loss) profit for 2024	Main reasons for profit or loss	Improvement plan	Capital increase plan for the coming year
Perfect Medical Industrial (VN) Co., Ltd.	100.00	28,711	Increase in purchase orders and decrease in raw material cost	None	None
Perfect TW Medical Industrial (VN) Co., Ltd.	100.00	(4,894)	The company is still in the plant acceptance stage and has not yet started production.	The customer product validation process was carried out in 2025, with machinery and equipment being gradually installed. It is expected that 2026 will bring benefits to the Group.	None
Medi-Life Co., Ltd.	100.00	1	Acting as an agent for foreign medical device business, the relevant product permits have been completed successively.	Start operation as soon as possible	None

VI. Risk analysis and evaluation for the most recent year and up to the publication date of the annual report:

(I) The impact of interest rate, exchange rate fluctuations, and inflation on the Company's profit and loss, and future countermeasures:

1. Interest rate fluctuation:

Items	Interest expense	Operating revenue
2023	NTD 4,369 thousand	NTD 734,133 thousand
2024	NTD 3,720 thousand	NTD 744,157 thousand

(1) Impact on the Company's profit and loss:

The Group's interest expenses are primarily incurred from financing interest on loans taken from financial institutions to meet operational needs. In 2023 and 2024, the ratio of interest expenses to net operating revenue was 0.60% and 0.50%, respectively. The overall proportion is very low and has no significant impact on the Group's profit and loss.

(2) Future countermeasures:

Based on a prudent and conservative approach, the Group continues to strengthen its relationships with financial institutions to secure favorable loan interest rates. Additionally, appropriate capital allocation and interest rate assessments are conducted to reduce the impact of interest rate fluctuations on the Group's profit and loss.

2. Exchange rate fluctuation:

Items	Exchange gain (loss)	Operating revenue
2023	NTD 7,336 thousand	NTD 734,133 thousand
2024	NTD 13,419 thousand	NTD 744,157 thousand

(1) Impact on the Company's profit and loss:

The Group's foreign exchange gain or loss mainly arises from transactions involving the export and import of finished goods and raw materials by the Group's Vietnam subsidiary, which is priced in U.S. dollars. In 2023 and 2024, the ratio of foreign exchange gain or loss to net operating revenue was 1.00% and 1.80%, respectively. The overall proportion is very low and does not have a significant impact on the Group's profit and loss.

(2) Future countermeasures:

To effectively manage exchange rate fluctuations, the Company's fund management personnel closely monitor the trends and changes of major currencies in the international foreign exchange market. They seek professional advice from financial institutions and adjust foreign currency holdings as needed. When business units quote prices to customers, they also factor in price adjustments due to exchange rate fluctuations. Additionally, the Company maintains good relationships with banks to obtain broader foreign exchange information and secure more favorable transaction exchange rates.

3. Inflation

In addition to closely monitoring market price fluctuations and actively developing sources of raw material supply to reduce production costs, the Company also maintains good relationships with customers and communicates production cost changes to them in a timely manner. As a result, the Company is able to effectively

mitigate the impact of inflation on its profitability.

- (II) Policies on engaging in high-risk, high-leverage investments, lending funds to others, providing endorsements/guarantees, and derivative transactions, the main reasons for profits or losses, and future countermeasures:

1. Engagement in high-risk, high-leverage investments: Since its establishment, the Company has focused on its core business operations and has not engaged in high-risk or high-leverage investments.
2. Policies on lending funds to others, providing endorsements/guarantees, and engaging in derivative transactions, the main reasons for profits or losses, and future countermeasures:

- (1) The Group has established the "Procedures for Lending Funds to Others", and all operations related to lending funds to others are conducted in accordance with relevant regulations. In the most recent year and up to the publication date of the prospectus, the Company's fund lending was primarily directed towards its 100%-owned subsidiary, Perfect Medical Industrial (VN) Co., Ltd., and was carried out in accordance with the relevant operating procedures.
- (2) The Group has established the "Procedures for Endorsements/Guarantees" as the basis for future execution to ensure the Company's maximum benefit. In the most recent year and up to the publication date of the prospectus, there have been no instances of providing endorsements/guarantees for others.
- (3) The Group has established the "Procedures for Acquisition or Disposal of Assets" as the basis for future execution to ensure the Company's maximum benefit. In the most recent year and up to the publication date of the prospectus, there have been no derivative financial instrument transactions.

- (III) Future R&D plans and the estimated R&D expenses to be invested

1. Future R&D plans

- (1) The Company's short-, mid-, and long-term R&D plan product items are as follows:

Items	Short-term	Mid-term	Long-term
Development projects	Surgical drainage catheter 3D Medical Mask Disposable syringe collection box Three-way connector valve Bidirectional safety blood collection needle Alcohol wipes Sputum suction set Chemotherapy injection - Telescopic safety needle	Respiratory mask Nasal cannula High-pressure three-way connector valve Chemotherapy injection - Drug preparation system Chemotherapy injection - Low-residue needle-free connector	Silicone - Nasogastric tube Silicone - Sputum suction tube Silicone - Wound drainage tube Silicone - Catheter (2-way)

- (2) The priority order of new product development items, based on market competition considerations, is as follows:

First priority: Epidemic prevention category - medical Korean-style masks/alcohol wipes, chemotherapy injection - telescopic safety needle, testing category - bidirectional safety blood collection needle.

Second priority: Respiratory category - respiratory masks, nasal cannula, chemotherapy injection - drug preparation system, low-residue needle-free connector.

Third priority: Long-term care category - silicone nasogastric tube, sputum suction tube, catheter (2-way).

The above new product development items all align with the Group's core technologies in mold forming and tube pressing. Additionally, the introduction of new materials will enhance core technologies and manufacturing capabilities, greatly benefiting the future expansion of the product line.

2. Estimated R&D expenses to be invested

The amount of R&D expenses is primarily allocated based on the research progress. As a general principle, most companies allocate 1% to 5% of their revenue. The Company plans to gradually increase this percentage annually based on future operational conditions, in order to support future R&D manpower and technology, as well as to develop new products that meet market and customer needs, thereby enhancing the Group's competitive advantage in the industry and market.

- (IV) The impact of significant domestic and international policy and legal changes on the Company's financial and business operations, and countermeasures:

1. The impact of significant domestic and international policy and legal changes on the Company's financial and business operations:

The Group's daily operations are carried out in accordance with relevant domestic and international laws and regulations. We continuously monitor the development trends of domestic and international policies and regulatory changes, collecting relevant information to provide management with decision-making references, in order to adjust the Group's operational strategies. In the most recent year and up to the publication date of the prospectus, the Group has not been affected by significant domestic or international policy and legal changes that would impact the Company's financial and business operations.

2. Countermeasures

The Group has designated personnel to continuously monitor regulatory changes and relevant government information, providing timely updates to management and relevant personnel.

(V) The impact of technological changes (including cybersecurity risks) and industry changes on the Company's financial and business operations, and countermeasures:

As a manufacturer of medical consumables, the Group will focus on developing high-economic-value medical devices in the future, with an emphasis on R&D for devices that meet clinical market demand. In addition, the Group continuously monitors technological trends and industry changes, adjusting its business strategies accordingly. In the most recent year and up to the publication date of the prospectus, the Group has not experienced any significant impact on its financial operations due to technological changes or industry shifts.

The Company has designated personnel responsible for monitoring cybersecurity and closely follows developments in computer and network technology to effectively identify potential risks. Through regular reviews and assessments of the information management control cycle, the Company ensures its appropriateness and effectiveness. Additionally, legal network security software is purchased to enhance security and response capabilities. The specific measures are as follows:

1. Endpoint device protection and control:

Installing antivirus software, keeping operating systems updated, implementing DLP mechanisms, and adopting document encryption security solutions.

2. Centralized control over external parties:

Establishing next-gen firewalls, mail gateway servers, proxy gateways, and other security protection platforms.

3. Data protection:

Important data is stored through backup systems for off-site and multi-platform redundancy.

4. Others:

The Company regularly promotes information security to employees, implements regular password changes, strengthens information security awareness, enhances information security protection, sends important mail encrypted, and uses different channels to provide recipients with email passwords and other details.

In the most recent year and up to the publication date, the Company and its subsidiaries have not encountered any significant cyberattacks or incidents that have or may have a substantial adverse impact on the Company's business and operations, nor have they been involved in any related legal cases or regulatory investigations.

(VI) The impact of changes in corporate image on crisis management and countermeasures:

Since its establishment, the Company has focused on its core business operations and planned to enter the capital market to attract more outstanding talents to serve the Company. It has actively strengthened internal management, improved management quality and performance, while maintaining harmonious labor-management relations to enhance the strength of its management team. The Company has been committed to giving back to its shareholders and fulfilling its corporate social responsibility. To date, there have been no incidents that have damaged the Company's corporate image. In the future, the Company will continue to maximize shareholder value while fulfilling its corporate social responsibility.

(VII) The expected benefits, possible risks and countermeasures of the merger or acquisition:

In the most recent year and up to the publication date of the prospectus, the Group has not engaged in any mergers and acquisitions plans. In the future, if the Group evaluates or executes any such plans, it will do so in accordance with relevant laws and the Group's internal management guidelines.

(VIII) Expected benefits, potential risks, and countermeasures for plant expansion:

The subsidiary Perfect TW Medical Industrial (VN), which is 100% invested by the Company, is expected to obtain medical product sales qualifications in 2024. After obtaining the qualification, the production lines at the two plants in Vietnam will be adjusted to optimize the Group's production efficiency, reduce production costs, and increase market competitiveness, with the expectation of accelerating operational growth.

(IX) Risks and countermeasures related to concentrated purchases or sales:

1. Purchases: The Company's main raw material suppliers are long-term partners with good relationships, offering stable quality. Additionally, the raw materials are sourced from multiple suppliers, so there is no concentration of purchases.

2. Sales: The Company's customers include channel distributors, direct orders, and e-commerce platform sales, among others. The customer base is diversified, and there is no concentration of sales.

(X) The impact, risks, and countermeasures of a significant transfer or change in the ownership of shares held by directors, supervisors, or major shareholders holding more than 10% of the shares:

1. Significant transfer of shares held by directors, supervisors, or major shareholders holding more than 10% of the shares: None.

2. Replacement of directors, supervisors, or major shareholders holding more than 10% of the shares: None.

(XI) Impact, risks, and countermeasures of changes in management control: There has been no change in management control as of the most recent year and the publication date of the annual report.

- (XII) Litigation or non-litigation events: The Company shall disclose any significant litigation, non-litigation, or administrative litigation cases involving the Company, its directors, supervisors, general manager, actual person in charge, major shareholders holding more than 10% of the shares, and its subsidiaries that have been finalized or are still pending, where the outcomes may have a significant impact on shareholders' interests or the securities price. The disclosure should include the disputed facts, the subject amount, the litigation commencement date, the main parties involved, and the handling status as of the publication date of the annual report: None.
- (XIII) Other important risks and countermeasures: None.

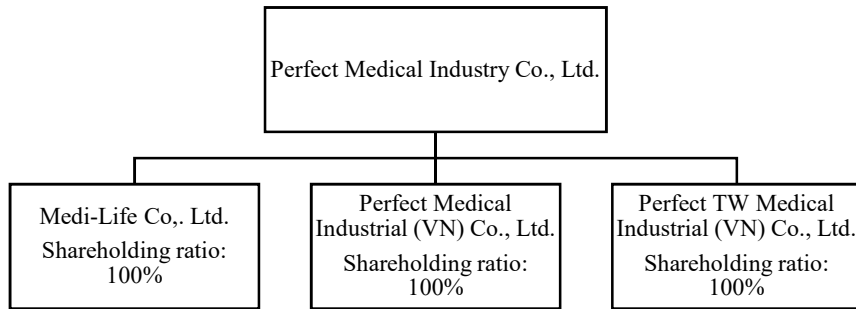
VII. Other important matters: None.

Six. Special Matters to be Recorded

I. Information on affiliates:

(I) Consolidated business report of affiliates

1. Chart of affiliates



2. Basic information of affiliates

Name of affiliate Subsidiary	Date of establishment	Address	Paid-in capital on December 31, 2024	Main business or production items
Perfect Medical Industrial (VN) Co., Ltd.	April 14, 2000	Block D7/I, No. 1B Road, Vinh Loc Industrial Zone, Binh Hung Hoa B Ward, Binh Tan District, Ho Chi Minh City, Vietnam.	VND 149,156,011 thousand	Manufacturing, processing, and trading of medical devices.
Perfect TW Medical Industrial (VN) Co., Ltd.	February 20, 2019	Block MF3, No. 8 Road, Duc Hoa 1 Industrial Zone, Hamlet 5, Duc Hoa Dong Commune, Duc Hoa District, Long An Province, Vietnam.	VND 228,849,756 thousand	Manufacturing, processing, and trading of medical devices.
Medi-Life Co., Ltd.	April 2, 2013	1F, No. 254, Jianguo Rd., Tianzhong Township, Changhua County	NTD 1,000 thousand	Wholesale and retail of medical consumables.

3. Information on shareholders presumed to have control and subordinate relationships: None.

4. The industries covered by the overall operations of affiliates: Please refer to the above table "Basic information of affiliates".

5. The names of the directors, supervisors, and general managers of each affiliate, as well as their shareholding or investment in the respective enterprises:

December 31, 2024; Unit: shares; %

Name of enterprise	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
Perfect Medical Industrial (VN) Co., Ltd. (Note)	Chairperson General Manager	Hsu Kuo-Chi Chen Hung-Jen	- -	- -
Perfect TW Medical Industrial (VN) Co., Ltd. (Note)	Chairperson General Manager	Hsu Kuo-Chi Chen Hung-Jen	- -	- -
Medi-Life Co., Ltd. (Note)	Chairperson	Hsu Shun-Chieh	-	-

Note: It is a limited company and has no stock issued.

6. Operational overview of each affiliate

December 31, 2024; Unit: NTD thousands

Name of enterprise	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit and loss for the current period (after tax)	Earnings per share (NTD) (after tax)
Perfect Medical Industrial (VN) Co., Ltd.	219,911	406,429	101,391	305,038	579,659	21,367	28,711	-
Perfect TW Medical Industrial (VN) Co., Ltd.	298,129	282,256	3,458	278,798	-	(9,629)	(4,894)	-
Medi-Life Co., Ltd.	1,000	664	-	664	-	(4)	1	-

(II) Consolidated financial statements of affiliates: Consistent with the consolidation of the financial statements of the main entity, no separate consolidated financial statements of affiliates will be prepared.

(III) Affiliation report: Not applicable.

II. The status of private placement of securities for the most recent year and up to the publication date of the annual report.: No such situation.

III. Other necessary supplementary explanatory matters: Where any discrepancy arises between the English translation and the original Chinese version, the Chinese version shall prevail.

Seven. For the most recent year and up to the publication date of the annual report, if any matters occur that have a significant impact on shareholders' equity or securities prices, as specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: None.