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BenQ Medical Technology Corp.

# 2024 Annual Report

Published Date:April 7, 2025

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## INDEPENDENT ACCOUNTANTS

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**Offshore Secondary Exchange and Disclosure Information: None**

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## I. Letter to Shareholders

Looking back at 2024, under the efforts of the Company's management team and all employees, BenQ Medical achieved steady growth. Consolidated revenue reached NT\$4.767 billion, representing a 5% increase compared to the previous year. Gross profit amounted to NT\$1.448 billion, with a gross margin of 30.4%. Net income attributable to owners of the parent company was NT\$105 million, resulting in earnings per share (EPS) of NT\$2.35.

### **Enhancing Product Functions and Expanding Agency Product Lines**

For proprietary products, with the active involvement of the R&D and management teams, the Company has upgraded product functions, enhanced operational efficiency, and strengthened cost control to strike a balance between quality and price, thereby maintaining product competitiveness. In response to overseas "local manufacturing" policies, the Company has proactively adapted and deployed strategies in a timely manner to drive revenue growth through strategic collaborations. As for agency products, the Company continues to expand the presence in the home-use pet consumer market. In 2024, recognizing the steady growth of the global endoscope equipment market, BenQ Medical Group invested in ERA Biotech, entering the endoscopic market and further expanding the layout of medical equipment field.

### **Expanding Medical Service Channels**

In 2024, BenQ Medical is striving to expand its presence in the medical service sector. NEW BEST HEARING INTERNATIONAL TRADE Co., LTD. has added six new outlets, enhancing customer service through retail expansion. BenQ Healthcare, in collaboration with Tin Tin Drugstore, launched store-in-store locations within Carrefour Taiwan, leveraging the group's synergy. Additionally, BenQ Medical secured the direct dealership rights for "Cheong Kwan Jang" retail outlets. By the fourth quarter of 2024, the BenQ Medical fleet had surpassed 70 sales outlets across Taiwan.

Looking ahead to 2025, BenQ Medical will continue to focus on three major operational directions: "Optimizing Existing Businesses," "Expanding Medical Services," and "Developing Smart Healthcare," aiming for greater achievements and creating long-term value for the Company.

### **Optimizing Existing Businesses**

In 2024, BenQ Medical prepared to establish a manufacturing facility in China. By leveraging the advantages of three production bases – MIT (Made in Taiwan), MII (Made in India), and MIC (Made in China) – the Company aims to enhance its global market competitiveness. At the same time, it continues to develop high-end surgical equipment while expanding into postoperative rehabilitation and home healthcare products. EASTECH LTD. "EASTECH PET" series continues to promote home rehabilitation and healthcare equipment for pets, and plans to introduce pet wellness products to offer a comprehensive product line for the pet market.

In the medical consumables segment, LILY Medical Corp. is actively expanding distribution channels to promote its feeding product line and is developing a chemotherapy drug infusion system to broaden its existing product range. It also continues efforts towards automation in production, thereby improving product quality and gross margins. Through its subsidiary, ERA Biotech, K2 International Medical Inc. has entered the endoscopy market. The endoscopic medical device business is expected to complete new product registrations and officially launch in 2025, targeting applications such as laparoscopic surgeries and endoscopic fundoplication. Additionally, the business unit plans to establish a new department focused on the agency and distribution of professional rehabilitation equipment, further expanding its business scope and enhancing market competitiveness.

**Expanding Medical Services**

BenQ Healthcare will broaden its product portfolio, introduce new agency product lines, and venture into overseas sales markets. NEW BEST HEARING INTERNATIONAL TRADE Co., LTD. plans to develop the infant and young child hearing loss market while continuing to promote sleep apnea care solutions. CKCARE CO., LTD. (CK-Care Pharmacy) will consolidate logistics needs from allied pharmacies and provide integrated logistics services for strategic alliance pharmacies.

Concord Medical Co., Ltd. focuses on the needs of the aging population, assisting regional hospitals in developing geriatric care departments. It also plans to leverage group resources to organize activities that support disadvantaged communities, thereby strengthening connections between regional hospitals and communities while practicing ESG principles. Concord HealthCare Corp. continues to enhance management support for dental clinics to improve their operational performance. BenQ AB DentCare Corp. aims to become a full-service provider of digital dental solutions by actively launching new products and increasing the proportion of proprietary product sales. Through co-hosted courses with key opinion leaders and social media marketing, it drives product sales while participating in international dental exhibitions to enhance brand and product visibility and boost market recognition.

**Strategic Advancement in Smart Healthcare**

Leveraging a comprehensive smart medical imaging integration platform, the Company is committed to delivering precise and intelligent healthcare services tailored for the next generation of smart operating rooms. The second-generation smart operating room solution, iQOR, integrates 5G smart connectivity, 4K surgical imaging, surgical navigation robotics, medical equipment control, online real-time video conferencing, and AI-based surgical report compilation, achieving a significant smart upgrade of the surgical environment. This integrated solution not only enhances surgical efficiency and medical safety but also enables remote surgical assistance and real-time clinical decision-making, thereby driving the advancement and application of smart healthcare technologies.

We would like to extend our sincere gratitude to all shareholders for their unwavering support. Moving forward, the management team and all employees will remain steadfast in focusing on three key areas: medical equipment, medical consumables, and medical services. Through these efforts, we aim to build a comprehensive and robust smart healthcare ecosystem, creating maximum value for the Company and its shareholders.

Wishing you continued good health and prosperity.

Chairman: Chi-Hong (Peter) Chen    President: Hsin-Pao (Michael) Kuan



## II. Corporate Governance

### I. Members of the Board of Directors

#### (I) Director Information

Record Date for Shareholding /April 07, 2025; Unit: shares

Title/ Name	Nationality or Place of Registration/ Gender/ Age	Date Elected (Note 1)	Tenure	Date First Elected (Note 1)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Principal Experience and Education	Current Positions Held in the Company and Other Companies
					Shares	%	Shares	%	Shares	%		
Chairman BenQ Corporation (Note 2)	Republic of China	2023 06.09	3 years	2010 04.01	19,353,427	43.43%	19,353,427	43.43%	0	0.00%		- Corporate Director \BenQ Materials Corp. - Corporate Director & Supervisor \ BenQ Asia Pacific Corp - Corporate Director \ Darly2 Venture, Inc. - Corporate Director \ BenQ INFY Lab Ltd.
Representative / Chi-Hong (Peter) Chen	Republic of China Male 61-70	2023 06.09	3 years	2010 04.01	200,000	0.45%	200,000	0.45%	0	0.00%	- Technology Management Program, National Chengchi University - EMBA, Thunderbird American Graduate School, U.S.A. - B.S., Electrical Engineering, National Cheng Kung University - President of the Product Technology Center, BenQ Corporation	- Chief Executive Officer \Qisda Corp. - Director \Darfon Electronics Corp - Chairman \Partner Tech Corp. - Chairman \DFI Inc. - Director \BenQ Materials Corp. - Vice Chairman\Alpha Networks Inc. - Director \Hitron Technologies Inc. - Director \BenQ Corp. - Director \BenQ Healthcare Consulting Corp. - Director \Darly Venture Inc. - Director \Darly2 Venture, Inc. - Director \Darly Consulting Corp. - Director \BenQ BM Holding Cayman Corp. - Director \BenQ BM Holding Corp. - Director \BenQ Foundation - Director \NANJING BenQ Hospital Co., Ltd. - Director \Suzhou BenQ Hospital Co., Ltd. - Director \BenQHospital Management Consulting (NanJing) Co., LTD. - Director \Qisda (Hong Kong) Limited - Director \Qisda (L) Corp. - Director \ Darly Venture (L) Ltd. - Director \Phoenix Venture Capital co., Ltd. - Director \Phoenix II Venture Capital co., Ltd. - Director \Phoenix III Venture Capital co., Ltd. - Director \Phoenix IV Venture Capital co., Ltd. - Director \Industrial Technology Research Institute - Director \Phoenix VI Venture Capital co., Ltd. - Director \Dunpin No.1 Venture Capital Co., Ltd. - Director \Dunpin No.2 Venture Capital Co., Ltd. - Director \Chengchi Star Venture Capital Co., Ltd.

Title/ Name	Nationality or Place of Registration/ Gender/ Age	Date Elected (Note 1)	Tenure	Date First Elected (Note 1)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Principal Experience and Education	Current Positions Held in the Company and Other Companies
					Shares	%	Shares	%	Shares	%		
Vice Chairman BenQ Corporation (Note 2)	Republic of China	2023 06.09	3 years	2010 04.01	19,353,427	43.43%	19,353,427	43.43%	0	0.00%		- Corporate Director \ BenQ Materials Corp. - Corporate Director & Supervisor \ BenQ Asia Pacific Corp - Corporate Director \ Darly2 Venture, Inc. - Corporate Director \ BenQ INFITY Lab Ltd.
Representative / Houng-Pei (Harry) Yang (Note 3)	Republic of China Male 61-70	2023 06.09	3 years	2019 01.01	0	0.00%	12,000	0.03%	0	0.00%	- Master's Degree in Computer Science, University of Florida - General Manager, Acer Thailand - Vice President and General Manager, Lenovo Northeast Asia Region	- Vice Chairman \ Concord Medical Co., Ltd. - Vice Chairman \ K2 International Medical Inc. - Director \ TCI GENE INC. - Director \ Golden Spirit Co., Ltd. - Director \ Bigmin Bio-Tech Co., Ltd. - Director \ E-Strong Medical Technology Co., Ltd. - Chairman \ Eastech Co., Ltd. - Director \ BenQ Dialysis Technology Corp. - Chairman \ BenQ Healthcare Corporation - Director \ Lily-Medical Corporation - Director \ New Best Hearing International Trade Co., Ltd. - Director \ CKCARE CO., LTD. - Chairman \ BenQ Medical Technology (Shanghai) Ltd. - Chairman \ K2 Medical (Thailand) Co., Ltd. - Chairman \ Norbel Baby Co., Ltd. - Director \ Marketop Smart Solutions Co., Ltd. - Director \ JiaTech International Investment Co., Ltd.
Director BenQ Corporation (Note 2)	Republic of China	2023 06.09	3 years	2010 04.01	19,353,427	43.43%	19,353,427	43.43%	0	0.00%		- Corporate Director \ BenQ Materials Corp. - Corporate Director & Supervisor \ BenQ Asia Pacific Corp - Corporate Director \ Darly2 Venture, Inc. - Corporate Director \ BenQ INFITY Lab Ltd.
Representative / Hsin-Pao (Michael) Kuan	Republic of China Male 51-60	2023 06.09	3 years	2017 08.08	0	0.00%	0	0.00%	0	0.00%	- Master's Degree in Business Administration, National Central University - Director, TV Business Division, Qisda - Director, Public Display Division, AUO Optronics	- General Manager \ BenQ Medical Technology Corp. - Director \ Concord Medical Co., Ltd. - Chairman \ Asiaconnect International Company Ltd. - Chairman & GM \ Lily-Medical Corporation - Chairman \ BenQ AB DentCare Corporation - Director \ BenQ Healthcare Corporation - Director \ New Best Hearing International Trade Co., Ltd. - Director \ CKCARE CO., LTD. - Director \ K2 International Medical Inc. - Director \ Concord HealthCare Co., Ltd. - Director \ Highview Investments Limied - Director \ BenQ Medical Technology (Shanghai) Ltd. - Director \ BenQ Smart Healthcare (Shanghai) Co., Ltd.

Title/ Name	Nationality or Place of Registration/ Gender/ Age	Date Elected (Note 1)	Tenure	Date First Elected (Note 1)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Principal Experience and Education	Current Positions Held in the Company and Other Companies
					Shares	%	Shares	%	Shares	%		
Director BenQ Corporation (Note 2)	Republic of China	2023 06.09	3 years	2010 04.01	19,353,427	43.43%	19,353,427	43.43%	0	0.00%		- Corporate Director \ BenQ Materials Corp. - Corporate Director & Supervisor \ BenQ Asia Pacific Corp - Corporate Director \ Darly2 Venture, Inc. - Corporate Director \ BenQ INFTY Lab Ltd.
Representative / Sheng-Lung (Danny) Shen	Republic of China Male 51-60	2023 06.09	3 years	2022 03.07	0	0.00%	0	0.00%	0	0.00%	- Institute of Electrical Engineering, National Cheng Kung University - Senior Manager, Darfon Electronics Corp. - Deputy General Manager, Merry Electronics Co., Ltd.	- Director & General Manager \ BenQ Healthcare Corporation - Chairman \ New Best Hearing International Trade Co., Ltd. - Chairman \ CKCARE Co., Ltd. - Director \ Norbel Baby Co., Ltd.
Independent Director Chin-Tung (Daniel) Chang (Note 3)	Republic of China Male 71-80	2023 06.09	3 years	1993 08.13	287	0.00%	287	0.00%	3,935	0.00%	- Master of Business Administration, National Chengchi University - Bachelor of Science in Chemistry, Fu Jen Catholic University - Chairman, Trident Medical Corporation - Marketing Manager, Johnson & Johnson Medical Taiwan Ltd - Director, Libertaz Education Foundation - Director, St. Hildegard Association	- Director \ Free Time Gear International Co., Ltd.
Independent Director Kuang-Jen (KJ) Chou	Republic of China Male 61-70	2023 06.09	3 years	2023 06.09	0	0.00%	0	0.00%	0	0.00%	- 32nd Cohort, EMBA Program for Entrepreneurs, National Chengchi University - General Manager, Logah Technology Corporation - Vice President of Greater China, AMD (Advanced Micro Devices, Inc.) - Independent Director, DFI Inc. - Director and General Manager, Artech Lifestyle Limited Corporation	None

Title/ Name	Nationality or Place of Registration/ Gender/ Age	Date Elected (Note 1)	Tenure	Date First Elected (Note 1)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Principal Experience and Education	Current Positions Held in the Company and Other Companies
					Shares	%	Shares	%	Shares	%		
Independent Director Hsuan-Lien (Miranda) Chu	Republic of China Female 51-60	2024 06.07	2 years	2024 06.07	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>- Ph.D. in Accounting, National Taiwan University</li> <li>- Master's and Bachelor's Degrees in Accounting, National Chengchi University</li> <li>- Consultant Member, Evaluation Committee for Privatization of State-Owned Enterprises, Ministry of Economic Affairs</li> <li>- Review Committee Member, Disciplinary Committee for Certified Public Accountants, Financial Supervisory Commission</li> <li>- Independent Jury Member, EY Entrepreneur of the Year Award</li> <li>- Standing Director, Land Bank of Taiwan, Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>- Professor, Department of Accounting, National Taipei University</li> <li>- Committee Member, Medical Fund Supervision and Management Committee of Taipei Municipal Medical Institutions, Taipei City Department of Health</li> <li>- Director, PwC Education Foundation</li> <li>- Committee Member, Securities Listing Review Committee, Taipei Exchange (TPEX)</li> <li>- External Review Committee Member, Securities Listing Review Committee, Taiwan Stock Exchange (TWSE)</li> <li>- Independent Director, Data Image Corporation</li> <li>- Independent Director, Mirle Automation Corporation</li> </ul>

Note:

1. Directors and independent directors holding the Company's shares under another person's name: None.
2. Directors and independent directors having a spouse or relative within the second degree of kinship serving as a manager or director of the Company: None.
3. The Chairman and the General Manager (or equivalent top executive) being the same person, or being spouses or first-degree relatives: None.

Note 1. Date is presented in ROC Year/Month/Day format.

Note 2: The corporate shareholder, BenQ Corporation, is a wholly-owned subsidiary of Qisda Corporation; the major shareholders of Qisda Corporation are:

Record Date for Shareholding: March 31, 2025

Major Shareholders of Qisda Corporation	Shareholding Rate
AUO Corporation	12.20%
Acer Incorporated	4.21%
Employee Stock Ownership Trust Account for Qisda Corporation, Managed by Taishin International Bank	3.89%
Konly Venture Corporation	2.60%
Darfon Electronics Corp.	2.07%
Chunghwa Post Co., Ltd.	1.39%
Advanced Global Equity Index Fund, a series fund of Advanced Starlight Funds, held in custody by the Business Department of Standard Chartered Bank	0.99%
Investment Account of Polen Emerging Markets Fund Ltd., Custodied by Citibank (Taiwan) Ltd.	0.95%
Investment Account of Vanguard Emerging Markets Stock Index Fund, Managed by Vanguard Group and Custodied by JPMorgan Chase Bank, N.A., Taipei Branch	0.92%
Dongmu Association	0.89%

Note 3: Independent Director Mr. Chang Chin-Tung previously served as a director from August 13, 1993 to April 1, 2010. He was re-elected as an independent director through a by-election at the shareholders' meeting on May 28, 2015. Independent Director Mr. Huang Chin-Fa passed away on January 24, 2024. A by-election for one independent director was held at the 2024 shareholders' meeting, and Ms. Chu Hsuan-Lien was elected as the new independent director.

## Professional Qualifications and Independence Analysis of Directors

As date of April 07,2025

Condition Category of Identity Name	Professional Qualifications and Experience	Meet conditions of independence ( Note 1 )	Number of other public companies in Which the Director concurrently serves as an Independent Director	Number of Other Public Companies in Which the Director Serves as a Member of the Compensation Committee
Chairman BenQ Corporation Representative / Chi-Hong (Peter) Chen	<ul style="list-style-type: none"> <li>⊙ EMBA, Thunderbird American Graduate School, U.S.A.</li> <li>⊙ Former General Manager of the Product Technology Center at BenQ Corporation and General Manager at Qisda Corporation</li> <li>⊙ Currently serving as CEO of Qisda Corporation and Director of the BenQ Foundation</li> <li>⊙ Possesses diverse industry experience and strong leadership skills, with extensive industry connections and a commitment to public welfare; not involved in any circumstances outlined in Article 30 of the Company Act</li> </ul>	Not applicable.	-	-
Vice Chairman BenQ Corporation Representative / Houng-Pei (Harry) Yang	<ul style="list-style-type: none"> <li>⊙ Master's Degree in Computer Science, University of Florida</li> <li>⊙ Former General Manager of Acer Thailand \ Vice President &amp; General Manager of Lenovo Northeast Asia</li> <li>⊙ Currently serving as Chairman of Nobel Baby Co., Ltd. \ Vice Chairman of Concord Medical Co., Ltd, \ Vice Chairman of K2 International Medical Inc.</li> <li>⊙ Possesses in-depth knowledge of the healthcare industry and relevant sector experience, with strengths in information technology and leadership; not involved in any circumstances outlined in Article 30 of the Company Act</li> </ul>	Not applicable.	-	-
Director BenQ Corporation Representative / Hsin-Pao (Michael) Kuan	<ul style="list-style-type: none"> <li>⊙ Master's Degree in Business Administration, National Central University</li> <li>⊙ Former Director of the TV Business Unit at Qisda Corporation \ Director of the Public Display Division at AUO Optronics</li> <li>⊙ Currently serving as General Manager of the Company \ Chairman &amp; General Manager of Lily Medical Corporation</li> <li>⊙ Possesses knowledge of the healthcare industry and relevant sector experience, with expertise in information technology and business management; not involved in any circumstances outlined in Article 30 of the Company Act</li> </ul>	Not applicable.	-	-
Director BenQ Corporation Representative / Sheng-Lung (Danny) Shen	<ul style="list-style-type: none"> <li>⊙ Institute of Electrical Engineering, National Cheng Kung University</li> <li>⊙ Former Senior Manager at Darfon Electronics Corp. \ Deputy General Manager at Merry Electronics Co., Ltd.</li> <li>⊙ Currently serving as Director and General Manager of BenQ Healthcare Corporation \ Chairman of New Best Hearing International Trade Co. Ltd. \ Chairman of CKCARE Co., Ltd. \ Director of Nobel Baby Co., Ltd.</li> <li>⊙ Possesses knowledge of the healthcare industry and relevant sector experience, with expertise in information technology and business management; not involved in any circumstances outlined in Article 30 of the Company Act</li> </ul>	Not applicable	-	-
Independent Director Chin-Tung (Daniel) Chang	<ul style="list-style-type: none"> <li>⊙ Master of Business Administration, National Chengchi University</li> <li>⊙ Bachelor of Science in Chemistry, Fu Jen Catholic University</li> <li>⊙ Former Chairman, Trident Medical Corporation \ Marketing Manager, Johnson &amp; Johnson Medical Taiwan Ltd \ Director, Libertaz Education Foundation \ Director, St. Hildegard Association</li> <li>⊙ Currently serving as Director of the Free Time Gear International Co., Ltd.</li> <li>⊙ Possesses knowledge of the healthcare industry and related sector experience, as well as professional expertise in finance and related fields; not involved in any circumstances outlined in Article 30 of the Company Act.</li> </ul>	Compliant	-	-

Condition Category of Identity Name	Professional Qualifications and Experience	Meet conditions of independence ( Note 1 )	Number of other public companies in Which the Director concurrently serves as an Independent Director	Number of Other Public Companies in Which the Director Serves as a Member of the Compensation Committee
Independent Director Kuang-Jen (KJ) Chou	<ul style="list-style-type: none"> <li>⊙ 32nd Cohort, EMBA Program for Entrepreneurs, National Chengchi University</li> <li>⊙ Former General Manager, Logah Technology Corporation \ Vice President of Greater China, AMD (Advanced Micro Devices, Inc.) \ Independent Director, DFI Inc. \ Director and General Manager, Artech Lifestyle Limited Corporation</li> <li>⊙ Possesses knowledge of the healthcare industry and related sector experience, with strengths in information technology and business management; not involved in any circumstances outlined in Article 30 of the Company Act.</li> </ul>	Compliant	-	-
Independent Director Hsuan-Lien (Miranda) Chu	<ul style="list-style-type: none"> <li>⊙ Ph.D. in Accounting, National Taiwan University</li> <li>⊙ Master's and Bachelor's Degrees in Accounting, National Chengchi University</li> <li>⊙ Consultant Member, Evaluation Committee for Privatization of State-Owned Enterprises, Ministry of Economic Affairs \ Review Committee Member, Disciplinary Committee for Certified Public Accountants, Financial Supervisory Commission \ Independent Jury Member, EY Entrepreneur of the Year Award \ Standing Director, Land Bank of Taiwan, Co., Ltd.</li> <li>⊙ Possesses industry-related experience and academic research background, along with professional expertise in finance and related fields; not involved in any circumstances outlined in Article 30 of the Company Act.</li> </ul>	Compliant	2	2

**Note 1:** All independent directors meet the criteria for independence, including but not limited to: whether the individual, their spouse, or relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or its affiliates; the number and percentage of the Company's shares held by the individual, their spouse, or second-degree relatives (or held under another person's name); whether the individual serves as a director, supervisor, or employee of a company with a specific relationship with the Company (as defined in Articles 3, Paragraph 1, Items 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and any remuneration received in the past two years for providing commercial, legal, financial, or accounting services to the Company or its affiliates: None of the above apply.

**Note 2:** Independent Director Mr. Huang Chin-Fa passed away on January 24, 2024. A by-election was held at the 2024 shareholders' meeting, and Ms. Chu Hsuan-Lien was elected as the new independent director.

## Diversity of The Board of Director

On October 8, 2015, the Company's Board of Directors approved the adoption of the "Corporate Governance Best Practice Principles," which includes a diversity policy under Chapter 3: "Enhancing the Function of the Board of Directors." Board members are nominated and selected through a candidate nomination system. In addition to evaluating each candidate's academic and professional qualifications, the opinions of stakeholders are also considered. The process adheres to the "Rules for Election of Directors" and the "Corporate Governance Best Practice Principles" to ensure diversity and independence among board members.

Board members should generally possess the knowledge, skills, and character necessary to perform their duties. To achieve the goals of sound corporate governance, the board as a whole should have the following capabilities:

- (1) Ability to make operational judgment.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to conduct management administration.
- (4) Ability to conduct crisis management.
- (5) Industrial knowledge.
- (6) International market perspective.
- (7) Ability to lead.
- (8) Ability to make decisions.
- (9) Risk management knowledge and ability.

In accordance with the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors shall take diversity into consideration. An appropriate diversity policy should be developed based on the Company's operations, business model, and development needs, covering (but not limited to) the following two major aspects:

**1. Fundamental attributes and values:** including gender, age, nationality, and culture.

As of the date of this Annual Report, the Company's current Board of Directors consists of seven members: three independent directors and four non-independent directors, all of whom are distinguished figures from industry and academia. Currently, 86% (6 members) of the Board are male and 14% (1 member) are female, which does not meet the regulatory guideline recommending that no gender should account for less than one-third of the Board seats.

The current gender imbalance primarily stems from a focus on candidates' professional competencies, industry experience, and the overall functional makeup of the Board during the nomination process, which has resulted in a relatively low number of female directors.

To enhance gender diversity on the Board, the Company will continue to implement the following measures:

- ① Incorporate gender diversity considerations into the director nomination policy to strengthen the principle of gender balance;
- ② Actively expand the pool of female director candidates, including both external professionals and internal potential talents;
- ③ Gradually increase the proportion of female directors to improve gender representation in future board elections, aiming to achieve the target of at least one-third representation for either gender.

The Company will continue to strengthen board diversity to enhance decision-making quality and the effectiveness of corporate governance.

**2. Professional Knowledge and Skills:** Professional background (such as law, accounting, industry, finance, marketing, or technology), professional expertise, and industry experience.

Name of Director	Nationality	Basic Component								Diverse Industry Background and Professional Expertise				
		Gender	Employee of the Company	Age			Seniority of tenure / Independent Directors			Management	Finance	Healthcare industry	Information Technology	Academic Research
				51-60	61-70	71-80	Less than 3 years	3-9 years	More than 9 years					
Chen, Chi-Hong	R.O.C.	male			V					V	V	V	V	
Yang, Houng-Pei	R.O.C.	male	V		V					V	V	V	V	
Kuan, Hsin-Pao	R.O.C.	male	V	V						V	V	V	V	
Shen, Sheng-Lung	R.O.C.	male		V						V	V		V	
Chang, Chin-Tung	R.O.C.	male				V			V	V	V			
Chou, Kuang-Jen	R.O.C.	male			V		V			V	V		V	
Chu, Hsuan-Lien (Note)	R.O.C.	Female		V			V			V	V			V

As of the date of this annual report, among the members of the Company's 15<sup>th</sup> Board of Directors, two directors are Company employees, accounting for 29%, and there are three independent directors, accounting for 43%. In terms of age distribution: three directors are aged 51–60, three are aged 61–70, and one is aged 71–80. Two independent directors have served for less than 3 years, while one independent director has served for more than 9 years.

All directors and independent directors possess diverse industry backgrounds and professional expertise in areas such as business management and finance. Directors with knowledge of the healthcare industry and related sector experience include Director Chen Chi-Hung, Director Yang Houng-Pei, Director Kuan Hsin-Pao, and Independent Director Chang Chin-Tung. Directors with expertise in information technology include Director Chen Chi-Hong, Director Yang Houng-Pei, Director Kuan Hsin-Pao, Director Shen Sheng-Lung, and Independent Director Chou Kuang-Jen. Independent Director Chu Hsuan-Lien has had a long-standing academic background, which has been highly beneficial to the Company's operations.

Note: Independent Director Huang Chin-Fa passed away on January 24, 2024. A by-election was held at the 2024 shareholders' meeting, and Ms. Chu Hsuan-Lien was elected as the new independent director.

**Management Objectives Achieved:**

1. The number of directors concurrently serving as Company executives does not exceed one-third of the total board seats.
2. Independent directors account for one-third of the board.
3. No directors (including independent directors) have spousal or second-degree familial relationships with one another.
4. The board includes directors of both genders.

**Board Independence**

As of the date of this annual report, the Company's Board of Directors consists of seven members, including three independent directors, with independent directors accounting for one-third of the board (43%). All independent directors meet the requirements set forth by the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors. Furthermore, there are no circumstances as specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act among the directors (including independent directors), and no directors have spousal or second-degree kinship relationships with one another.

# Compensation of Directors and Independent Director

Unit: NT\$ Thousand ; % ; Thousand shares

December 31, 2024;

Job title Name	Remuneration of Director								The sum of A, B, C, and D in proportion to Earnings (Note 2)		Remuneration in the capacity of an employee								The sum of A, B, C, D, E, F, and G to Earnings (Note 2)		Remuneration from any reinvested other than subsidiaries is received	
	Remuneration (A)		Pension (B)		Retained Earnings Distribution (C) (Note 1)		Professional practice (D)				Salaries, bonuses, and special subsidies (E) (Note 5)		Pension (F)		Employee bonus from earnings (G) (Note 3)							
	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company		Companies included in the financial statement		the Company	Companies included in the financial statement		
Corporate Director <b>BenQ Corporation</b> Representative / Chen, Chi-Hong Yang, Houng-Pei Kuan, Hsin-Pao Shen, Sheng-Lung	2,800	2,800	0	0	641	641	120	285	3,561 3.40%	3,726 3.55%	6,127	8,254	144	208	800	0	800	0	10,632 10.14%	12,988 12.39%	0	
Independent Director Huang Chin-Fa (Note 5)	1,494	1,494	0	0	240	240	115	115	1,849 1.76%	1,849 1.76%	0	0	0	0	0	0	0	0	1,849 1.76%	1,849 1.76%	0	
Independent Director Chang, Chin-Tung																						
Independent Director Chou, Kuang-Jen (Note 5)																						
Independent Director Chu, Hsuan-Lien (Note 5)																						

**Note:**

1. Policy, system, standards, and structure for the compensation of the Company's independent directors, including the relationship between compensation and their duties, risks, and time commitment:

**Compensation Policy:** The remuneration of directors (including independent directors) is handled in accordance with Articles 17, 20, and 20-1 of the Company's Articles of Incorporation.

**Compensation Items and Standards for Directors (including Independent Directors):**

① **Remuneration:** The remuneration of directors (including independent directors) is authorized by the Board of Directors and determined based on the level of participation in the Company's operations and the value of their contributions, taking into consideration the compensation standards of domestic and international peers.

② **Profit-based Compensation:** According to the Board resolution dated March 7, 2019, the base for calculating directors' compensation from earnings is pre-tax profit before deducting employee and director compensation. The standard allocation ratio for directors' compensation is set at 0.75%.

③ **Business Execution Expenses:** Travel and transportation expenses and other costs are reimbursed as needed for directors (including independent directors) in the course of their duties.

**Compensation Framework:** The Company's Articles of Incorporation stipulate the principles for director (including independent director) compensation. The Company has also adopted a "Compensation Policy for Directors and Members of Functional Committees," which has been approved by the Board of Directors.

**Link between Compensation and Business Performance:** The remuneration of directors (including independent directors) is determined by the Board of Directors based on their level of participation in company operations and the value of their contributions, in reference to domestic and international industry standards.

2. Aside from the information disclosed above, no directors received compensation in the most recent fiscal year for providing other services (such as acting as a consultant to the parent company, entities included in the financial statements, or investee companies, while not being an employee).

Table of compensation ranges

Compensation range for each Director	Names of Director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	Companies included in the financial statement	The Company	Companies included in the financial statement
Less than NT 1,000,000	Chen, Chi-Hong \ Yang, Houng-Pei Kuan, Hsin-Pao \ Shen, Sheng-Lung Huang Chin-Fa \ Chang, Chin-Tung Chou, Kuang-Jen \ Chu, Hsuan-Lien	Chen, Chi-Hong \ Yang, Houng-Pei Kuan, Hsin-Pao \ Shen, Sheng-Lung Huang Chin-Fa \ Chang, Chin-Tung Chou, Kuang-Jen \ Chu, Hsuan-Lien	Chen, Chi-Hong \ Shen, Sheng-Lung Huang Chin-Fa \ Chang, Chin-Tung Chou, Kuang-Jen \ Chu, Hsuan-Lien	Chen, Chi-Hong \ Huang Chin-Fa Chang, Chin-Tung \ Chou, Kuang-Jen Chu, Hsuan-Lien
NT\$1,000,000 (included)~2,000,000 (excluded)	None	None	None	None
NT\$2,000,000 (included)~3,500,000 (excluded)	BenQ Corporation	BenQ Corporation	BenQ Corporation	BenQ Corporation
NT\$3,500,000 (included)~5,000,000 (excluded)	None	None	None	None
NT\$5,000,000 (included)~10,000,000 (excluded)			Kuan, Hsin-Pao	Kuan, Hsin-Pao
NT\$10,000,000 (included)~15,000,000 (excluded)	None	None	None	None
NT\$15,000,000 (included)~30,000,000 (excluded)	None	None	None	None
NT\$30,000,000(included)~50,000,000 (excluded)	None	None	None	None
NT\$50,000,000 (included)~100,000,000 (excluded)	None	None	None	None
More than NT\$100,000,000	None	None	None	None
Total	Corporate Director / 1 Person Representative Director / 4 persons Independent Director / 4 persons	Corporate Director / 1 Person Representative Director / 4 persons Independent Director / 4 persons	Corporate Director / 1 Person Representative Director / 4 persons Independent Director / 4 persons	Corporate Director / 1 Person Representative Director / 4 persons Independent Director / 4 persons

Note 1: This refers to the director compensation for fiscal year 2024, approved by the Board of Directors in 2025.

Note 2: Net income after tax refers to the after-tax profit as stated in the Company's standalone financial statements for fiscal year 2024.

Note 3: This refers to the employee compensation for fiscal year 2024 (ROC Year 113), approved by the Board of Directors in 2025

Note 4: The compensation amounts disclosed in this table differ from the income definitions under the Income Tax Act. This table is for information disclosure purposes only and is not intended for tax use.

Note 5: Independent Director Huang Chin-Fa passed away on January 24, 2024; Ms. Chu Hsuan-Lien was newly appointed as a member of the Compensation Committee on March 19, 2024, and was elected as an independent director at the shareholders' meeting on June 7, 2024.

## II. Executive Officers

### (I) Information of Executive Officers

Book closure date: April 07, 2025

Job Title Name	Nationality Gender	Elected (inauguration) Date (Note)	Shares		Shareholding of Spouse and Underage Children		Shareholdings In the Names of Others		Work experience (academic degree)	Position(s) held concurrently in the Company and/or in any other company	Managers who are Spouses or Within Two Degrees of Kinship		
			Shares	%	Shares	%	Shares	%			Title	Name	Relation
General Manager Hsin-Pao (Michael) Kuan	Republic of China Male	2017/08/08	0	0.00%	0	0.00%	0	0.00%	--Master's Degree in Business Administration, National Central University --Director, TV Business Division, Qisda --Director, Public Display Division, AUO Optronics	-- Director \ Concord Medical Co., Ltd. -- Chairman \ Asiaconnect International Company Ltd. -- Chairman & GM \ Lily-Medical Corporation -- Chairman \ BenQ AB DentCare Corporation -- Director \ BenQ Healthcare Corporation -- Director \ New Best Hearing International Trade Co., Ltd. -- Director \ CKCARE CO., LTD. -- Director \ K2 International Medical Inc. -- Director \ Concord HealthCare Co., Ltd. -- Director \ Highview Investments Limied -- Director \ BenQ Medical Technology (Shanghai) Ltd. -- Director \ BenQ Smart Healthcare (Shanghai) Co., Ltd.	None	None	None
Associate Manager Shih-Ming (Rowe) Chang	Republic of China Male	2006/01/01	25,000	0.06%	0	0.00%	0	0.00%	--Bachelor's Degree in International Trade, National Open University --Business Manager, Visionary Healthcare Technology	-- Director & GM \ BenQ Medical Technology (Shanghai) Ltd. -- Director & GM \ BenQ Smart Healthcare (Shanghai) Co., Ltd.	None	None	None
Associate Manager Shu-Ching (Stella) Wu	Republic of China Female	2015/09/14	0	0.00%	0	0.00%	0	0.00%	-- Bachelor's Degree in Statistics, Tamkang University -- Associate Manager of Financial Management, Qisda Corporation -- Chief Financial Officer, BenQ Corporation	-- Executive Director \ Highview Investments Limied -- Supervisor \ BenQ Medical Technology (Shanghai) Ltd. -- Supervisor \ Lily Medical Corporation -- Supervisor \ BenQ AB DentCare Corporation -- Legal Representative & Supervisor \ BenQ Healthcare Corporation -- Legal Representative & Supervisor \ K2 International Medical Inc. -- Director \ Asiaconnect International Co., Ltd. -- Supervisor \ Eastech Co., Ltd. -- Supervisor \ BenQ Smart Healthcare (Shanghai) Co., Ltd.	None	None	None

Job Title Name	Nationality Gender	Elected (inauguration) Date (Note)	Shares		Shareholding of Spouse and Underage Children		Shareholdings In the Names of Others		Work experience (academic degree)	Position(s) held concurrently in the Company and/or in any other company	Managers who are Spouses or Within Two Degrees of Kinship		
			Shares	%	Shares	%	Shares	%			Title	Name	Relation
Accounting Supervisor Chih-Hua (Watson) Liu	Republic of China Male	2014/06/01	0	0.00%	0	0.00%	0	0.00%	-- Master's Degree in Business, National Taiwan University -- Bachelor's Degree in Accounting, National Taiwan University -- Accounting/Audit Manager, BenQ Corporation	-- Director \ Highview Investments Limied -- Supervisor \ New Best Hearing International Trade Co. Ltd. -- Supervisor \ CKCARE CO., LTD. -- Supervisor \ Asiacconnect International Company Ltd.	None	None	None
R&D Director Kuang-Wei (KW) Chen	Republic of China Male	2022/11/01	0	0.00%	0	0.00%	0	0.00%	-- Bachelor's Degree in Mechanical Engineering, Tamkang University -- Engineer, R&D Department, Kuoazui Motors, Ltd. -- Quality Assurance Manager, Transtouch Technology Inc.	None	None	None	None
Chief Information Security Officer Chia-Hung (Johannes) Hsu	Republic of China Male	2023/07/01	1,000	0.00%	0	0.00%	0	0.00%	-- Yilan Institute of Technology -- Engineer, Lijou and Associates Consulting Engineers Limited Company	None	None	None	None

**Note:**

The Chairman and the General Manager (or equivalent top executive) are the same person, nor are they spouses or first-degree relatives.: None

## (2) Compensation of the Executive Officers

Unit: NT\$ Thousand ; % ; Thousand shares

December 31, 2024

Job title Name	Salary (A)		Pension (B)		Salaries, bonuses, and special subsidies (C)		Employee bonus allocated from earnings (D)				The sum of A, B, C, and D in proportion to Earnings		Receiving Compensation from Investee Companies Other than Subsidiaries or from the Parent Company
	The Company-	Companies included in the financial statement	The Company	Companies included in the financial statement	The Company	Companies included in the financial statement	The company		Companies included in the financial statement		The Company	Companies included in the financial statement	
							Cash	Stock	Cash	Stock			
General Manager Hsin-Pao (Michael) Kuan	7,289	9,199	292	338	2,570	2,692	1,760	0	1,760	0	11,912 11.36%	13,988 13.34%	0
Associate Manager Shih-Ming (Rowe) Chang													
Associate Manager Shu-Ching (Stella) Wu													

### Table of Compensation Ranges

Compensation range for each General Manager and Executive Officers	Name of President and Vice President	
	The Company	Companies included in the financial statement
Less than NT 1,000,000	None	None
NT\$1,000,000 (included)~2,000,000 (excluded)	None	None
NT\$2,000,000 (included)~3,500,000 (excluded)	Shih-Ming (Rowe) Chang	
NT\$3,500,000 (included)~5,000,000 (excluded)	Shu-Ching (Stella) Wu	Shih-Ming (Rowe) Chang Shu-Ching (Stella) Wu
NT\$5,000,000 (included)~10,000,000 (excluded)	Hsin-Pao (Michael) Kuan	Hsin-Pao (Michael) Kuan
NT\$10,000,000 (included)~15,000,000 (excluded)	None	None
NT\$15,000,000 (included)~30,000,000 (excluded)	None	None
NT\$30,000,000(included)~50,000,000 (excluded)	None	None
NT\$50,000,000 (included)~100,000,000 (excluded)	None	None
More than NT\$100,000,000	None	None
Total	3 Persons	3 Persons

Note 1: This refers to the amount of employee compensation for the General Manager and key managerial personnel for fiscal year 2024, as approved by the Board of Directors in 2025

Note 2: Net income after tax refers to the after-tax profit stated in the Company's standalone financial statements for fiscal year 2024.

Note 3: The compensation disclosed in this table differs from the income definition under the Income Tax Act; the purpose of this table is for information disclosure only and not for taxation purposes.

Compensation Policy, System, Standards, and Structure for Managerial Personnel, and the Relationship Between Compensation Amounts and Factors Such as Duties, Risk, and Time Commitment:

**Compensation Policy:**

Compensation is determined based on the managerial responsibilities of the position, while also considering the need to attract and retain professional management talent, ensuring the position receives reasonably aligned remuneration.

**Compensation Items and Standards for Managerial Personnel:**

☉ Monthly Fixed Salary: Determined based on the salary standards applicable to each position level.

☉ Performance Bonuses: Distributed based on operational performance assessment results.

☉ Profit-Based Compensation: According to the Board resolution dated March 7, 2019, the base for calculating employee compensation from earnings is pre-tax profit before deducting employee and director compensation. The standard allocation ratio for employee compensation is set at 9%.

**Compensation System Framework:**

The Company has established compensation principles for managerial personnel under the "Compensation and Principles for Senior Managerial Personnel," which has been approved by the Board of Directors.

**Link Between Compensation and Business Performance:**

The Company has implemented a performance assessment policy to periodically evaluate the performance of managerial personnel. Based on the evaluation results, performance bonuses and profit-sharing are determined, thereby ensuring that variable compensation is directly tied to business performance.

## Names of managers provided with employee's remunerations and state of payments

Unit: NT\$ thousands

Title	Name	Stock	Cash	Total	Ratio of total amount to the net income after taxes (%)
General Manager	Hsin-Pao (Michael) Kuan	0	2,450	2,450	2.34%
Associate Manager	Shih-Ming (Rowe) Chang				
Associate Manager	Shu-Ching (Stella) Wu				
Accounting Supervisor	Chih-Hua (Watson) Liu				
R&D Director	Kuang-Wei (KW) Chen				
Chief Information Security Officer	Chia-Hung (Johannes) Hsu				

Note : This refers to the amount of employee compensation for managerial personnel for fiscal year 2024, as approved by the Board of Directors in 2025; net income after tax refers to the after-tax profit stated in the Company's standalone financial statements for fiscal year 2024.

## Compensation Analysis for the Most Recent Two Fiscal Years

Ratio of Compensation to Net Income After Tax	Fiscal Year 2023		Fiscal Year 2024	
	The Company	Companies included in the financial statement	The Company	Companies included in the financial statement
General Directors and Independent Directors	4.96%	5.06%	5.16%	5.32%
General Manager and Vice GM	5.02%	5.19%	5.37%	5.37%

The increase in the ratio of total compensation paid to directors, the president, and vice presidents to net income after tax in the Company's standalone financial statements for fiscal year 2024 was primarily due to a decrease in net income after tax.

### Compensation Policy, Standards and Structure, Procedures for Determining Compensation, and Their Relationship with Business Performance and Future Risks

The remuneration for the Company's directors is determined by the Board of Directors, in accordance with the authorization set forth in the Articles of Incorporation. It is based on the level of participation in Company operations and the value of contributions, and is benchmarked against domestic and international industry standards, in accordance with the "Compensation Policy for Directors and Members of Functional Committees." When the Company generates profits, the Board determines the amount of directors' compensation pursuant to the Articles of Incorporation.

Compensation for directors and managerial personnel is handled in accordance with the Company's Articles of Incorporation and related compensation (salary) management regulations. The Compensation Committee, in its professional and objective role, makes recommendations for director and managerial compensation and employee bonuses. These recommendations are based on comprehensive industry salary surveys conducted by Willis Towers Watson and are adjusted according to individual managerial performance. All compensation decisions are subject to the approval of the Board of Directors.

The allocation ratio of compensation for directors and managerial personnel is governed by Article 20-1 of the Company's Articles of Incorporation, which states that if the Company has earnings for the year, 5% to 20% shall be allocated as employee compensation, and up to 1% as director compensation. However, if the Company has accumulated losses, the amount required to offset such losses must first be retained.

The procedures for determining compensation follow the Company's "Board Performance Evaluation Policy" and the "Compensation and Principles for Senior Managerial Personnel." Evaluations consider overall Company performance, industry trends, operational risks, and individual performance metrics and contributions. All performance assessments and the reasonableness of compensation are reviewed by both the Compensation Committee and the Board of Directors. The compensation system is continuously reviewed to align with actual business conditions and applicable regulations, ensuring a balance between sustainable operations and risk management.

According to the "Board Performance Evaluation Policy," the Board conducts an annual performance evaluation at the end of each fiscal year. The self-assessment for directors includes eight key aspects: understanding the Company's goals and missions, level of participation in operations, management of internal relationships and communication, enhancement of board decision-making quality, board composition and structure, awareness of director responsibilities, director nomination, professionalism and ongoing training, and internal control.

Senior executives are periodically evaluated based on Key Performance Indicators (KPIs), which cover revenue and profitability, market share, deep management and forward-looking deployment, and the implementation of sustainable business practices.

### III. Implementation of Corporate Governance

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

The term of the current Board of Directors is from June 9, 2023, to June 8, 2026.

The Company had convened 6 (A) Board of Directors meetings in 2024 with the following attendance:

Title	Name	Number of actual attendance (B)	Number of proxies attendance	Actual attendance rate (%) (B/A)	Remark
Chairman	BenQ Corporation Representative / Chi-Hong (Peter) Chen	6	0	100.00%	Reappointed on June 9, 2023
Vice Chairman	BenQ Corporation Representative / Houg-Pei (Harry) Yang	6	0	100.00%	Reappointed on June 9, 2023
Director	BenQ Corporation Representative / Hsin-Pao (Michael) Kuan	6	0	100.00%	Reappointed on June 9, 2023
Director	BenQ Corporation Representative / Sheng-Lung (Danny) Shen	6	0	100.00%	Reappointed on June 9, 2023
Independent Director	Chin-Tung (Daniel) Chang	6	0	100.00%	Reappointed on June 9, 2023
Independent Director	Kuang-Jen (KJ) Chou	6	0	100.00%	Newly Appointed on June 9, 2023
Independent Director	Hsuan-Lien (Miranda) Chu	3	0	100.00%	Newly Appointed on June 7, 2024
Independent Director	Huang Chin-Fa (Note)	0	0	---	Reappointed on June 9, 2023 Dismissal on Jan 24, 2024

**Note:** Independent Director Huang Chin-Fa passed away on January 24, 2024. A by-election was held at the 2024 shareholders' meeting, and Ms. Chu Hsuan-Lien was elected as an Independent Director. The actual attendance rate is calculated based on the number of board meetings held during each director's or independent director's term of office and the number of meetings they actually attended.

#### Other items that shall be recorded:

1. Matters Specified in Article 14-3 of the Securities and Exchange Act or Other Board Resolutions Opposed or Reserved by Independent Directors with Recorded or Written Statements:

The Company has established an Audit Committee and is therefore not subject to Article 14-3 of the Securities and Exchange Act. There have been no board resolutions opposed or reserved by independent directors with documented records or written statements. For matters listed in Article 14-5 of the Securities and Exchange Act, please refer to page 16 of this annual report under the Audit Committee section.

2. Execution of Director Recusal in Matters Involving Conflicts of Interest:

Regarding the discussion on the waiver of non-compete restrictions for current directors and their representatives, Chairman Chen Chi-Hung and Director Kuan Hsin-Pao, in accordance with Article 206 and mutatis mutandis Article 178 of the Company Act, did not participate in the discussion or voting on matters in which they or the corporate directors they represent had a conflict of interest. Independent Director Chang Chin-Tung acted as the proxy chair for this resolution, and the remaining independent directors and directors present unanimously approved the motion.

For the discussions on the 2024 employee compensation allocation for senior management and audit supervisors, proposed compensation performance indicators, and bonus and salary adjustment policies, Director Kuan Hsin-Pao, in accordance with Article 206 and mutatis mutandis Article 178 of the Company Act, did not participate in the discussion or voting on these matters. The remaining independent directors and directors present unanimously approved the motions.

#### Board Meeting on June 7, 2024

For the discussion on appointing members to the Compensation Committee, Independent Director Chu Hsuan-Lien, in accordance with Article 206 and mutatis mutandis Article 178 of the Company Act, did not participate in the discussion or voting. The remaining independent directors and directors present unanimously approved the motion.

#### Board Meeting on August 1, 2024

For the discussion on approving the acquisition of usage rights to commercial real estate from a related party, Chairman Chen Chi-Hung, in accordance with Article 206 and mutatis mutandis Article 178 of the Company Act, did not participate in the discussion or voting. Independent Director Chang Chin-Tung acted as the proxy chair for the resolution, and the remaining independent directors and directors present unanimously approved the motion.

3. Implementation of Performance Evaluations for the Board of Directors and Functional Committees (Including the Audit Committee and Compensation Committee):

On April 23, 2019, the Company's Board of Directors resolved to adopt the "Board Performance Evaluation Policy," which was subsequently amended on November 6, 2030. Under this policy, internal board performance evaluations are conducted annually, and external evaluations by an independent professional institution must be conducted at least once every three years.

**External Board Performance Evaluation**

In October 2022, the Company appointed the Chinese Corporate Governance Association (hereinafter referred to as the "Association") to perform an external evaluation of the Board's effectiveness. The Association and the executing professionals have no business dealings with the Company and are independent. The Board performance evaluation report was issued on February 1, 2023, and the results were submitted to the Company's first Board meeting of 2023.

- ⊙ Evaluation Period: December 1, 2021 to November 30, 2022
- ⊙ Evaluation Method: In addition to a review of written explanations and related documents corresponding to the Company's evaluation criteria, the Association conducted video interviews on January 13, 2023 with participants including the Chairman, the President, two Independent Directors, the Corporate Governance Officer, and the Chief Auditor.
- ⊙ Evaluation Scope and Criteria: The evaluation covered eight dimensions of board operations: Board Composition, Board Guidance, Board Empowerment, Board Oversight, Board Communication, Internal Control and Risk Management, Board Self-discipline, and other aspects such as Board Meetings and Support Systems.

**Internal Board Performance Self-Evaluation**

The results of the **internal** evaluation have been submitted to the Company's first Board meeting of 2025.

Evaluation Cycle	Conducted once every year							
Evaluation Period	From January 1, 2024 to December 31, 2024							
Evaluation Scope	Board of Directors and Individual Board Members				Functional Committees (Including the Audit Committee and Compensation Committee)			
Evaluation Method	Internal Self-Evaluation of the Board of Directors				Internal Self-Evaluation of Functional Committees			
Evaluation Content	Understanding of Company Goals and Missions; Level of Participation in Company Operations; Management of Internal Relationships and Communication; Enhancement of Board Decision-Making Quality; Board Composition and Structure; Awareness of Director Responsibilities; Director Selection; Professionalism and Continuing Education; Internal Control				Level of Participation in Company Operations; Awareness of Functional Committee Responsibilities; Decision-Making Quality of Functional Committees; Composition and Member Selection of Functional Committees; Internal Control			
Evaluation Results	<b>Excellent</b>	Good	Satisfactory	Needs Improvement	<b>Excellent</b>	Good	Satisfactory	Needs Improvement
	The internal evaluation of the Board of Directors and individual members for fiscal year 2024 achieved a completion rate of 99.94%, with the evaluation result rated as "Excellent."				The internal evaluation of the Audit Committee and its individual members for fiscal year 2024 achieved a completion rate of 99.67%, with the evaluation result rated as "Excellent." The internal evaluation of the Compensation Committee and its individual members for fiscal year 2024 achieved a completion rate of 98.75%, with the evaluation result rated as "Excellent."			

4. Assessment of the Goals and Implementation of Strengthening Board Functions in the Current and Most Recent Fiscal Years:

On May 29, 2014, the Company appointed three independent directors through the shareholders' meeting to continuously enhance corporate governance, strengthen the independence and functionality of directors, and improve the effectiveness of board operations.

On June 6, 2014, the Company established an Audit Committee to exercise its powers in accordance with the Securities and Exchange Act, the Company Act, and other relevant laws and regulations, and to provide recommendations to the Board of Directors as a basis for decision-making.

On December 26, 2011, the Company established a Compensation Committee to regularly evaluate and determine the compensation of directors and managerial personnel, as well as to review performance evaluations and the policies, systems, standards, and structures of compensation, and to make recommendations to the Board of Directors as a reference for decision-making.

In accordance with Article 26-3, Paragraph 8 of the Securities and Exchange Act, the Company has adopted the "Rules of Procedure for Board of Directors Meetings." The content of board discussions, operational procedures, matters to be included in the meeting minutes, disclosures, and other required compliance items are all handled in accordance with these rules. The Board of Directors convenes at least once every quarter. Board members uphold the principle of maximizing shareholder interests and fulfill their duties with

the care of a good administrator and in good faith, exercising their powers with a high degree of self-discipline and prudence.

## (2) Audit Committee

The Company established its Audit Committee on June 6, 2014. The committee is composed of three independent directors and is intended to assist the Board of Directors in fulfilling its oversight responsibilities with respect to accounting, auditing, financial reporting processes, and the quality and integrity of financial controls. For the professional qualifications and experience of the Audit Committee members, please refer to page 7 of this annual report.

The current term of the Audit Committee is from June 9, 2023 to June 8, 2026. In fiscal year 2024, the Audit Committee convened 4 meetings (A). The attendance of independent directors, key focuses of the committee's work, and its operational performance for the year are detailed as follows:

Title	Name	Number of actual attendance (B)	Number of proxies attendance	Actual attendance rate (%) (B/A)	Remark
Independent Director	Chin-Tung (Daniel) Chang (Note)	4	0	100.00%	Reappointed on June 9, 2023
Independent Director	Kuang-Jen (KJ) Chou	4	0	100.00%	Newly Appointed on June 9, 2023
Independent Director	Hsuan-Lien (Miranda) Chu (Note)	2	0	100.00%	Newly Appointed on June 7 2024
Independent Director	Huang Chin-Fa (Note)	0	0	—	Reappointed on June 9, 2023 Dismissal on Jan 24, 2024

**Note:** Independent Director Huang Chin-Fa passed away on January 24, 2024. A by-election was held at the 2024 shareholders' meeting, and Ms. Chu Hsuan-Lien was elected as an Independent Director. The actual attendance rate is calculated based on the number of board meetings held during each director's or independent director's term of office and the number of meetings they actually attended.

### Other items that shall be recorded:

1. Annual Work Focus and Operational Performance, and Matters Listed Under Article 14-5 of the Securities and Exchange Act or Resolutions Not Approved by the Audit Committee but Approved by More Than Two-Thirds of All Directors:

The Audit Committee held four meetings in fiscal year 2024, primarily reviewing the following matters:

- Adoption or amendment of internal control systems pursuant to Article 14-1 of the Securities and Exchange Act;
- Evaluation of the effectiveness of internal control systems;
- Formulation or revision of procedures for the acquisition or disposal of assets, engagement in derivative transactions, lending of funds to others, or endorsement/guarantees for others as required under Article 36-1 of the Securities and Exchange Act;
- Matters involving directors' personal interests;
- Major asset or derivative transactions;
- Significant fund lending, endorsements, or guarantees;
- Public offerings, issuance, or private placements of equity-type securities;
- Appointment, dismissal, or compensation of certifying CPAs;
- Appointment or dismissal of financial, accounting, or internal audit officers;
- Annual financial reports signed or sealed by the Chairman, President, and Chief Accounting Officer, as well as quarterly financial reports requiring CPA audits or reviews;
- Other significant matters as specified by the Company or regulatory authorities.

### Review of Financial Reports

The Board of Directors prepared the Company's 2024 business report, financial statements, and earnings distribution proposal. The financial statements were audited by KPMG Taiwan and an audit report was issued. After review by the Audit Committee, the business report, financial statements, and earnings distribution proposal were deemed free of material misstatements.

### Evaluation of the Effectiveness of the Internal Control System

The Audit Committee assessed the effectiveness of the Company's internal control policies and procedures—including those related to finance, operations, risk management, information security, and regulatory compliance. It also reviewed regular reports from the Internal Audit Department, the certifying accountants, and management, including updates on risk management and compliance.

With reference to the 2013 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Audit Committee concluded that the Company's risk management and internal control systems are effective and that the Company has implemented necessary control mechanisms to monitor and rectify non-compliance.

#### Appointment of Certifying CPA

The Audit Committee is entrusted with the responsibility of overseeing the independence of the certifying CPA firm to ensure the fairness of the financial statements. Generally, except for tax-related services or specially approved items, the certifying CPA firm is not allowed to provide other services to the Company. All services provided by the CPA firm must be approved by the Audit Committee.

To ensure the independence of the certifying CPA firm, the Audit Committee refers to Article 47 of the Certified Public Accountant Act and Statement No. 10 of the Code of Professional Ethics for Certified Public Accountants, titled "Integrity, Objectivity, and Independence," in formulating an independence assessment checklist. This checklist is used to evaluate the CPA firm's independence, professionalism, and suitability—specifically assessing whether there is any related party relationship or business or financial interests between the CPA firm and the Company.

On October 30, 2024, during the 6<sup>th</sup> meeting of the 4<sup>th</sup> Audit Committee and the 10<sup>th</sup> meeting of the 15<sup>th</sup> Board of Directors, it was resolved and approved that CPAs Hsu Shih-Chun and Tang Tzu-Chieh of KPMG Taiwan meet the independence assessment standards and are deemed qualified to serve as the Company's financial and tax certifying CPAs for fiscal year 2025.

#### Operational Status for the Year

Meeting Date Agenda Items and Follow-up Actions	Matters Listed Under Article 14-5 of the Securities and Exchange Act	Resolutions Not Approved by the Audit Committee but Approved by Two-Thirds or More of All Directors
<b>113-01 Audit Committee – February 29, 2024</b>		
◎Proposal for the "Statement on Internal Control System" and the "Self-Assessment Execution Results Report" for Fiscal Year 2023	V	-
◎Proposal for the Fiscal Year 2023 Financial Statements, Business Report, and the Fiscal Year 2024 Business Plan.	V	-
◎Proposal for Earnings Distribution for Fiscal Year 2023.	V	-
◎Proposal to discontinue the private placement of securities approved at the 2023 Annual General Meeting.	V	-
◎Approval of the capital increase in cash through issuance of common shares to participate in the issuance of overseas depositary receipts and/or issuance of common shares via cash capital increase and/or private placement of common shares and/or private placement of overseas or domestic convertible corporate bonds	V	-
◎Review of CPA service fees for Fiscal Year 2024.	V	-
Audit Committee Resolution: All attending Audit Committee members unanimously approved the proposals.		
Company's Handling of the Audit Committee's Opinions: The proposals were submitted to the Board of Directors and were unanimously approved by all attending directors.		
<b>113-02 Audit Committee – April 26, 2024</b>		
◎Approval of the consolidated financial statements for the first quarter of Fiscal Year 2024	V	-
◎Amendment to the "Procedures for Acquisition or Disposal of Assets."	V	-
Audit Committee Resolution: All attending Audit Committee members unanimously approved the proposals.		
Company's Handling of the Audit Committee's Opinions: The proposals were submitted to the Board of Directors and were unanimously approved by all attending directors.		
<b>113-03 Audit Committee – August 01, 2024</b>		
◎Approval of the consolidated financial statements for the second quarter of Fiscal Year 2024	V	-
◎Proposal to acquire the right-of-use asset for commercial real estate from a related party.	V	-
Audit Committee Resolution: All attending Audit Committee members unanimously approved the proposals.		
Company's Handling of the Audit Committee's Opinions: The proposals were submitted to the Board of Directors and were unanimously approved by all attending directors.		

113-04 Audit Committee –October 30, 2024

⊙ Proposal to amend the “Internal Control System” and the “Implementation Rules for Internal Audit Operations.”	V	-
⊙ Proposal to establish the Internal Audit Plan for Fiscal Year 2025.	V	-
⊙ Approval of the consolidated financial statements for the third quarter of Fiscal Year 2024.	V	-
⊙ Appointment of the certifying CPAs for the Company’s Fiscal Year 2025 financial statements.	V	-
⊙ Amendment to the Company’s Pre-approval Policy for Non-Assurance Services.	V	-
⊙ Approval for the Company to indirectly invest USD 1 million in its wholly-owned subsidiary “BenQ Medical Technology (Shanghai) Ltd.” through “Highview Investments Limied” in Western Samoa.	V	-

Audit Committee Resolution: All attending Audit Committee members unanimously approved the proposals.

Company’s Handling of the Audit Committee’s Opinions: The proposals were submitted to the Board of Directors and were unanimously approved by all attending directors.

2. Execution of Recusal by Independent Directors for Conflict-of-Interest Matters: None.

3. Communication Between Independent Directors and Internal Audit Supervisor and CPA:

The Company holds regular Audit Committee meetings and invites the CPA, internal audit supervisor, and relevant management personnel to attend as needed.

The internal audit supervisor reports audit summary findings to the Audit Committee on a regular basis according to the annual audit plan. The Audit Committee also routinely communicates with and provides recommendations on the Company’s internal control systems, internal audit personnel, and their work.

The Audit Committee holds regular meetings each year with the Company’s certifying CPA to discuss the review or audit results of the semi-annual and annual financial statements, as well as other matters required by relevant regulations. The committee also conducts an independence review regarding the appointment of the CPA and the audit and non-audit services provided.

### (3) Compensation Committee

The function of the Compensation Committee is to evaluate the compensation policies and systems for the Company’s directors and managerial personnel from a professional and objective standpoint, and to make recommendations to the Board of Directors. In accordance with the Securities and Exchange Act of the Republic of China, relevant administrative orders, and the BenQ Medical Corporation’s Compensation Committee Charter, members of the Compensation Committee are appointed by the Board of Directors and must consist of at least three independent directors.

The Committee shall act with the care of a prudent manager and faithfully perform the following duties, submitting its recommendations to the Board for discussion:

- ⊙ Periodically review and propose amendments to this Charter.
- ⊙ Establish and periodically review the Company’s annual and long-term performance goals for directors and managerial personnel, as well as policies, systems, standards, and structures of their compensation.
- ⊙ Periodically evaluate the achievement of performance goals by directors and managerial personnel and determine their individual compensation packages and amounts.

**When performing the above duties, the Committee shall adhere to the following principles:**

- ⊙ Ensure that the Company’s compensation arrangements comply with applicable laws and are sufficient to attract top talent.
- ⊙ Performance evaluations and compensation for directors and managerial personnel should be benchmarked against industry standards and take into account individual time commitments, responsibilities, achievement of personal goals, performance in other positions, and historical compensation for similar positions. Evaluations should also consider the Company’s short- and long-term business goals, financial status, and the reasonableness of linking individual performance with corporate performance and future risk.
- ⊙ Compensation policies should not encourage directors and managerial personnel to engage in risk-taking beyond the Company’s risk appetite.
- ⊙ When determining the ratio of bonuses and the timing of variable compensation payouts based on short-term performance, the characteristics of the industry and the nature of the Company’s business should be considered.
- ⊙ Members of the Committee shall not participate in discussions or voting on their own compensation decisions.

The remuneration distribution ratio for the Company’s directors and managerial personnel is determined in accordance with Article 20-1 of the Company’s Articles of Incorporation: If the Company has earnings for the

year, it shall allocate 5% to 20% as employee compensation and no more than 1% as director compensation. However, if the Company has accumulated losses, such losses shall be offset in advance.

The procedures for determining compensation are based on the Company's "Board Performance Evaluation Guidelines" and "Compensation Principles for Senior Executives." These serve as the basis for assessment, taking into account the Company's overall operational performance, future industry risks and trends, as well as the individual's goal achievement rate and contribution to Company performance. Reasonable compensation is provided based on these evaluations, which are reviewed by the Compensation Committee and the Board of Directors. The compensation system is regularly reviewed and adjusted in response to the Company's actual operational status and relevant legal requirements, to ensure a balance between sustainable corporate development and risk management.

#### Compensation Committee Member Information

The Company's Compensation Committee is composed of three independent directors. For details of the members, please refer to page 7 of this annual report.

#### Compensation Committee Operations

The Company's Compensation Committee consists of three members. The current term is from June 9, 2023, to June 8, 2026. In 2024, the Committee held two regular meetings. The attendance details of the members are as follows:

Title	Name	Number of actual attendance (B)	Number of proxies attendance	Actual attendance rate (%) (B/A)	Remark
Convener	Chin-Tung (Daniel) Chang (Note)	2	0	100.00%	Reappointed on June 9, 2023
Member	Kuang-Jen (KJ) Chou	2	0	100.00%	Reappointed on June 9, 2023
Member	Hsuan-Lien (Miranda) Chu (Note)	1	0	100.00%	Newly Appointed on June 7 2024
Member	Huang Chin-Fa (Note)	0	0	—	Reappointed on June 9, 2023 Dismissal on Jan 24, 2024

**Note:** Independent Director Huang Chin-Fa passed away on January 24, 2024. A by-election was held at the 2024 shareholders' meeting, and Ms. Chu Hsuan-Lien was elected as an Independent Director. The actual attendance rate is calculated based on the number of board meetings held during each director's or independent director's term of office and the number of meetings they actually attended.

Other items that shall be recorded:

#### 1. Operational Status for the Year

Meeting Date	Agenda Items and Follow-up Actions
113-01	<p><b>Compensation Committee</b> – February 29, 2024</p> <p><input type="radio"/> Proposal for the distribution of employee and director compensation for Fiscal Year 2024 °</p> <p><input type="radio"/> Proposal for the distribution of employee compensation for senior executives and the chief audit officer for Fiscal Year 2024.</p> <p><input type="radio"/> Proposal for setting compensation indicators for senior executives and the chief audit officer for Fiscal Year 2024.</p> <p><input type="radio"/> Proposal on the bonus and salary adjustment policy for senior executives and the chief audit officer for Fiscal Year 2024.</p> <p>Compensation Committee Resolution: All attending members of the Compensation Committee unanimously approved the proposals.</p> <p>Company's Response to the Compensation Committee's Opinions: None.</p>
113-02	<p><b>Compensation Committee</b> – October 30, 2024</p> <p><input type="radio"/> None</p> <p>Compensation Committee Resolution: All attending members of the Compensation Committee unanimously approved the proposals.</p> <p>Company's Response to the Compensation Committee's Opinions: None.</p>

**2. Board of Directors' Rejection or Modification of Compensation Committee Recommendations:** None.

**3. Compensation Committee Resolutions with Dissenting or Reserved Opinions Recorded or Declared in Writing by Members:** None.

(4) Significant Resolutions of the Shareholders' Meeting and Board of Directors in Fiscal Year 2024 and up to the Date of Publication of the Annual Report

Meeting Name Meeting Date	Significant Resolutions
1st Board Meeting of 2024 February 29, 2024	<ul style="list-style-type: none"> <li>⊙ Approval of the Statement on Internal Control System and Self-Assessment Execution Results Report for Fiscal Year 2023.</li> <li>⊙ Approval of the distribution of employee and director compensation for Fiscal Year 2023.</li> <li>⊙ Acknowledgment of the Fiscal Year 2023 Financial Statements, Business Report, and the Fiscal Year 2024 Business Plan.</li> <li>⊙ Acknowledgment of the Fiscal Year 2023 Earnings Distribution Proposal.</li> <li>⊙ Approval of the cash dividend distribution from Fiscal Year 2023 earnings.</li> <li>⊙ Approval of the by-election of one independent director.</li> <li>⊙ Approval of the release of non-compete restrictions for current directors and their representatives.</li> <li>⊙ Approval to discontinue the private placement of securities previously approved at the 2023 Annual General Meeting.</li> <li>⊙ Approval of the proposal to conduct a capital increase through the issuance of common shares for participation in overseas depositary receipts and/or issuance of common shares via capital increase and/or private placement of common shares and/or private placement of overseas or domestic convertible corporate bonds.</li> <li>⊙ Approval of the amendment to the Articles of Incorporation.</li> <li>⊙ Approval of the date and agenda for the 2024 Annual General Shareholders' Meeting.</li> <li>⊙ Approval of the renewal of bank credit facilities.</li> <li>⊙ Approval of the CPA service fee proposal for Fiscal Year 2024.</li> <li>⊙ Approval of the distribution of employee compensation for senior executives and the chief audit officer for Fiscal Year 2023.</li> <li>⊙ Approval of compensation performance indicators for senior executives and the chief audit officer for Fiscal Year 2024.</li> <li>⊙ Approval of the bonus and salary adjustment policy for senior executives and the chief audit officer for Fiscal Year 2024.</li> </ul>
2nd Board Meeting of 2024 March 19, 2024	<ul style="list-style-type: none"> <li>⊙ Approval of the appointment of members to the Compensation Committee.</li> <li>⊙ Approval of the nomination of independent director candidates.</li> </ul>
3rd Board Meeting of 2024 April 26, 2024	<ul style="list-style-type: none"> <li>⊙ Approval of the consolidated financial statements for the first quarter of Fiscal Year 2024.</li> <li>⊙ Approval of the amendment to the "Procedures for Acquisition or Disposal of Assets."</li> <li>⊙ Approval of the amendment to the "Audit Committee Charter."</li> <li>⊙ Approval of the amendment to the "Board Meeting Rules."</li> <li>⊙ Approval of the renewal of bank credit facilities.</li> </ul>
2024 Annual General Shareholders' Meeting June 7, 2024	<ul style="list-style-type: none"> <li>⊙ Proposal for the by-election of one independent director. Elected Independent Director: Ms. Hsuan-Lien Chu.</li> <li>⊙ Approval of the 2023 Business Report and Financial Statements. <b>Execution Status:</b> Approved by resolution.</li> <li>⊙ Approval of the 2023 Earnings Distribution Proposal. <b>Execution Status:</b> July 3, 2024, was set as the record date, and the cash dividend of NT\$2 per share was fully distributed on July 26, 2024.</li> <li>⊙ Approval of the capital increase through the issuance of common shares for participation in overseas depositary receipts and/or capital increase via issuance of common shares and/or private placement of common shares and/or private placement of overseas or domestic convertible bonds. <b>Execution Status:</b> Approved by resolution and authorized to the Board of Directors for implementation; as of the date of the annual report publication, the issuance had not yet been executed.</li> <li>⊙ Amendment to the Articles of Incorporation. <b>Execution Status:</b> Approved by resolution; the amended Articles of</li> </ul>

Meeting Name Meeting Date	Significant Resolutions
	<p>Incorporation took effect on June 7, 2024, and were published on the Company's website. Registration was approved by the Taipei City Government on June 19, 2024, under Official Letter No. 11350235910.</p> <ul style="list-style-type: none"> <li>⊙ Amendment to the "Procedures for Acquisition or Disposal of Assets." <b>Execution Status:</b> Approved by resolution; the amended procedures took effect on June 7, 2024, and were published on the Company's website.</li> <li>⊙ Proposal to release the current directors and their representatives from non-compete restrictions. <b>Execution Status:</b> Approved by resolution and announced on the Market Observation Post System (MOPS) on June 7, 2024, permitting corporate director representatives Mr. Chih-Hung Chen and Mr. Hsin-Pao Kuan to engage in competitive conduct.</li> </ul>
4 <sup>th</sup> Board Meeting of 2024 June 07, 2024	<ul style="list-style-type: none"> <li>⊙ Approval of the appointment of Compensation Committee members.</li> </ul>
5 <sup>th</sup> Board Meeting of 2024 August 01, 2024	<ul style="list-style-type: none"> <li>⊙ Approval of the consolidated financial statements for the second quarter of Fiscal Year 2024</li> <li>⊙ Approval of the renewal of bank credit facilities.</li> <li>⊙ Approval of the amendment to the "Operating Guidelines for Financial and Business Transactions Among Related Parties."</li> <li>⊙ Approval of the acquisition of right-of-use assets for operating real estate from a related party.</li> </ul>
6 <sup>th</sup> Board Meeting of 2024 October 30, 2024	<ul style="list-style-type: none"> <li>⊙ Approval of the establishment of the "Sustainability Information Management Procedures."</li> <li>⊙ Approval of the establishment of the "Sustainability Report Preparation and Verification Procedures."</li> <li>⊙ Approval of the amendments to the "Internal Control System" and the "Implementation Rules for Internal Audit Operations."</li> <li>⊙ Approval of the Internal Audit Plan for Fiscal Year 2025.</li> <li>⊙ Approval of the consolidated financial statements for the third quarter of Fiscal Year 2024.</li> <li>⊙ Approval of the renewal of bank credit facilities.</li> <li>⊙ Approval of the appointment of the Company's financial statement auditors for Fiscal Year 2025.</li> <li>⊙ Approval of the revision to the Company's "Pre-Approval Policy for Non-Assurance Services."</li> <li>⊙ Approval of the proposal for the Company to indirectly invest USD 1 million in its wholly-owned subsidiary, BenQ Medical Technology (Shanghai) Ltd., through Highview Investments Limited in Samoa.</li> </ul>
1 <sup>st</sup> Board Meeting of 2025 March 03, 2025	<ul style="list-style-type: none"> <li>⊙ Approval of the Statement on Internal Control System and Self-Assessment Execution Results Report for Fiscal Year 2024.</li> <li>⊙ Approval of the distribution of employee and director compensation for Fiscal Year 2024.</li> <li>⊙ Acknowledgment of the Fiscal Year 2024 Financial Statements, Business Report, and the Fiscal Year 2025 Business Plan.</li> <li>⊙ Acknowledgment of the Fiscal Year 2024 Earnings Distribution Proposal.</li> <li>⊙ Approval of the cash dividend distribution from Fiscal Year 2024 earnings.</li> <li>⊙ Approval of the definition of grassroots employees of the Company.</li> <li>⊙ Approval of amendments to the Articles of Incorporation.</li> <li>⊙ Approval of amendments to the Internal Control System and Implementation Rules for Internal Audit Operations.</li> <li>⊙ Approval of the release of non-compete restrictions for current directors and their representatives.</li> <li>⊙ Approval to discontinue the private placement of securities previously approved at the 2024 Annual General Meeting.</li> <li>⊙ Approval of the capital increase through the issuance of common shares for participation in overseas depositary receipts and/or capital increase via issuance of common shares and/or private placement of common shares</li> </ul>

Meeting Name Meeting Date	Significant Resolutions
	<p>and/or private placement of overseas or domestic convertible bonds.</p> <ul style="list-style-type: none"> <li>⊙ Approval of the date and agenda for the 2025 Annual General Shareholders' Meeting.</li> <li>⊙ Approval of the renewal of bank credit facilities.</li> <li>⊙ Approval of the CPA service fee proposal for Fiscal Year 2025.</li> <li>⊙ Approval of the distribution of employee compensation for senior executives and the chief audit officer for Fiscal Year 2024.</li> <li>⊙ Approval of compensation performance indicators for senior executives and the chief audit officer for Fiscal Year 2025.</li> <li>⊙ Approval of the bonus and salary adjustment policy for senior executives and the chief audit officer for Fiscal Year 2025.</li> <li>⊙ Approval of the donation to the BenQ Foundation.</li> </ul>

(5) Major content of any dissenting opinions with records or written statements from directors regarding significant resolutions passed by the Board of Directors in Fiscal Year 2024 and up to the date of publication of the annual report:  
None.

(6) Corporate Governance Practices and Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Thereof

Evaluation Item	Implementation Status			Conformance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Explanation of Differences
	yes	No	Summary	
1. Does the company comply disclose corporate governance practice principles in compliance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company established the "Corporate Governance Best-Practice Principles" on October 8, 2015, which was approved by the Board of Directors and publicly disclosed on the Company's website. To comply with subsequent amendments to relevant regulations, the Company will update the principles as needed. The most recent revision has been publicly disclosed on the Market Observation Post System (MOPS) and the Company's website.	No material differences.
2. Shareholding Structure & Shareholders' Rights				
(1) Has the Company established internal operating procedures to handle shareholder proposals, doubts, disputes, and litigation-related issues and practically implemented such procedures?	V		The Company has appointed a spokesperson and deputy spokesperson, and has established an Investor Relations section on its website, which includes a dedicated service contact to address and respond to shareholder inquiries or suggestions.	No material differences
(2) Has the Company kept the lists of its major shareholders and the ultimate owners of such major shareholders?	V		The Company regularly discloses and announces shareholding changes of directors, managers, and shareholders holding more than 5% of the Company's shares through the Market Observation Post System (MOPS) on a monthly basis.	No material differences
(3) Has the Company established risks control and firewall mechanism with its affiliates?	V		To supervise transactions with related parties and affiliates, the Company has established the "Regulations Governing Transactions with Related Parties, Group Enterprises, and Specific Companies" and the "Operational Guidelines for Financial and Business Transactions Among Related Parties," which clearly define the handling procedures for such transactions.	No material differences

Evaluation Item	Implementation Status			Conformance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Explanation of Differences
	yes	No	Summary	
			All affiliated companies have dedicated departments for finance, operations, and manufacturing with clearly defined responsibilities. The Company also conducts periodic comprehensive risk assessments involving affiliates and their key banks, customers, and suppliers to mitigate credit risk.	
(4) Has the Company established the internal rules to prohibit its insiders from trading securities by using info not yet disclosed to the market?	v		The Company has adopted the "Material Information Disclosure and Insider Trading Prevention Procedures" to ensure that insiders do not violate relevant insider trading regulations. Depending on the situation, internal reminders are issued via email during sensitive periods prohibiting the trading of the Company's securities. Additionally, regular internal training and awareness programs are conducted.	No material differences
3. Composition and Responsibilities of the Board of Directors (1) Have the Board members formulated diverse policies and implemented them accordingly?	v		The Board of Directors' Diversity Policy and Its Implementation Status, for detailed information, please refer to page 8 of this Annual Report.	No material differences
(2) In addition to Compensation Committee and Audit Committee, has the Company established any other types of functional committee?		v	The Company has duly established an Audit Committee and a Compensation Committee in accordance with the law. For details of their operations, please refer to pages 19 and 21 of this Annual Report, respectively. Additional functional committees may be established in the future as needed.	Additional committees may be established in the future as needed.
(3) Has the Company established Board performance assessment method and has the performance evaluated annually?	v		On April 23, 2019, the Company's Board of Directors approved the "Board Performance Evaluation Policy," stipulating that at least one performance evaluation of the Board and its members shall be conducted annually. The policy was amended and approved by the Board on November 6, 2020, requiring that an external professional independent institution or team of external experts and scholars conduct such an evaluation at least once every three years. An internal performance evaluation must be conducted at the end of each fiscal year in accordance with this policy. In October 2022, the Company engaged the Taiwan Corporate Governance Association to conduct a performance evaluation of the Board, and a Board Performance Evaluation Report was issued on February 1, 2023. Please refer to page 15 of this Annual Report for details. At the end of 2024, the Company completed performance evaluations of the Board, individual directors, and both the Audit and Compensation Committees. The evaluation was conducted through self-assessment questionnaires, and the results were reported at the Board meeting held in March 2025. The performance evaluation criteria for the Board include the following five aspects: ⊙ Participation in the Company's operations ⊙ Enhancement of Board decision-making quality	No material differences

Evaluation Item	Implementation Status			Conformance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Explanation of Differences															
	yes	No	Summary																
			<ul style="list-style-type: none"> <li>⊙ Board composition and structure</li> <li>⊙ Director selection and ongoing education</li> <li>⊙ Internal control</li> </ul> <p>The performance evaluation criteria for individual Board members include the following six aspects:</p> <ul style="list-style-type: none"> <li>⊙ Understanding of corporate goals and missions</li> <li>⊙ Awareness of director responsibilities</li> <li>⊙ Participation in the Company's operations</li> <li>⊙ Management of internal relationships and communication</li> <li>⊙ Professional expertise and ongoing education</li> <li>⊙ Internal control</li> </ul> <p>The performance evaluation criteria for each functional committee include the following five aspects:</p> <ul style="list-style-type: none"> <li>⊙ Participation in the Company's operations</li> <li>⊙ Understanding of committee responsibilities</li> <li>⊙ Quality of committee decision-making</li> <li>⊙ Composition and member selection of the committee</li> <li>⊙ Internal control</li> </ul>																
(4) Has the Company evaluated the independence of CPAs on a regular basis?	V		<p>The Company annually assesses the independence and suitability of its certifying CPAs. In addition to requiring the submission of a "Statement of Independence" and "Audit Quality Indicators (AQIs)," the Company evaluates the independence of the CPAs and 13 AQI metrics as outlined in the table below.</p> <p>It has been confirmed that, apart from fees related to audit and tax cases, the CPAs have no other financial or business relationships with the Company. The audit team has not violated any independence requirements. Based on the AQI data, it was also confirmed that CPAs Hsu Shih-Chun and Tang Tzu-Chieh, along with their firm, demonstrated auditing experience and training hours in 2024 that exceeded the industry average. The most recent assessment was reviewed and approved by the Audit Committee on October 30, 2024, and subsequently approved by the Board of Directors on the same date.</p> <p>Assessment Results on CPA Independence</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #cccccc;">Assessment Item</th> <th style="background-color: #cccccc;">Result</th> <th style="background-color: #cccccc;">Independence</th> </tr> </thead> <tbody> <tr> <td>Whether the CPA has a direct or significant indirect financial interest with the Company</td> <td style="text-align: center;">no</td> <td style="text-align: center;">yes</td> </tr> <tr> <td>Whether the CPA engages in financing or guarantee activities with the Company or its directors</td> <td style="text-align: center;">no</td> <td style="text-align: center;">yes</td> </tr> <tr> <td>Whether the CPA has close business ties or potential employment relationships with the Company</td> <td style="text-align: center;">no</td> <td style="text-align: center;">yes</td> </tr> <tr> <td>Whether the CPA or audit team members currently hold or</td> <td style="text-align: center;">no</td> <td style="text-align: center;">yes</td> </tr> </tbody> </table>	Assessment Item	Result	Independence	Whether the CPA has a direct or significant indirect financial interest with the Company	no	yes	Whether the CPA engages in financing or guarantee activities with the Company or its directors	no	yes	Whether the CPA has close business ties or potential employment relationships with the Company	no	yes	Whether the CPA or audit team members currently hold or	no	yes	No material differences
Assessment Item	Result	Independence																	
Whether the CPA has a direct or significant indirect financial interest with the Company	no	yes																	
Whether the CPA engages in financing or guarantee activities with the Company or its directors	no	yes																	
Whether the CPA has close business ties or potential employment relationships with the Company	no	yes																	
Whether the CPA or audit team members currently hold or	no	yes																	

Evaluation Item	Implementation Status			Conformance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Explanation of Differences												
	yes	No	Summary													
			<p>have held, within the past two years, positions as directors, managers, or other roles that significantly influence the audit work at the Company</p> <table border="1"> <tr> <td>Whether the CPA provides non-audit services to the Company that could directly affect the audit work</td> <td>no</td> <td>yes</td> </tr> <tr> <td>Whether the CPA acts as an underwriter for stocks or other securities issued by the Company</td> <td>no</td> <td>yes</td> </tr> <tr> <td>Whether the CPA serves as a legal representative or mediator in disputes involving the Company and third parties</td> <td>no</td> <td>yes</td> </tr> <tr> <td>Whether the CPA has any family relationships with the Company's directors, managers, or personnel who have significant influence on the audit engagement</td> <td>no</td> <td>yes</td> </tr> </table> <p>Based on the Company's assessment, CPAs Hsu Shih-Chun and Tang Tzu-Chieh of KPMG (Taiwan) for fiscal year 2025 both meet the Company's standards for independence and suitability.</p>	Whether the CPA provides non-audit services to the Company that could directly affect the audit work	no	yes	Whether the CPA acts as an underwriter for stocks or other securities issued by the Company	no	yes	Whether the CPA serves as a legal representative or mediator in disputes involving the Company and third parties	no	yes	Whether the CPA has any family relationships with the Company's directors, managers, or personnel who have significant influence on the audit engagement	no	yes	
Whether the CPA provides non-audit services to the Company that could directly affect the audit work	no	yes														
Whether the CPA acts as an underwriter for stocks or other securities issued by the Company	no	yes														
Whether the CPA serves as a legal representative or mediator in disputes involving the Company and third parties	no	yes														
Whether the CPA has any family relationships with the Company's directors, managers, or personnel who have significant influence on the audit engagement	no	yes														
4. Has the Company established a fully dedicated or concurrent unit or personnel in charge of the corporate governance related business, which includes but not limited to the provision of Directors and Supervisors' execution info, the proceeding of Board and Shareholders' meetings and the related pursuant to the regulation, corporate registry and change, the producing of the Board and Shareholders' meetings minutes, and so on?	V		<p>On November 4, 2021, the Company's Board of Directors approved the appointment of Ms. Shu-Ching (Stella) Wu as the Corporate Governance Officer. She possesses the required qualifications, including more than three years of experience in financial and managerial roles at public companies. Ms. Wu is responsible for overseeing and planning corporate governance matters.</p> <p>Scope of Authority of the Corporate Governance Officer:</p> <ul style="list-style-type: none"> <li>⊙ Provide directors and the Audit Committee with necessary information and updates on relevant laws and regulations related to corporate operations.</li> <li>⊙ Assist the directors and the Audit Committee in complying with applicable laws and regulations.</li> <li>⊙ Report annually to the Corporate Governance Committee and the Board of Directors on the status of corporate governance operations.</li> <li>⊙ Handle matters related to Board and shareholders' meetings in accordance with the law.</li> <li>⊙ Prepare minutes for Board and shareholders' meetings.</li> <li>⊙ Assist directors and Audit Committee members with onboarding and continuing education.</li> </ul> <p>Execution of Duties by the Corporate Governance Officer:</p> <ul style="list-style-type: none"> <li>⊙ Assist independent and non-independent directors in the execution of their duties, provide necessary information, and arrange training sessions.</li> </ul>	No material differences												

Evaluation Item	Implementation Status			Conformance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Explanation of Differences															
	yes	No	Summary																
			<ul style="list-style-type: none"> <li>⊙ Regularly inform Board members of developments and revisions in regulations related to the Company's operations and corporate governance.</li> <li>⊙ Review confidentiality levels of relevant information and provide directors with the necessary company data to ensure smooth communication and coordination between the Board and management.</li> <li>⊙ After meetings, oversee the review and disclosure of significant Board resolutions to ensure the legality and accuracy of material information, thereby safeguarding fair disclosure for investors.</li> <li>⊙ All Board members completed at least 6 credits of continuing education.</li> <li>⊙ In 2024, the Company convened 6 Board meetings and 5 Audit Committee meetings.</li> <li>⊙ One Annual General Shareholders' Meeting was held in 2024.</li> <li>⊙ The Company has procured liability insurance for directors and key officers, and reported the renewal to the Board in August 2024.</li> <li>⊙ An internal Board performance evaluation was conducted in 2024, with the result rated as "Excellent."</li> </ul> <p>Continuing Education of the Corporate Governance Officer as of the Annual Report Publication Date:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Organizer</th> <th style="text-align: left;">Course Title</th> <th style="text-align: left;">Date of Training Hours Completed</th> </tr> </thead> <tbody> <tr> <td>Chinese Independent Directors Association</td> <td>Introduction to IFRS Sustainability Disclosure Standards and Insights on Global and Domestic Net-Zero Carbon Trends</td> <td>2024/06/13 3 hours</td> </tr> <tr> <td>Chinese National Association of Industry and Commerce, Taiwan (CNAIC)</td> <td>2024 Taishin Net Zero Summit Forum</td> <td>2024/10/07 3 hours</td> </tr> <tr> <td>Taiwan Institute of Directors</td> <td>Short- and Long-Term Economic Insights Every Business Leader Should Know</td> <td>2024/11/13 3 hours</td> </tr> <tr> <td>Institute of Internal Auditors – Chinese Taiwan</td> <td>Adjusting Internal Control Systems to Comply with New ESG Regulations</td> <td>2024/12/09 6 hours</td> </tr> </tbody> </table> <p>In accordance with the "Regulations Governing the Exercise of Powers by Boards of Directors of TWSE Listed Companies," a newly appointed Corporate Governance Officer shall complete at least 18 hours of training within the first year of assuming the position and at least 12 hours annually thereafter. The Corporate Governance Officer of the Company met the required training hours in 2024.</p>	Organizer	Course Title	Date of Training Hours Completed	Chinese Independent Directors Association	Introduction to IFRS Sustainability Disclosure Standards and Insights on Global and Domestic Net-Zero Carbon Trends	2024/06/13 3 hours	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2024 Taishin Net Zero Summit Forum	2024/10/07 3 hours	Taiwan Institute of Directors	Short- and Long-Term Economic Insights Every Business Leader Should Know	2024/11/13 3 hours	Institute of Internal Auditors – Chinese Taiwan	Adjusting Internal Control Systems to Comply with New ESG Regulations	2024/12/09 6 hours	
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Institute of Internal Auditors – Chinese Taiwan	Adjusting Internal Control Systems to Comply with New ESG Regulations	2024/12/09 6 hours																	
5. Has the Company established a communication channel for the stakeholders (including but not	V		In accordance with regulatory requirements, the Company regularly discloses its financial and operational information on the Market Observation	No material differences															

Evaluation Item	Implementation Status			Conformance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Explanation of Differences
	yes	No	Summary	
limited to the shareholders, employees, clients and suppliers, etc.), a company website dedicated to stakeholders, and responded appropriately to the social responsibility issues which are critical to stakeholders?			Post System (MOPS). For events that may impact shareholders or stakeholders, the Company promptly releases material information to inform the investing public. Additionally, a "Stakeholder Section" is available on the Company's official website, which includes a dedicated communication mailbox (CSR@BenQMedicalTech.com) managed by designated personnel responsible for handling external relations and stakeholder matters. The Company ensures timely and appropriate responses to key corporate social responsibility issues. Upholding the principle of integrity, the Company maintains effective communication with customers, suppliers, and other stakeholders, providing sufficient operational information and appropriately safeguarding their legitimate rights and interests.	
6. Has the Company commissioned a professional stock agent to handle shareholders affair?	V		The Company has established the "Rules of Procedure for Shareholders' Meetings" and convenes annual and extraordinary shareholders' meetings in accordance with the Company Act and relevant regulations. A professional stock affairs agency is engaged to assist in handling matters related to shareholder services.	No material differences
7. Information Disclosure (1) Has the Company established a website for info disclosure on financial, business and corporate governance?	V		The Company's official website features an "Investor Relations" section, which is regularly updated with financial information for investors' reference. The website also includes product introductions and provides up-to-date information on various business activities, ensuring the public has access to the latest developments. All key corporate governance documents are disclosed on the Company's website: <a href="http://www.BenQMedicalTech.com">http://www.BenQMedicalTech.com</a>	No material differences
(2) Has the Company also adopted other disclosure measures such as English website, dedicated personnel for collecting & disclosing of company info, implemented spokesman system, and uploaded the institutional investor conference presentations on the Company's website?	V		The Company's website is available in both Chinese and English and includes a dedicated Investor Relations section. A designated person is responsible for collecting and disclosing financial and business information. For any events that may impact shareholders or stakeholders, the Company promptly releases material information through the Market Observation Post System (MOPS) and continuously updates relevant information for shareholder access.	No material differences
(3) Has the Company announced and declared the annual financial report within two months after end of the fiscal year, and announced Q1, Q2,		V	The Company discloses and files reports in accordance with the Securities and Exchange Act and relevant regulations. The consolidated and individual financial statements for the year 2024 were publicly announced and filed on March 3,	Public disclosure and filing were completed within the deadlines prescribed by applicable laws and

Evaluation Item	Implementation Status			Conformance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Explanation of Differences
	yes	No	Summary	
Q3 financial report and monthly operating performance within prescribed time limit?			2025. The financial reports for the first, second, and third quarters of 2024, as well as monthly operating results, were all disclosed and filed via the Market Observation Post System (MOPS) within the prescribed deadlines.	regulations.
8. Does the Company have other critical information which can help others to understand the implementation of corporate governance (including but not limited to, employee welfare, staff care, investor relations, supplier relations, stakeholder rights, Director training status, risk management policies and risk measurement standard implementation progress, customer policy implementation progress, and the Company's purchase of liability insurance for Directors)?	V		<ul style="list-style-type: none"> <li>◎ The Company has established an Employee Welfare Committee, conducts regular health checkups, complies fully with the Labor Standards Act, and provides group insurance coverage for employees to protect their rights and interests.</li> <li>◎ Through the BenQ Foundation, the Company actively engages in various social initiatives, including community care, environmental protection, and cultural development.</li> <li>◎ The Company maintains strong relationships with local communities, consistently supporting medical advancement and caring for underprivileged groups through donations and contributions of medical supplies as part of its social responsibility efforts.</li> <li>◎ Multiple communication channels are in place to ensure that shareholders, stakeholders, and customers can promptly access information regarding the Company's operations and financial performance. These channels operate effectively and maintain open lines of communication.</li> <li>◎ The Company places great importance on supplier management, regularly assigning professionals to guide suppliers in improving production quality. This collaborative effort helps enhance product quality and fosters a win-win relationship with suppliers.</li> <li>◎ Directors are regularly encouraged to attend relevant professional training programs, and proof of continuing education hours is duly obtained. (Note)</li> <li>◎ The Company and its subsidiaries have procured directors' and supervisors' liability insurance to enable them to fulfill their duties prudently and in the best interests of shareholders without undue concern.</li> </ul>	No material differences

9. Please state the improvement status quo of the latest Corporate Governance Evaluation results announced by the Corporate Governance Center of TWSE, and the prioritized items and measures to be adopted:  
The Company's Corporate Governance Evaluation result for 2024 ranked within the top 21%–35%. A dedicated "Stakeholder Section" is available on the Company's official website to understand and address key corporate social responsibility issues raised by stakeholders. The Company continues to strengthen and improve in areas such as protecting shareholder rights, ensuring equitable treatment of shareholders, enhancing the structure and functioning of the Board of Directors, increasing information transparency, and fulfilling corporate social responsibility.

Note: Director Training Status for the Year 2024:

Title / Name	Date of Training Training Hours	Organizer / Course Title
Chairman Chi-Hong (Peter) Chen	06/13 3 hours	Chinese Independent Directors Association / Introduction to IFRS Sustainability Disclosure Standards and Insights on Domestic and International Net-Zero Carbon Emission Trends
	09/30 3 hours	Taiwan Stock Exchange (TWSE) / Empowering Taiwan's Capital Market Summit
Vice Chairman Houng-Pei (Harry) Yang	06/13 3 hours	Chinese Independent Directors Association / Introduction to IFRS Sustainability Disclosure Standards and Insights on Domestic and International Net-Zero Carbon Emission Trends
	08/09 3 hours	Securities and Futures Institute (SFI) / Risks and Considerations of Artificial Intelligence for Enterprises
	10/07 3 hours	Chinese National Association of Industry and Commerce, Taiwan (CNAIC) / 2024 Taishin Net-Zero Summit Forum
Director Hsin-Pao (Michael) Kuan	06/13 3 hours	Chinese Independent Directors Association / Introduction to IFRS Sustainability Disclosure Standards and Insights on Domestic and International Net-Zero Carbon Emission Trends
	10/07 3 hours	Chinese National Association of Industry and Commerce, Taiwan (CNAIC) / 2024 Taishin Net-Zero Summit Forum
	11/13 3 hours	Taiwan Institute of Directors / Short- and Long-Term Economic Trends Business Leaders Need to Know
Director Sheng-Lung (Danny) Shen	06/13 3 hours	Chinese Independent Directors Association / Introduction to IFRS Sustainability Disclosure Standards and Insights on Domestic and International Net-Zero Carbon Emission Trends
	11/13 3 hours	Taiwan Institute of Directors / Short- and Long-Term Economic Trends Business Leaders Need to Know
Independent Director Chin-Tung (Daniel) Chang	04/10 3 hours	Taiwan Institute of Directors / Navigating Corporate Wisdom: Corporate Governance Leading the Way
	10/07 3 hours	Chinese National Association of Industry and Commerce, Taiwan (CNAIC) / 2024 Taishin Net-Zero Summit Forum
	11/12 3 hours	Taiwan Corporate Governance Association (TCGA) / Innovative Thinking for Business Growth in the Age of AI
	11/13 3 hours	Taiwan Institute of Directors / Short- and Long-Term Economic Trends Business Leaders Need to Know
Independent Director Kuang-Jen (KJ) Chou	04/10 3 hours	Taiwan Institute of Directors / Navigating Corporate Wisdom: Corporate Governance Leading the Way
	06/13 3 hours	Chinese Independent Directors Association / Introduction to IFRS Sustainability Disclosure Standards and Insights on Domestic and International Net-Zero Carbon Emission Trends
	10/07 3 hours	Chinese National Association of Industry and Commerce, Taiwan (CNAIC) / 2024 Taishin Net-Zero Summit Forum
	11/13 3 hours	Taiwan Institute of Directors / Short- and Long-Term Economic Trends Business Leaders Need to Know

Title / Name	Date of Training Training Hours	Organizer / Course Title
Independent Director Hsuan-Lien (Miranda) Chu	02/22 3 hours	Taiwan Association for Business and Sustainability (TABS) / Corporate Governance 3.0, Capital Market Roadmap, and Green Finance
	05/17 3 hours	Taipei Financial Research and Development Foundation / International Financial Reporting Standards (IFRS) S1 and S2
	04/30~05/31 2 hours	Taipei Financial Research and Development Foundation / Taskforce on Nature-related Financial Disclosures (TNFD)
	06/13 3 hours	Chinese Independent Directors Association / Introduction to IFRS Sustainability Disclosure Standards and Insights on Domestic and International Net-Zero Carbon Emission Trends
	10/07 3 hours	Chinese National Association of Industry and Commerce, Taiwan (CNAIC) / 2024 Taishin Net-Zero Summit Forum

Note : Independent Director Mr. Huang Chin-Fa passed away on January 24, 2024. To fill the vacancy, the Company held a by-election for one independent director during the Annual General Shareholders' Meeting on June 7, 2024, and Ms. Chu Hsuan-Lien was elected as the new independent director.

(7) The implementation status and variance analysis of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
1. Whether the company has established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to handle senior management, and the supervision of the Board of Directors.	V		The Company established a "Sustainability Committee" in 2022 to be responsible for the proposal and implementation of corporate social responsibility policies, procedures or related management guidelines and specific implementation plans. The committee is chaired by General Manager Guan, Xin-Bao, and is composed of senior executives from various departments as members of various aspects. The Executive Secretary is responsible for coordinating and promoting cross-departmental corporate sustainability affairs, and integrating relevant departments to promote various goals on the three major issues of economy/governance, environment and society. The "Sustainability Committee" serves as a cross-departmental communication platform that integrates vertically and horizontally. At the same time, task forces are set up according to different topics or strategies to implement sustainable development action plans and implement them in the company's daily operations. In order to effectively disclose sustainable information in the ESG report, a sustainability report executive team was established to track the implementation results of each unit, and the Executive Secretary of the Risk Management Committee will summarize the results and report them to the Board of Directors on a regular basis every year. The 2024 implementation status was reported on March 3, 2025, and sustainability-related strategies and goals were formulated in accordance with the supervision of the Board of Directors and the Group's policies. Refer to the "Corporate Governance Organization Structure" section of the Sustainability Report.	None
2. Does the Company conduct the risk assessment on environmental, social and corporate governance issues related to corporate operation? And any establishment of relevant risk management policy or strategies? (Materiality principle means there will be material impact of the environmental, social and corporate governance issues as a whole on corporate investors and other stakeholders.)	V		The Company conducts risk assessment and planning based on the principle of materiality for environmental, social and corporate governance aspects and issues related to the Company's operations and has established "Risk Management Policies and Procedures" that include risk identification, risk analysis and assessment, risk response and control, and risk monitoring. Considering different potential operational risks and disasters is a prerequisite for enterprises to pursue sustainable operations. Having handling procedures and recovery mechanisms in place when a crisis occurs can minimize the unexpected impact and influence on the enterprise. The Company conducts risk assessment in accordance with the materiality identification method of the Global Reporting Initiative (GRI)	Gradually improve

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons												
	Yes	No	Summary													
			<p>Standards. We regularly send out questionnaires each year to stakeholders so as to understand the major topics of concern in the three major dimensions of economy/governance, environment, and society. We examine the significance and scope of impact of the major topics identified in that year on BMTC, set annual management risk control targets, review targets each year, and disclose management target results. The disclosed information is from January 1 to December 31, 2024, and the major theme projects are mainly operational performance (economic/governance), diversity, inclusion and equal rights (society), and occupational safety and health (environment). Based on the assessed risks, the relevant risk management policies or strategies are formulated as follows:</p> <table border="1"> <thead> <tr> <th>Major Theme</th> <th>Risk Assessment Item</th> <th>Risk Management Strategies</th> </tr> </thead> <tbody> <tr> <td>Economic/Governance</td> <td>Operational Performance (Business concentration)</td> <td> <ul style="list-style-type: none"> <li>&gt; New self-made and agency items</li> <li>&gt; Overseas sales: Expand product offerings to existing customers</li> <li>&gt; FDA certification to develop the American market</li> </ul> </td> </tr> <tr> <td>Environment</td> <td>Occupational Safety and Health (Employee Health and Safety)</td> <td>For machinery, equipment or tools that may cause harm, necessary safety and health equipment and measures that comply with regulations should be in place, and education and training should be arranged for personnel and records should be kept.</td> </tr> <tr> <td>Society</td> <td>Diversity, inclusion and equal rights (Corporate reputation)</td> <td> <ul style="list-style-type: none"> <li>&gt; Formulate measures to prevent and control sexual harassment and handle complaints</li> <li>&gt; Conduct education and training (recruitment interview/sexual harassment)</li> </ul> </td> </tr> </tbody> </table> <p>Refer to the "Risk Management" section of the Sustainability Report</p>	Major Theme	Risk Assessment Item	Risk Management Strategies	Economic/Governance	Operational Performance (Business concentration)	<ul style="list-style-type: none"> <li>&gt; New self-made and agency items</li> <li>&gt; Overseas sales: Expand product offerings to existing customers</li> <li>&gt; FDA certification to develop the American market</li> </ul>	Environment	Occupational Safety and Health (Employee Health and Safety)	For machinery, equipment or tools that may cause harm, necessary safety and health equipment and measures that comply with regulations should be in place, and education and training should be arranged for personnel and records should be kept.	Society	Diversity, inclusion and equal rights (Corporate reputation)	<ul style="list-style-type: none"> <li>&gt; Formulate measures to prevent and control sexual harassment and handle complaints</li> <li>&gt; Conduct education and training (recruitment interview/sexual harassment)</li> </ul>	
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<p>3. Environmental Issues</p> <p>(1) Does the Company establish a suitable environmental management system according to its industrial characteristics?</p>	V		<p>The factory adheres to the principles of "improving environmental management quality and enhancing competitiveness", "meeting customer requirements and improving customer satisfaction" and "the company's commitment to environmental improvement" and has obtained ISO 14001 Environmental Management System</p>	None												

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(2) Does the Company dedicate to enhancing the use efficiency of various resources and use the recycled materials with low impact on environmental load?	V		<p>Certification (valid until December 26, 2025). This includes selecting raw materials with low environmental impact, adopting cleaner production technologies, and continuously improving the organizational environment through pollution prevention and resource conservation to maintain environmental quality.</p> <p>In response to the ROHS directive, the company purchased relevant testing instruments and inspection equipment to strengthen the control of incoming materials and processes to comply with EU regulations. Refer to the "Environmental Sustainability" section of the Sustainability Report.</p> <p>The company's research and development, procurement, production, operations and service operations should consider reducing the impact on the natural environment and humans:</p> <ul style="list-style-type: none"> <li>➢ Reduce resource and energy consumption of products and services.</li> <li>➢ Reduce the emission of pollutants, toxic substances and waste, and properly dispose of waste.</li> <li>➢ Improve the recyclability and reuse of raw materials or products.</li> <li>➢ Prolong the durability of the product.</li> <li>➢ Increase the effectiveness of products and services.</li> </ul> <p>Refer to the "Energy Management" section of the Sustainability Report.</p>	None
(3) Does the Company evaluate the current and future potential risks and opportunities of the enterprises brought about by climate change and adopt relevant countermeasures?	V		<p>The Company uses the TCFD Climate Change-Related Financial Disclosure Guidance Framework to analyze climate-related international trends and industry issues of concern, and to identify physical and transitional climate-related risks and opportunities. BMTC implements the TCFD process, which includes the following four steps: (1) collecting climate risk and opportunity issues, (2) identifying major climate risks, (3) analyzing financial impacts, and (4) formulating response measures. Refer to the "Climate Change and Carbon Management" section of the Sustainability Report.</p>	None
(4) Does the Company tabulate the greenhouse gas emissions, water consumption and total weight of waste over the past two years and formulate policies regarding greenhouse gas reduction, less water consumption or other waste management?	V		<p>The company has developed plans to reduce greenhouse gas emissions, water consumption and waste management, including:</p> <ul style="list-style-type: none"> <li>➢ The factory lighting fixtures use energy-saving light bulbs to reduce the heat generated by the light source.</li> <li>➢ Improve process efficiency.</li> <li>➢ Centralize production arrangements to reduce local overtime.</li> <li>➢ Office energy-saving activities promote</li> </ul>	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			<p>turning off lights, garbage sorting, recycling and reduction to achieve energy conservation and carbon reduction goals.</p> <p>➤ Promote electronic document management systems, reduce paper usage, and make more use of recycled paper.</p> <p>Refer to the "Greenhouse Gas Management", "Water Resources Management" and "Waste Management" sections of the Sustainability Report.</p>	
4.Social Issues				
(1) Does the Company follow relevant laws and regulations as well as the International Bill of Human Rights to establish related management policies and procedures?	V		<p>In order to create a safe and respectful working environment for employees, the company strictly abide by the laws and regulations of each operating location and protect the human rights of all personnel, including full-time employees, contract and temporary staff, and interns.</p> <p>We follow internationally recognized human rights norms and principles, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. We also formulate human rights policies in compliance with the laws and regulations of the company's location, confirm that there is no discrimination in employment policies, and implement equality and fairness in employment, employment conditions, remuneration, benefits, training, assessment and promotion opportunities, and provide fair and reasonable wages and working conditions.</p> <p>Refer to the "Equal Labor Human Rights" section of the Sustainability Report.</p>	None
(2) Does the Company establish and implement the rational employee benefit measures (including Sustainability, paid vacation and other benefits...etc.)? And any reflection on the corporate business performance or achievements in the employee Sustainability?	V		<p>The company has established work rules and relevant personnel management policies, which cover the basic wages, working hours, annual leaves, pension benefits, labor and health insurance benefits, occupational accident compensation, etc. of the workers employed by the company, all of which comply with the relevant provisions of the Labor Standards Act. We set up an employee welfare committee to operate through the welfare committee elected by employees to handle various welfare matters. The company's remuneration policy is based on personal ability, contribution to the company, performance, and is positively correlated with operating performance.</p> <p>Please refer to the sections on "Lohas Workplace and Employee Care" and "Performance Management Procedure" in the Sustainability Report. follows:</p>	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(3) Does the Company provide a safe and healthy working environment to employees? And any regular implementation on safety and health education for employees?	V		<p>The company formulates policies in accordance with the Occupational Safety and Health Act and the regulations of customers and related groups, and respects the requirements of relevant stakeholders on occupational safety and health to build a healthy and happy workplace.</p> <ul style="list-style-type: none"> <li>➢ In accordance with the Occupational Safety and Health Act, the work environment monitoring (carbon dioxide, noise, organic solvents) is carried out every six months.</li> <li>➢ Establish a fire protection plan in accordance with the Enforcement Rules of Fire Services Act, conduct disaster prevention (fire) evacuation drills every six months, and conduct fire evacuation facility inspections every month.</li> <li>➢ To ensure the safety of employees at work, we have established protective gear management procedure, and implement protective gear inspection and replacement once a month.</li> <li>➢ Once a week, we cooperate with the Cardinal Tien Hospital to implement labor health services (health guidance, occupational disease prevention, health examination result evaluation and health education guidance, environmental improvement, functional evaluation, etc.).</li> <li>➢ Implement occupational safety and health education and training for new employees once a quarter and implement 3 hours of occupational safety and health education and training for in-service employees every 3 years.</li> <li>➢ Perform regular health checks and special operation health checks once a year.</li> <li>➢ In order to ensure the safety of contractors' operations, we have formulated environmental safety and health management procedures for contractors to make them understand the working environment, hazard factors and related safety and health procedures. All construction personnel entering the factory must take environmental safety and health education and training courses. During the construction period, the contractor appoints on-site supervisors. In addition to the on-site supervision of the responsible department, the safety personnel also conduct regular inspections.</li> <li>➢ In order to implement occupational safety and health management and ensure a safe working environment, we have developed equipment management procedures and implemented daily inspections and monthly maintenance checks. Formulate accident handling procedures to investigate the real causes of accidents and formulate</li> </ul>	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			<p>improvement measures according to accident levels and accident classifications. After each accident occurs, statistical evaluation is conducted on a monthly basis based on the real causes of the accident and the improvement measures proposed by the accident site.</p> <p>➤ In order to effectively monitor and manage dangerous and harmful substances in the factory, we have formulated hazardous substance control procedures in accordance with the dangerous and harmful substance labeling and communication rules, and reviewed the list of dangerous and harmful substances used in the factory every six months.</p> <p>➤ In order to avoid safety risks to personnel caused by outdated hardware facilities in the workplace, each department shall conduct a workplace inspection and hazard assessment at least once a year and carry out repairs and updates to the workplace.</p> <p>For detailed employee personal safety and work environment protection measures, please refer to pages 77 to 78 of this annual report. There were no employee-related accidents or fires in fiscal 2024. Refer to the "Occupational Safety and Health Management" section of the Sustainability Report.</p>	
(4) Does the Company build the efficient training programs of career planning ability for employees?	V		<p>Provide employees with career development training and create a good environment, and appropriately reflect corporate operating performance or results in employee compensation policies to ensure the recruitment, retention and encouragement of human resources and achieve the goal of sustainable operation. Please refer to the "Talent Recruitment and Training" section of the Sustainability Report.</p>	None
(5) For customer health and safety, customer privacy, marketing and labeling regarding the Company's products and services, does the Company follow relevant laws, regulations and international guidelines? And any establishment of policies on consumer rights and interests as well as procedures for accepting consumer complaints?	V		<p>The company follows good manufacturing practices and medical product-related laws and regulations to design, produce, label, and sale products and protect customer benefits and right of complaints to ensure the health and safety of customers in compliance with relevant laws and regulations and international standards. Please refer to the "Customer Service Requirements" section of the Sustainability Report.</p>	None
(6) Does the Company establish the supplier management policy and ask the suppliers to follow the	V		<p>The company has established supplier management procedures, requiring suppliers to comply with RoHS environmental regulations.</p>	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
related rules for the issues such as environmental protection, occupational safety and health or labor and human rights? And any implementation status?			We have formulated a social responsibility and environmental safety and health management manual to promote the suppliers should comply with occupational safety standards and human rights issues. Refer to the "Supply Chain Management Requirements" section of the Sustainability Report.	
5. Does the Company prescribe the report on nonfinancial information disclosure such as ESG Report by referring to international reports to prescribe the standards or guidelines? Does the Company obtain a third-party assurance or verification for the foregoing reports?	V		The Company issued its first sustainability report in 2024, which was compiled in accordance with the 2021 version of the GRI Standards issued by the Global Reporting Initiative (GRI). The information disclosure period is from January 1, 2023 to December 31, 2023, and no third-party verification or assurance has been obtained. For details of the Sustainability Report, please refer to the ESG section of our website.	None
<p>6. If the Company has established its corporate social responsibility best-practice principles in accordance with the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, please clearly describe the functioning of such principles and any discrepancies:</p> <p>On May 4, 2025, the company passed the resolution of the board of directors to establish the "BenQ Medical Technology Corporation Corporate Social Responsibility Code of Practice", which has relevant regulations for environmental protection, community participation, social contribution, social services, social welfare, customer rights, human rights, safety and health, etc. The overall operation is not significantly different from the "Sustainable Development Code of Practice for Listed Companies". On August 1, 2022, the board of directors resolved to change the name of the "Original Corporate Social Responsibility Code of Practice" to the "Sustainable Development Code of Practice", and the formulation of sustainable development policies, systems or related management guidelines and specific promotion plans in response to sustainable issues must be approved by the board of directors.</p>				
<p>7. Other important information to facilitate a better understanding of the Company's implementation of sustainable development:</p> <p>The company actively participates in the volunteer activities of the BenQ Foundation. Through the foundation's core value of "caring for society", we leverage the contribution of everyone to have a positive impact on society and the environment, and convey real, friendly and beautiful emotions. We implement our corporate social responsibility policy by investing in ecological conservation, cultural and creative activities, humanities education and other fields. The foundation organizes charity activities: organizing "DOC Volunteer Trips" to harvest summer tea in Hengshan, Hsinchu, harvest grass jelly in Guanxi, Hsinchu, harvest chrysanthemum morifolium ramat in Tongluo, Miaoli, and harvest in Xizhou, Changhua, to gather employees and their families to go into nature together, get close to the production areas and participate in agricultural harvesting, reflecting the spirit of enthusiastic service. Promote "Eco-friendly farming" and invite colleagues to donate money to adopt rice fields, promote green economy, support wildlife-friendly farming, and ensure environmental sustainability. At the same time, rice is shared with regional social groups to support dining activities for the elderly and provide nutritious, healthy and safe rice. Our colleagues also voluntarily adopted rice fields to support the good farming movement, allowing the power of "force for good" in society to continue to circulate.</p> <p>In addition to the foundation activities, in response to sustainable development, the company organized the "Atayal Secret Land Planting Shell Flower" tree planting event. Go to the Jianshi Mountains in Hsinchu to learn about the national treasure plants that have transformed the tribal economy, enjoy the Nalo herb feast with stories in the dishes, and pack up the flowers and herbs that heal the body and mind! And personally planted shell flower to contribute to nature and tribal culture.</p> <ul style="list-style-type: none"> <li>➢ The 40 shell flower trees planted this time will fix about 232 kilograms of carbon per year, which will help alleviate the impact of climate change and protect our home planet. (In line with SDGs 15 to conserve and sustainably use terrestrial ecosystems, ensure biodiversity and prevent land degradation)</li> <li>➢ The whole plant of shell flower can be used, which not only creates a local moon peach economy, but also provides opportunities for tribal youth to return to their hometown for employment, thus promoting urban and rural development. (In line with SDGs 11: Build inclusive/safe/resilient and sustainable cities and villages/SDGs 12: Promote a green economy and ensure sustainable consumption and production patterns)</li> </ul>				

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	

We joined the Taipei NeiHu Technology Park Development Association and worked hard and dedicated ourselves to the park. The association actively participated in various public welfare activities. In addition to raising emergency relief funds when necessary, the association's channels released charity event information for free to charitable groups to help disadvantaged groups in society.

Appropriately employ manpower in the location where the company operates, reduce carbon emissions from transportation, and be friendly to neighbors to promote community development and local economy.

### Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The company introduced an enterprise risk management framework at the end of 2020 and established a risk management committee, with the General Manager as the convener and the heads of each business unit as team members. Annual risk identification and assessment are conducted every year, prevention and mitigation measures are implemented for high-risk topics, tracking is conducted every quarter, and reports are made to the board of directors regularly. The Risk Management Committee follows the "TCFD" framework to identify risks and opportunities based on the framework of "governance", "strategy", "risk management" and "indicators and goals". Refer to the "Climate Change and Carbon Management" section of the Sustainability Report.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Define short-term (within 3 years), medium-term (within 10 years), and long-term (more than 10 years) risks and opportunities based on the company's financial planning, strategic direction, and vision & goals, and adjust operational plans on a timely basis based on sustainable development analysis results and sustainable trends. Refer to the "Climate Change and Carbon Management" section of the Sustainability Report.
3. Describe the financial impact of extreme weather events and transformative actions.	The company is considering the risks of increased frequency of flooding in the area where the factory is located, damage to raw materials, products or equipment, and potential financial impacts such as loss of production capacity, decline in revenue, and loss of capital assets in the event of an extreme climate event such as acute flooding. The response measures include improving the drainage system and investing in capital expenditures related to flood prevention and control. Refer to the "Climate Change and Carbon Management" section of the Sustainability Report.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Through the framework of financial disclosure guidance related to climate change, we analyze international trends and industry issues related to climate change, identify climate-related risks and opportunities such as physical and transformation, and promote the TCFD process, which includes the following four steps: (1) collect climate risk and opportunity issues, (2) identify major climate risks, (3) analyze financial impacts, and (4) formulate response measures. Refer to the "Climate Change and Carbon Management" section of the Sustainability Report.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Scenario analysis has not yet been used to assess resilience to climate change risks.

Item	Implementation status																
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	There is no transformation plan for climate-related risks so far.																
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing has not yet been used as a planning tool.																
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	No climate-related targets have been set.																
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan	<p>1-1 Greenhouse Gas Inventory and Assurance for the Past Two Years  1-1-1 Greenhouse Gas Inventory Information  The 2023 greenhouse gas inventory information is shown in the table below. The 2024 greenhouse gas inventory is expected to be completed by the end of April 2025.</p> <table border="1" data-bbox="564 1048 1318 1375"> <thead> <tr> <th data-bbox="564 1048 826 1106">Index (Unit)</th> <th data-bbox="826 1048 979 1106">Total Emissions</th> <th data-bbox="979 1048 1187 1106">Data Scope</th> <th data-bbox="1187 1048 1318 1106">Remark</th> </tr> </thead> <tbody> <tr> <td data-bbox="564 1106 826 1187">Direct Greenhouse Gas Emissions (A) (Metric Tons of CO<sub>2</sub>e)</td> <td data-bbox="826 1106 979 1187">65.6417</td> <td data-bbox="979 1106 1187 1187">BMTC Individual Company</td> <td data-bbox="1187 1106 1318 1187">Note 1</td> </tr> <tr> <td data-bbox="564 1187 826 1267">Indirect Energy Emissions (B) (Metric Tons of CO<sub>2</sub>e)</td> <td data-bbox="826 1187 979 1267">642.4144</td> <td data-bbox="979 1187 1187 1267">BMTC Individual Company</td> <td data-bbox="1187 1187 1318 1267">Note1</td> </tr> <tr> <td data-bbox="564 1267 826 1375">Greenhouse Gas Emissions Intensity (Metric Tons of CO<sub>2</sub>e/Million Dollars)</td> <td data-bbox="826 1267 979 1375">1.6370</td> <td data-bbox="979 1267 1187 1375">(A) + (B)</td> <td data-bbox="1187 1267 1318 1375">Note2</td> </tr> </tbody> </table> <p>Note 1: Direct emissions (Scope 1, emissions directly from sources owned or controlled by the company) and energy indirect emissions (Scope 2, indirect greenhouse gas emissions resulting from imported electricity, heat, or steam).</p> <p>Note 2: The intensity of greenhouse gas emissions is calculated per unit of product/service or turnover. The turnover refers to the company's operating income in 2023.</p> <p><b>1-1-2 Greenhouse Gas Assurance Information</b>  The company expects to complete greenhouse gas assurance by 2027.</p> <p><b>1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans</b>  The Company plans to proceed with planning after completing the investigation and confirmation.</p>	Index (Unit)	Total Emissions	Data Scope	Remark	Direct Greenhouse Gas Emissions (A) (Metric Tons of CO <sub>2</sub> e)	65.6417	BMTC Individual Company	Note 1	Indirect Energy Emissions (B) (Metric Tons of CO <sub>2</sub> e)	642.4144	BMTC Individual Company	Note1	Greenhouse Gas Emissions Intensity (Metric Tons of CO <sub>2</sub> e/Million Dollars)	1.6370	(A) + (B)	Note2
Index (Unit)	Total Emissions	Data Scope	Remark														
Direct Greenhouse Gas Emissions (A) (Metric Tons of CO <sub>2</sub> e)	65.6417	BMTC Individual Company	Note 1														
Indirect Energy Emissions (B) (Metric Tons of CO <sub>2</sub> e)	642.4144	BMTC Individual Company	Note1														
Greenhouse Gas Emissions Intensity (Metric Tons of CO <sub>2</sub> e/Million Dollars)	1.6370	(A) + (B)	Note2														

(8) Implementation of Honest Practices, Comparison Against the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and Reasons:

Evaluation Items	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary and Description	
1. Establish ethical management policies and plans (1) Has the Company adhered to the business conduct policy explicitly set out in its regulations and external documents, supported by the active commitment of the Board of Directors and Management to its implementation?	V		The Company has established the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" and has been approved by the Board of Directors, which clearly state the policies and practices of integrity management, as well as the commitment of the Board of Directors and senior management to implement the management policies.	None
(2) Does the Company establish the evaluation mechanism on higher risk of unethical behavior, regularly analyze and evaluate the business activities with higher risk of unethical behavior, as well as adopt the preventative measures at least covering the Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies?	V		The company's "Ethical Corporate Management Best Practice Principles" has detailed regulations prohibiting the directors, managers and all employees of our company from engaging in any business activities that have a higher risk of dishonest behavior in the second paragraph of Article 7 of the " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies " or other business scopes.	None
(3) Are the operational procedures, guidelines, disciplinary and appeal system of impairment included in the Company's prevention programs of unethical behavior thorough implementation? And any regular review of the foregoing programs for better implementation?	V		The Company has established and implemented the "Ethical Corporate Management Best Practice Principles", which clearly defines the operating procedures, behavioral guidelines, and the disciplinary and complaint mechanism for violations. At the end of each year, when the Board of Directors presents the implementation status on promoting corporate integrity management for the current year, the Company's "Ethical Corporate Management Best Practice Principles" will be reviewed to see if any revisions are needed.	None
2. Implementation of the Codes of Business Conduct (1) Does the Company access the ethical conduct records of its counterparts and specify "ethical clauses" in business contracts?	V		The company evaluates the integrity records of its business partners, but does not explicitly stipulate integrity clauses in the signed contracts.  The Board of Directors and the management of the Company and its subsidiaries actively ensure the commitment to the integrity management policy and implement it in internal management and business activities. We also conduct our business activities in a fair, transparent and honest manner.	None

Evaluation Items	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary and Description	
(2) Has the Company established dedicated units under supervision of the Board to promote corporate ethical management and to report accordingly to the Board of the implementation status?	V		In order to improve the management of honest business operations, the company and its subsidiaries have appointed dedicated personnel to formulate and supervise the implementation of honest business policies and plans to prevent dishonest behavior, and report to the Board of Directors on a regular basis. On March 3, 2025, the Board of Directors was informed that there were no major violations of the company's Integrity Handbook in 2024, 100% of employees had completed the Integrity Handbook education training and testing, and no integrity complaints had been received.	None
(3) Does the Company promulgate policies to prevent conflicts of interests and offer channels for reporting such conflicts?	V		The company's "Ethical Corporate Management Best Practice Principles" and "Regulations Governing Procedure for Board of Directors Meetings" have set forth a framework for directors to avoid conflicts of interest. Directors who have a conflict of interest with themselves or with the legal person they represent, and who are suspected of being harmful to the interests of the company, may state their opinions and answer questions, but may not participate in discussions or votes, and shall avoid discussions or votes, and may not exercise voting rights on behalf of other directors. The company also educates employees about the relevant provisions on conflicts of interest in business to prevent colleagues from causing damage to the company due to conflicts of interest. Communication channel integrity email: <a href="mailto:Integrity@BenQMedicalTech.com">Integrity@BenQMedicalTech.com</a> .	None
(4) Has the Company established an effective operation of the accounting and internal control system, and periodically conducted internal audits by internal auditors, or audited by CPA?	V		The company has established an "Internal Control Procedure" (including supervision and management of subsidiaries). The internal audit department regularly assesses risks and formulates audit plans, performs relevant audits according to the plans, and performs special audits as needed. The audit results are regularly reported to the Audit Committee and the Board of Directors to enable the management understand the company's internal control implementation status so as to achieve management purposes.	None
(5) Does the Company periodically conduct the internal and external training on ethical management?	V		The company completed the online training course and online test of the Integrity Handbook for all employees in November 2024.	None
3. Establishment of Reporting Channels for Violations of the Codes of Business Conduct (1) Has the Company established a specific reporting and reward system through convenient channels for lodging	V		In order to ensure that the behavior of the directors and managers of the company complies with ethical standards, the board of directors resolved on May 4, 2015 to establish the "Code of Ethical Conduct" and present it to the shareholders' meeting. When a director or manager violates the "Code	None

Evaluation Items	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary and Description	
complaints? And does the Company assign the dedicated			of Ethical Conduct", the company shall handle it in accordance with the relevant provisions of the "Memorandum and Articles of Association", and immediately disclose the title, name, date of violation, reason for violation, violation of the code and the handling of the violation on the public information board. When a director or independent director violates this Code, the director may request an independent director to investigate. However, if the director is an independent director himself, the director may request another independent director to investigate. When a manager of the company violates this Code and is punished, the manager may file a complaint in accordance with the employee complaint handling guidelines.	
(2) Has the Company established the standard operation procedure for investigating and proceeding of the report in a confidential manner?	V		The company encourages employees to proactively report to the Board of Directors, managers, internal audit supervisors or other appropriate personnel when they suspect or discover any violation of laws, regulations or "Code of Ethical Conduct", and to provide sufficient information so that the company can properly handle subsequent matters.	None
(3) Does the Company adopt measures to protect whistle blowers from reprisals for having filed the complaint report?	V		All reports are kept completely confidential and verified through independent channels to protect whistle blowers.	None
4. Enforcement of Information Disclosure Has the Company disclosed its "Best Practice Principles" and the implementation through its official website or the market observation post system?	V		The company's website and public information board disclose the "Ethical Corporate Management Best Practice Principles" and the effectiveness of implementation can be tracked through the annual report.	None

5. If the Company has established its ethical business best practice principles in accordance with the "Ethical Business Best-Practice Principles for TWSE/GTSM Listed Companies", clearly describe the function of such principles and any discrepancies in ethical business best-practice principles:  
On May 4, 2015, the board of directors of the company approved a resolution to establish the "BenQ Medical Technology Corporation Ethical Corporate Management Best Practice Principles" and revised it on November 6, 2020 to establish a corporate culture of integrity management and sound development, and provide a solid framework for good business operations. The overall implementation status is not significantly different from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies".

6. Other important information regarding the Company's operation in ethical business best-practice, such as the reviewing and amending of the Company's business best-practice principles and so on:  
The company has set up a supplier anti-corruption channel for suppliers. If any of our colleagues violate the "integrity" ethical standards and conduct, suppliers can report it through the integrity mailbox: CSR@BenQMedicalTech.com, and the company will have a dedicated person to handle it. For whistleblowers, the company will strictly keep the investigation content and results confidential and ensure that the rights and interests of relevant personnel will not be harmed.  
The Human Resources Department launched an online course on the "Integrity Handbook" for all employees in November 2024. The course content includes: an introduction to the Integrity Handbook, key points, and practical examples. After-class tests are used to examine employees' learning outcomes.

## (9) Other information enabling a better understanding of Company Corporate Governance:

The company adopted the "Corporate Governance Code of Practice", approved by the Board of Directors, on October 8, 2015, and revised it on April 26, 2023.

On December 23, 2009, the Board of Directors of the company approved a resolution to establish the "Operating Procedures for Internal major information processing and. Prevention and Management of insider trading" and revised this procedure on October 28, 2022. This procedure has been announced to managers and colleagues in the information sharing board of the company's intranet.

When the new directors of the company on board, they are given a promotional manual compiled by the company for their reference and compliance.

- Memorandum and Articles of Association
- Shareholders' Meeting Rules
- Regulations Governing Procedure for Board of Directors Meetings
- Rules for Performance Evaluation of Board of Directors
- Rules for Election of Directors
- Audit Committee Charter
- Compensation Committee Charter
- Corporate Governance Best Practice Principles
- Sustainable Development Best Practice Principles
- Ethical Corporate Management Best Practice
- Code of Ethical Conduct
- Operating Procedures for Internal major information processing and. Prevention and Management of insider trading
- Acquisition or Disposition of Assets Processing Procedure
- Operating Procedures of Endorsement / Guarantees
- Procedure for Financial Derivatives Transactions

## (10) Implementation status of internal control system

### **Internal Control Declaration :**

Please visit the Market Observation Post System (MOPS) at <https://emops.twse.com.tw> and follow the steps below to access information for Company Ticker: 4116:

MOPS > Listed Company > Corporate Governance > Company Rules/Internal Control > Internal Control Statement Disclosure

(Website : <https://mops.twse.com.tw/mops/#/web/t06sg20> )

**The investigative report of Entrusting CPA to examine the internal control system:** None

#### IV Information on CPAs' Fees

##### (1). Information on CPA professional fees

Unit : NT\$ thousand

Firm Name	CPA Name	Duration of Audit	Audit Fee	Non-Audit Fee (Note)	Total
KPMG in Taiwan (KPMG International Limited)	Hsu, Shih-Chun	Jan. 01-Dec. 31, 2024	2,220	270	2,520
	Tang, Tzu-Chieh				

Note. The non-audit public expense of the KPMG in Taiwan is a tax certification, non-supervisory full-time employee salary information checklist and relationship report review service.

The company did not change its CPA in 2024 and the audit fees paid in the change year were reduced compared to the audit fees in the previous year, nor did the audit fees decrease by more than 10% compared to the previous year.

##### (2) CPA Replacement Information

###### Regarding the Former CPA:

Replacement Date	January 01, 2024		
Reasons and explanations for change	Due to the internal personnel adjustment of the KPMG in Taiwan on January 1, 2024, the CPAs were changed from Accountant Tang, Ci-Jie and Accountant Gao, Liang-Wen to Accountant Hsu, Shih-Chun and Accountant Tang, Tzu-Chieh.		
Explain that the appointer or accountant has terminated or refused to accept the appointment.	Party	Accountant	Appointing Person
	Situation	Not applicable	
	Voluntary termination of appointment		
No longer accept (continue) appointment			
Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years	Not applicable		
Any Disagreement with The Issuer	Not applicable		
Other disclosures (Items 1-4 to 1-7 of Paragraph 6 of Article 10 of this Code should be disclosed)	Not applicable		

###### Regarding the Successor CPA:

Firm Name	KPMG in Taiwan (KPMG International Limited)
CPA Name	Hsu, Shih-Chun and Tang, Ci-Jie
Date of Appointment	January 01, 2024
Consultation Matters and Results Regarding Accounting Treatment Methods or Accounting Principles for Specific Transactions And Possible Issuance of Opinions on Financial Reports Before Appointment	Not applicable
The Successor Accountant'S Written Opinion On Matters With Which The Predecessor Accountant Disagrees	Not applicable

**The response from the former auditor regarding items 1 and 2(3) of Article 10, Paragraph 6 of these guidelines.: N/A**

(3) The company's Chairman, General Manager, or Manager responsible for financial or accounting affairs, who has worked for the CPA firm or its affiliated companies in the past year: N/A

### III. Capital Overview

#### 1. Capital and Shares

##### Source of Capital

Unit: 1,000 shares/NT\$1,000

As of April 7, 2025

Year/ Month	Issuing Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Others
2021.08	10	150,000	1,500,000	44,566	445,600	Nil	Nil	Note

Note: The effective (approval) date and document number of the approved capital stock: Taipei City Government 2021.08.09 - No. 11051958800.

##### Types of Shares

Unit: 1,000 shares

As of April 7, 2025

Type of share	Authorized Capital Stock		
	Outstanding Shares	Unissued Shares	Total
Registered Common Stock	44,566	105,434	150,000

##### Major Shareholders

Registered Common Stock

Shareholding base date: June 5, 2025

Names of Major Stockholders	Quantity of shares	Total shares owned (Shares)	Shareholding ratio (%)
BenQ Corporation		19,353,427	43.43%
Darly Venture Inc.		3,548,646	7.96%
Darly2 Venture, Inc.		1,589,883	3.57%
Ke, Chun-Lan		275,000	0.62%
Omniguider Inc.		211,000	0.47%
Chen, Chi-Hong		200,000	0.45%
Chen, Jiay-Yi		188,000	0.42%
Wang, Guan-Neng		185,644	0.42%
Tsai, Ming-Chang		175,000	0.39%
Yeh, Yong-Ching		170,000	0.38%

#### Information On the Relationships Among the Top Ten Shareholders In Terms of Shareholding Ratio

Registered Common Stock

Shareholding base date: June 5, 2025

Name (Note 1)	Current shareholding		Shares held by spouses and minor children		Shares held in another person's name		Name, relationship of top 10 shareholders being the related party as spouse or kin within the second tier under the Civil Code (Note 3)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relationship
BenQ Corporation	19,353,277	43.43%	0	0.00%	0	0%	Darly Venture, Inc. Darly2 Venture, Inc. Chen, Chi-Hong Hong, Chiu-Jin	Affiliated Enterprises (Note) Parent-Subsidiary (Note) Director of BenQ Corporation Director of BenQ Corporation
Person in charge Tseng, Wen-Chi	0	0.00%	0	0.00%	0	0%	N/A	N/A
Darly Venture, Inc.	3,548,646	3.57%	0	0.00%	0	0%	BenQ Corporation Chen, Chi-Hong	Affiliated Enterprises (Note) Director of Darly Venture, Inc.
Person in charge Hong, Chiu-Jin	0	0.00%	0	0.00%	0	0%	N/A (Note)	N/A (Note)
Darly2 Venture, Inc.	1,589,883	3.57%	0	0.00%	0	0%	BenQ Corporation Chen, Chi-Hong	Parent-Subsidiary (Note) Director of Darly2 Venture, Inc.
Person in charge Hong, Chiu-Jin	0	0.00%	0	0.00%	0	0%	N/A (Note)	N/A (Note)
Ke, Chun-Lan	275,000	0.62%	0	0.00%	0	0%	N/A	N/A
Omniguider Inc.	211,000	0.47%	0	0%	0	0%	N/A	N/A

Name (Note 1)	Current shareholding		Shares held by spouses and minor children		Shares held in another person's name		Name, relationship of top 10 shareholders being the related party as spouse or kin within the second tier under the Civil Code (Note 3)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relationship
Person in charge Yin, Cui-Feng	0	0.00%	0	0.00%	0	0%	N/A	N/A
Chen, Chi-Hong	200,000	0.45%	0	0.00%	0	0%	BenQ Corporation	Director of BenQ Corporation
							Darly Venture, Inc.	Director of Darly Venture, Inc.
							Darly2 Venture, Inc.	Director of Darly2 Venture, Inc.
Chen, Jiay-Yi	188,000	0.42%	0	0.00%	0	0%	N/A	N/A
Wang, Guan-Neng	185,644	0.42%	0	0.00%	0	0%	N/A	N/A
Tsai, Ming-Chang	175,000	0.39%	0	0.00%	0	0%	N/A	N/A
Yeh, Yong-Ching	170,000	0.38%	0	0.00%	0	0%	N/A	N/A

Note : Darly2 Venture, Inc. is a wholly-owned subsidiary of BenQ Corporation; BenQ Corporation and Darly Venture, Inc are both wholly-owned subsidiaries of Qisda Corporation; the person in charge of Darly Venture, Inc. and Darly2 Venture, Inc.. is the same person.

### Changes In the Equity Of Directors, Managers and Major Shareholders

As of the 2024 fiscal year and up to the date of publication of this annual report, information regarding share transfers and changes in share pledges involving the Company's directors, supervisors, managerial officers, and shareholders holding more than 10% of the Company's shares can be found on the Market Observation Post System (MOPS).

- Share Transfer Inquiry Path:**  
MOPS > Individual Company > Shareholding Changes / Securities Issuance > Share Transfer Information Inquiry > Insider Shareholding Change Post-Reporting Form  
[https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1)
- Share Pledge Change Inquiry Path:**  
MOPS > Individual Company > Shareholding Changes / Securities Issuance > Insider Pledge / Release of Pledge > Insider Pledge / Release of Pledge Announcements  
[https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

### The number of shares held by the Company and Company Directors, Supervisor, managerial officers and the entities directly or indirectly controlled by the Company in a single company

Unit: Thousand shares %

As of December 31, 2024

Reinvestment business (Note 1)	Invested by the Company		Investments by Directors, Managerial Officers, and Direct or Indirect Controlled Entities		Combined Investment	
	Shares	%	Shares	%	Shares	%
Asiacconnect International Company Ltd.	1,995	99.75%	0	0.00%	1,995	99.75%
Highview Investments Limied	( Note 2 )	100.00%	( Note 2 )	0.00%	( Note 2 )	100.00%
LILY-Medical Corporation.	10,000	100.00%	0	0.00%	10,000	100.00%
BenQ AB DentCare Corporation.	8,800	88.00%	0	0.00%	8,800	88.00%
BenQ Healthcare Corporation.	10,000	100.00%	0	0.00%	10,000	100.00%
EASTECH Co., Ltd.	700	70.00%	0	0.00%	700	70.00%
Concord Medical Co., Ltd.	13,333	40.00%	0	0.00%	13,333	40.00%
K2 International Medical Inc.	7,800	39.00%	200	1.00%	8,000	40.00%

Note 1 : It is investments in a consolidated company using the equity method.

Note 2 : There is no information on the number of shares for a limited company.

### Company Dividend Policy and Status of Execution

- © Dividend policy as set out in the Company's articles of association

The Company's dividend policy adopts a residual dividend policy to ensure the growth and sustainable operation of the company. If the company's annual final accounts show a surplus, the dividend distribution shall not be less than 10% of the distributable surplus for that year. In order to consider the needs of future expansion of operating scale and cash flow when distributing dividends, the proportion of cash dividends distributed each year shall not be less than 10% of the total amount of cash and stock dividends distributed in that year.

◎ Distribution of dividend approved by the current Board of Directors meeting

The Company's Board of Directors resolved on March 3, 2025 to allocate a cash dividend of NT\$73,533,900 to shareholders from the accumulated distributable earnings in the 2024 earnings distribution statement, or NT\$1.65 per share.

In this cash dividend distribution case, if the dividend rate changes due to changes in the number of outstanding shares of the company and needs to be revised, the Chairman is authorized to handle it with full authority. Relevant information will be announced at the Public Information Board in due course.

## **Compensation of Employees and Directors**

◎ The percentage or range of employee and director remuneration as specified in the Company's articles of association

If the Company's annual final accounts show a surplus, it shall first pay taxes and make up for past losses, then set aside 10% as statutory surplus reserve, and set aside or transfer special surplus reserve in accordance with laws and regulations. If there is still a surplus and undistributed surplus at the beginning of the same period, the board of directors shall prepare a surplus distribution proposal or loss compensation proposal and submit it to the shareholders' meeting for resolution.

If the profit distribution proposal referred to in the preceding paragraph is made in the form of cash dividends, the board of directors shall be authorized and reported to the shareholders' meeting.

The company may distribute cash from statutory surplus reserves or capital reserves in accordance with Article 241 of the Company Act. If it is made in cash, the board of directors shall be authorized to make a resolution and report it at the shareholders' meeting.

If the company makes a profit for the year, it shall set aside between 5% and 20% as employee remuneration and no more than 1% as director remuneration. However, if the company still has accumulated losses, it should reserve the amount to make up for it in advance.

The recipients of employee compensation in the form of stocks or cash as referred to in the preceding paragraph may include employees of the controlling or subordinate company who meet certain conditions. The conditions and distribution method shall be determined by the board of directors or its authorized person.

The Company sets the remuneration procedure based on the company's "Board of Directors Performance Evaluation Method" and "Senior Manager Salary and Compensation Principles". In addition to referring to the company's overall operating performance, future industry operating risks and development trends, the company also refers to the individual's KPI achievement rate and contribution to the company's performance to give reasonable remuneration. The relevant performance appraisal and remuneration rationality are reviewed by the Compensation Committee and the Board of Directors. The compensation policy is reviewed from time to time based on the actual operating conditions and relevant laws and regulations to seek a balance between the Company's sustainable operation and risk control.

◎ The basis for estimating the amount of remuneration for employees, directors and supervisors in the current period, the basis for calculating the number of shares for employee remuneration distributed in the form of stocks, and the accounting treatment when the actual amount distributed differs from the estimated amount

The Company estimates employee compensation at a certain percentage based on the current year's profit (i.e., pre-tax profit minus profit before distribution of employee compensation and director compensation) minus accumulated losses. Director compensation is estimated based on the expected amount to be paid and reported as operating costs or operating expenses. If employee compensation is paid in stocks, the number of shares distributed is calculated based on the closing price of common stock on the day before the board of directors' resolution. If there is a change after the date of publication of the financial report in the following year, it will be treated as a change in accounting estimate, and the impact of the change will be recognized in profit or loss in the following year.

◎ Approval of Remuneration Distribution by the Board of Directors

On March 3, 2025, the Board of Directors of the company approved the 2024 employee and director remuneration distribution plan:

The amounts of employee remuneration and director remuneration distributed in cash were NT\$10,569,962 and NT\$880,830, respectively.

Amount of employee compensation distributed in the form of stock and its proportion to the total net profit after tax and total employee compensation of the current period or individual financial report: Not applicable.

◎ Actual distribution of employee and director compensation in the previous year

In 2024, the company distributed in cash employee compensation of NT\$13,288,781 and director compensation of NT\$1,107,398 for 2023. There is no difference between the actual amount distributed and the amount recognized.

**Conditions that the Company buys back its shares: N/A.**

**2. Issuance of Corporate Bonds:**

The Company has no outstanding or pending corporate bonds.

**3. Issuance of Preferred Stock :**

The Company has no outstanding or pending preferred shares.

**4. Issuance of Global Depositary Receipts :**

The Company has no overseas depositary receipts that it has participated in issuing but has not been fully redeemed or is in the process of being processed.

**5. Issuance of Employee stock option certificates and new shares with restricted employee rights :**

The company has no unexpired employee stock options or restricted employee rights shares that have not yet fully met the vesting conditions.

**6. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies :**

The company has no completed or board-approved mergers and acquisitions or issuance of new shares through acquisition of shares of other companies.

**7. Implementation Status of the Capital Utilization Plan:**

As of the quarter preceding the publication date of the annual report, the company had no unfinished issuance or private placement of securities; nor had any completed projects in the past three years whose benefits had not yet materialized.

## IV. Operation Overview

### 1. Business Activities

#### (1) Business scopes

##### **The main business contents and current products of the company**

The business of the company and its subsidiaries is to provide medical equipment, medical consumables and medical services.

##### **Medical equipment**

- ⊙ Operating Table Series: various types of operating tables.
- ⊙ Surgical Light Series: LED surgical light.
- ⊙ iQOR, an integrated operating room imaging and information system.
- ⊙ Medical imaging equipment: ultrasonic diagnostic equipment, medical screens.

##### **Medical Consumables**

- ⊙ Agent Products:  
surgical gloves and pressure pads; sterile water for respiratory care, artificial noses, filters, respiratory trainers, oxygen masks, intravenous safety indwelling needles, prefilled catheters, dialyzers, dialysis circuits, plasma therapy filters, blood bags, endoscopy equipment and consumables, etc.
- ⊙ Homemade Products:  
IV infusion sets, infusion extension tubes, infusion connectors, waste fluid collection bags, chest drainage bottles, flushing sets, disposable cerebrospinal fluid pressure gauges, laryngeal masks, urine bags, flat and three-dimensional surgical medical masks, etc.

##### **Medical Services**

- ⊙ BenQ AB DentCare: artificial implants, dental consumables, dental equipment, digital dental integration services, etc.
- ⊙ BenQ Healthcare: hearing aids, middle ear analyzers, masks, health products, pharmacy channels, etc.
- ⊙ Concord (Note): Business items including hospital drug and medical material supply, medical instrument and equipment trading, consulting income, and medical equipment leasing.

The above products not only meet the domestic market demand, but the operating tables and surgical lights are also successfully exported to more than 30 countries in the world under the BenQ brand. At the same time, we cooperate with internationally renowned brands to design and produce operating tables and sell them to advanced countries in Europe and the United States. The operating table series, operating light series, medical consumables products, ultrasound products, etc. have the EU CE medical certification and the US FDA certification respectively.

By merging the company's diversified products, integrating sales channels and patented technologies, we can maximize the synergy of business integration.

Note: For the operating overview of the Company's subsidiary, Concord Medical, please refer to the Company's 2024 Annual Report.

##### **The ratio of products of the company is described below:**

Unit: NT\$ thousand; %

Product \ Year	2023		2024	
	Net Revenue	Business Proportion	Net Revenue	Business Proportion
Medical equipment	688,163	15.15%	637,382	13.37%
Medical consumables	2,650,058	58.33%	2,760,613	57.91%
Medical services	1,204,780	26.52%	1,369,357	28.72%
Total	4,543,001	100.00%	4,767,352	100.00%

## New product development plan

### Medical equipment

- ⊙ The second generation medical imaging information integration system iQOR 2.0
- ⊙ 4K imaging surgical light
- ⊙ Advanced operating table
- ⊙ Medical pendant products made in-house
- ⊙ Intensive care unit beds
- ⊙ Complete and improve operating table related accessories
- ⊙ Wireless handheld ultrasound
- ⊙ 4K medical screen

### Medical consumables

- ⊙ High-end infusion set connector
- ⊙ New IV infusion set
- ⊙ New waste liquid collection bag

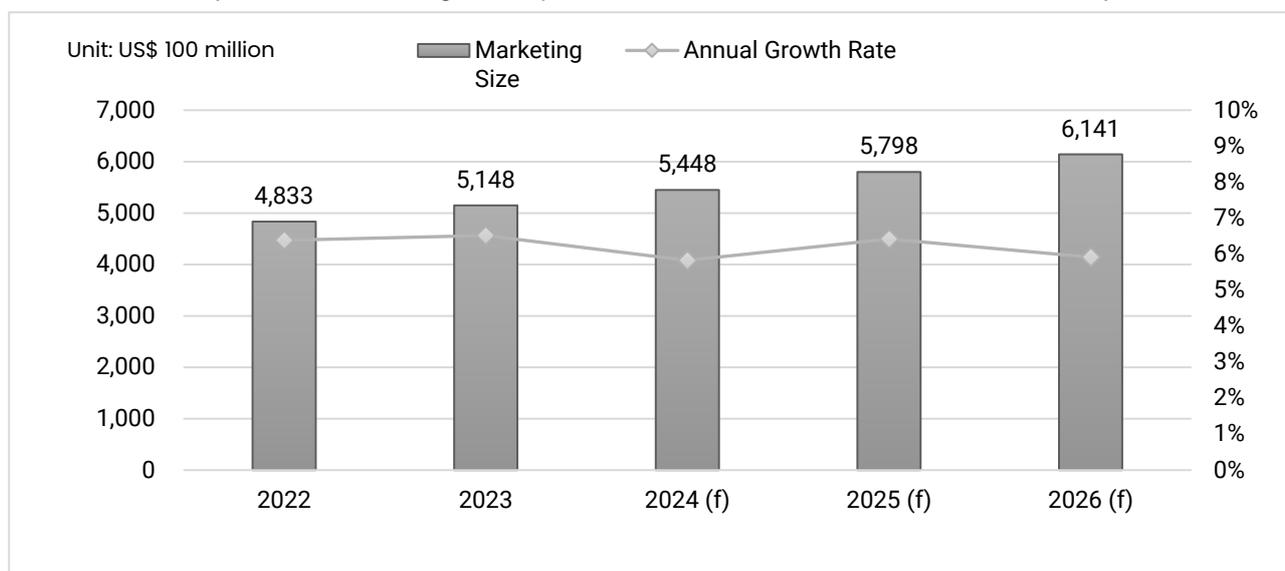
### Medical services

- ⊙ Invisible braces cutting machine
- ⊙ Dental digital tooth carving machine

## (2) Industry Overview

### Current Status and Development of Industries

According to a research report by BMI Research, the global medical device market size is approximately US\$514.77 billion in 2023 and is expected to grow to US\$614.15 billion in 2024. Overall, the impact of the epidemic on the global medical device market has gradually faded, and conventional medical demand has gradually recovered, driving the growth of related medical device products such as orthopedics and surgical treatments; the demand structure of various medical products has also gradually returned to a level similar to that before the epidemic.

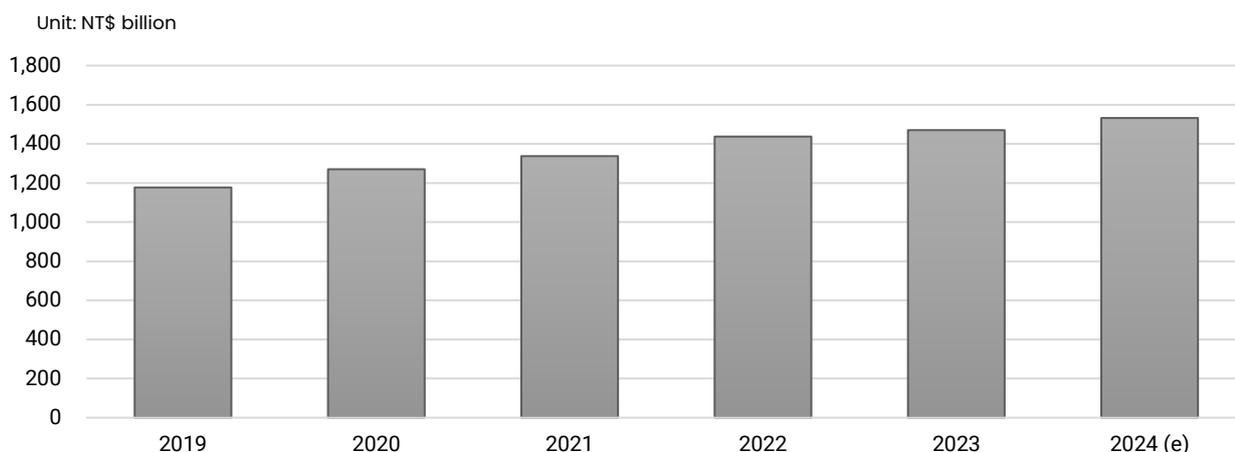


Source: BMI Research (2024/04); ITRI International Research Institute (2024/05)

In 2023, the ranking of the global medical device regional market size doesn't change much, with the Americas still leading the way, accounting for 52.4% of the world; followed by Western Europe, accounting for 23.7% of the global market; Asia-Pacific accounts for 18.3% of the global market, Central and Eastern Europe account for 3.7%; and the Middle East and Africa account for 1.9%. It is estimated that the Americas, Western Europe and Asia Pacific will continue to be the top three markets in the future.

Looking ahead to 2024, although factors such as global economic uncertainty, geopolitical risks, and changes in medical device regulations still pose challenges to the market, the overall market will maintain steady growth due to factors such as an aging population, an increase in the number of chronic disease patients, and the rise of emerging markets. The global medical device compound growth rate from 2023 to 2026 is expected to reach approximately 6.1%. In terms of Taiwan's medical

industry market, it is estimated that the revenue in 2024 will be NT\$153.1 billion, and the annual growth rate is estimated to be approximately 4.2%.



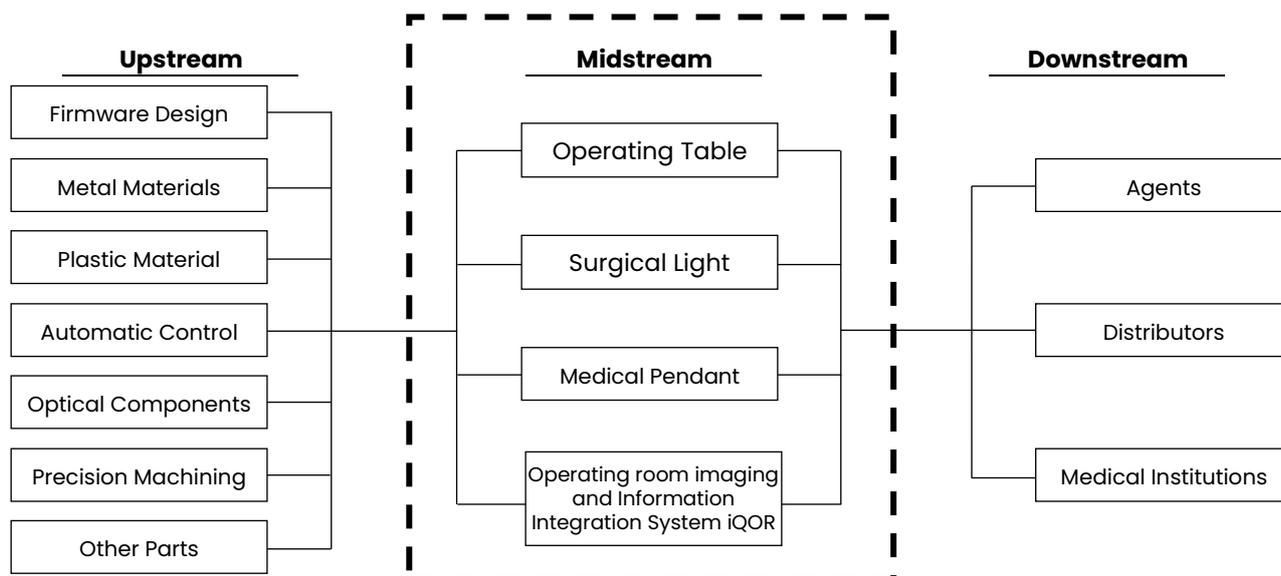
Source: BMI Research (2024/04); ITRI International Research Institute (2024/05)

### The relevance between upstream, midstream and downstream industries

The Company provides medical equipment, medical consumables and medical services, combining medical clinical and electronic, optical, information, mechanical, material and precision manufacturing technologies. Its downstream consumers are mainly hospitals, agents and distributors. The functionalities of the products can only be achieved after professional operation by medical staff.

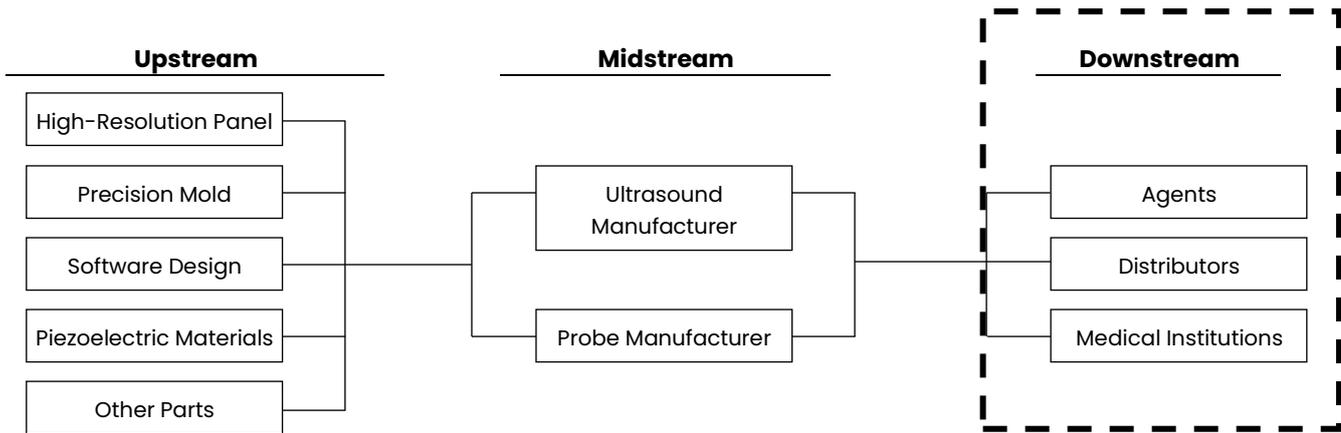
#### Medical Equipment

The Company's medical equipment category is subdivided into operating room equipment and medical imaging equipment. The industry relevance of the upstream, midstream and downstream industries of operating room equipment is as follows:



The Company's operating room equipment products are located in the midstream segment of the industry. We purchase raw materials from qualified suppliers, carry out production and manufacturing, and then sell the finished products through our own and cooperative distribution channels.

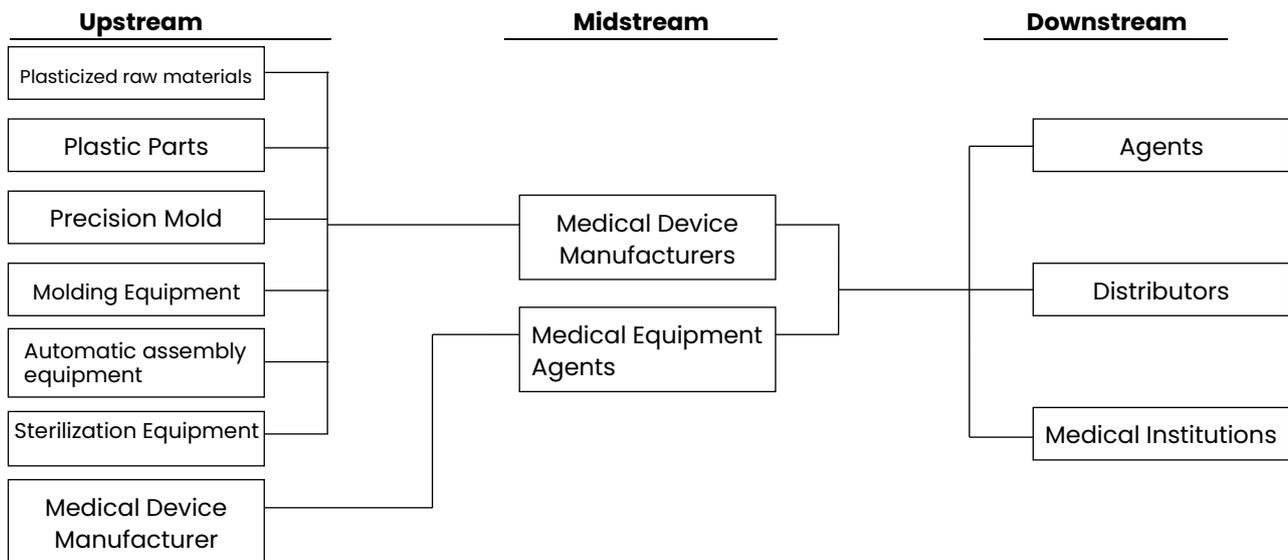
The industry relevance of the upstream, midstream and downstream industries of medical imaging equipment – ultrasonic diagnostic equipment is as follows:



The Company's medical imaging equipment products are located in the downstream part of the industry. Act as agent for domestic and foreign brands of ultrasound and sell them to specialized departments of various medical centers.

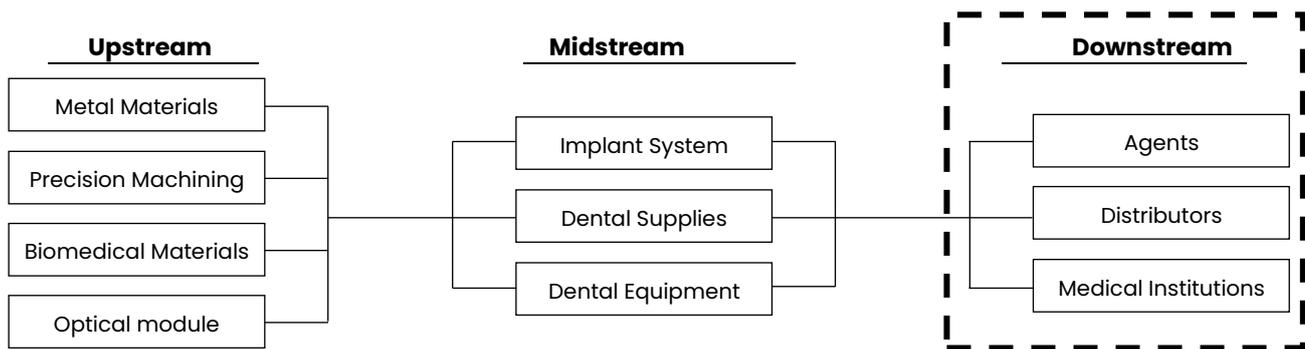
**Medical Consumables**

The medical consumables operated by the company and its subsidiaries are divided into two business models: agency and self-production, providing high-quality products to domestic and foreign medical institutions and foreign agents and distributors. The industry relevance of the upstream, midstream and downstream industries of medical consumables is as follows:



**Medical Services**

The dental medical products operated by BenQ AB DentCare, a subsidiary of the Company, are divided into two categories: agency products and own-brand products. The agency products mainly come from well-known foreign dental material manufacturers, such as Meisinger, Kulzer and other consumable products; while the own-brand products include artificial implants, prosthetic components and other related products from the joint venture parent company BenQ AB DentCare, as well as 3D printers, orthodontic thermoplastic forming films, orthodontic thermoplastic molding machines, dental endoscopes, oral care products and other consumable products sold under the BenQ brand. Based on market feedback and our own technology, we develop dental products that are suitable for dentists and helpful to patients. In summary, the industry relevance of the upstream, midstream and downstream industries in which BenQ AB DentCare business is located is as follows:



The main business of BenQ Healthcare, a subsidiary of the Company, is to act as an agent for medical service products (hearing aids, masks and health products) of well-known domestic and foreign brands. Through a virtual fusion business model, it vertically integrates online and offline channels to provide comprehensive health products and services in the health care market.

### Product Development Trends

Looking at the global medical device market, according to the BMI Research market report, medical products are divided into six major categories: medical consumables, diagnostic imaging products, dental products, orthopedic and implant products, assistive devices and other types of medical products. The top three products in terms of sales volume in the global medical device market are other medical devices, diagnostic imaging products, and then medical consumables.

The following is a brief description of the development trend of the company's current product line:

#### **Medical Equipment**

For the time being, America still ranks first in the global demand for operating tables, followed by Europe, Asia and other emerging countries. Therefore, manufacturers in advanced countries such as Europe, the United States and Japan have higher visibility and market share. Due to the rapid economic growth and investment in basic medical infrastructure in emerging countries such as Asia and the Middle East in recent years, the demand for operating tables in the Asia-Pacific market, mainly in China and India, has also increased rapidly. In addition, in response to India's "local manufacturing" policy, the company has joined hands with its Indian strategic partners to establish a base in India to produce operating room equipment in order to comply with the local government's "local manufacturing" policy and strengthen the layout of Indian public hospital services and medical channels, seize the future high-growth business opportunities of local manufacturing of medical materials in India, and expand market share. At the same time, in response to the fact that minimally invasive surgery is the current and future mainstream trend in surgery, our company has invested in the development of low-position, large-angle operating tables and accessories to cope with the application of minimally invasive surgery and weight loss surgery, and integrated medical imaging and physiological monitoring systems to provide operating room solutions.

Surgical lights are integrated products that combine medical requirements, optical technology and digital control. As the clinical application of minimally invasive surgery has become a mainstream trend, the market for surgical lights that simultaneously meet the multiple imaging needs of minimally invasive surgery and medical-grade displays is growing rapidly. The functions of the company's surgical light series can be combined with the clinical requirements of minimally invasive surgery in many aspects. This technical advantage enhances the competitive advantage of our surgical light series products. The company also enhances the additional functions of existing surgical lights to improve the convenience of clinical operations and provide medical staff with more efficient use. In response to the investment in basic medical infrastructure in the Asia-Pacific market, mainly in India and China, our company also plans to develop models that are more suitable for this market and further expand its market share.

At present, hospitals have a need for system integration of operating room images and information. The company is actively investing in the development of the second-generation medical image information integration system (iQOR 2.0), which integrates medical information (HIS, PACS), 4K images, and 5G transmission to achieve lossless transmission and software and hardware

integration to break through the limitations of traditional medicine. We also establish an intuitive and fast smart platform as a key core between medical care, diagnosis, and teaching, to achieve an integrated, visual, and intelligent medical environment.

Currently, there has not been much change in the top suppliers in the global ultrasound market. The overall technology and applications have improved slightly each year, among which professional ultrasound and mobile ultrasound have grown steadily. Mobile ultrasound with clear image resolution, easy operation and rapid diagnosis is the future trend. Therefore, our company and its subsidiaries are particularly specialized in mobile ultrasound with high image resolution and easy to carry. This is also a market segment that international manufacturers currently have little access to. We plan to launch wireless handheld ultrasound in the new fiscal year to strengthen the overall product line. In addition to its own brands, it also represents well-known foreign brands of ultrasound and sells them to specialized departments of various medical centers. It also extends ultrasound diagnostic equipment from being purchased centrally by hospitals to being owned by individual physicians, making it a "stethoscope" for physicians. At the same time, in view of the booming pet market, we have also created a pet series and introduced European and American pet home rehabilitation and health care equipment as an expansion of the B2C home consumer market.

### **Medical Consumables**

The product development of medical consumables of the Company and its subsidiaries aims to provide high-quality and competitive products to the domestic and international markets, covering both self-manufactured and agency medical consumables. The company's self-made medical consumables are mainly the intravenous infusion and bottle bag products of its subsidiary LILY-Medical. Among them, the needle-free infusion set is the development focus of the infusion products. Its key component, the needle-free connector, has been introduced to the international market and is growing year by year. In order to strive for excellence, we continue to improve the product functions and manufacturing processes of the needle-free connector; at the same time, we develop high-end infusion connectors to enhance product integrity and competitiveness. Other bottle and bag products, such as waste liquid collection bags and urine bags, are also continuously improving their functions and developing next-generation products to provide better products to the market. The agency consumables have a wide range of categories, and the target market is the domestic market for respiratory, anesthesia, intravenous infusion and other products. In view of the fact that domestic consumables manufacturers already provide a variety of items, the agency consumables introduced into the market focus on their quality and functional specificity to supplement the unmet needs of the domestic market and provide a choice of high-quality items. In addition to being the agent for the imported brand of Japanese Kawazumi dialyzers, the company also cooperates with BenQ Dialysis Technology within the group to be the agent for domestically produced dialyzers, in order to provide more competitively priced products to the Taiwanese market. In terms of medical beauty products, non-invasive radio wave laser products and invasive hyaluronic acid products have high market acceptance and demand is constantly increasing. In terms of minimally invasive medical products, we mainly represent products from well-known companies in Germany, the United States, China and Japan. The product application range is endoscopic treatment and operating room surgery. With the popularity of minimally invasive surgery, the demand for products continues to grow.

### **Medical Services**

As for BenQ AB DentCare medical device business, since digitalization of dentistry has become the mainstream of the market, most aspects of a complete digital treatment process, including medical devices used for diagnosis and treatment, have been digitized, including:

- ◎ Digital oral scanner to scan and take impressions of teeth
- ◎ 3D computed tomography (CT) scan to obtain bone images
- ◎ 3D implant planning software to plan implant positions
- ◎ Prosthesis planning software designs the dentures required by the patient
- ◎ Digital tooth carving machine makes dentures for patients
- ◎ 3D correction planning software for digital tooth arrangement

- ◎ Based on the results of digital tooth arrangement, transparent braces are made using 3D printing and corrective thermoplastic forming films.:

The above-mentioned medical equipment can be classified as computer-aided software and equipment (CAD/CAM), which requires skilled technicians to operate. Therefore, the company continues to develop related products based on market feedback and integrates upstream and downstream equipment and institutions to provide customers with complete digital dental solutions. In addition, in order to let the general public know about BenQ's focus on dentistry, based on years of accumulated experience in dentistry, we launched oral care products to take care of people's oral health and understand the needs of end consumers.

In terms of BenQ Healthcare hearing aid business, from the perspective of technological evolution, the fifth-generation technology combined with the improvement of related algorithms will greatly improve consumer wearing satisfaction, help change the impression of traditional hearing aids and boost hearing aid sales. In the mask business, the 4D masks driven by the Happiness Story brand combine epidemic prevention, comfort and matching with other outfits, becoming a fashion accessory. The current trend is to further combine them with functional fabrics, which will further enhance the wearing comfort and drive a new wave of fashion. With the trend of an aging population and an increasing number of chronic diseases, the demand for related medical care products continues to increase, and through a membership system and APP interactive model, complete care solution is provided to consumers.

## **Industry Competition**

### **Medical Equipment**

The global medical device industry in the European and American markets is still dominated by large channels and big brands. Most of Taiwan's medical device manufacturers are small and medium-sized enterprises. In addition to differences in product technology maturity and brand channel strength, their funding and business scale are also very different from those of international manufacturers. They are unable to compete directly in the main markets of Europe and the United States. Many medical manufacturers in Taiwan are currently doing OEM or providing parts for foreign manufacturers. Because the number of medical industries is small and the gross profit is relatively high, they can still be produced in Taiwan. However, with the changes in tariff barriers and government policies in various countries (mainly several major countries such as China, India, Brazil, Turkey and other emerging market countries), in addition to product optimization and upgrading, brand establishment is also a long-term business strategy.

For the time being, most of Taiwan's medical industry are small and medium-sized enterprises, and most of them develop their own products and market channels. Moreover, Taiwan's own market is small and it takes a long time to establish international brands. By complementing the advantages of peer products and providing total solutions (such as agency and joint marketing) through horizontal and vertical integration, instead of individual products going it alone, the breadth and depth of products and the strength of joint promotion can be increased. Currently, China's Mindray, with the support of the Chinese government, first drove the sales of other new equipment and materials locally with monitors and anesthesia machines, and then used the advantages of economies of scale to enter the international market.

The company has a long history of manufacturing operating tables and has a complete series of mid-to-high-end products. Subsequent new operating table products will compete with upstream (European and American brands) and downstream (domestic products in emerging countries) with high quality and great bang for the buck to gain a larger market share. At the same time, in response to the need for large hospitals to upgrade the intelligent systems of operating rooms, our company has upgraded from single operating tables and operating lights to overall operating room solutions that integrate medical imaging, physiological monitoring systems and remote teaching functions, and has successfully introduced them to several Chinese medical centers.

Medical imaging products have high technical barriers and key technologies are controlled by a few international manufacturers. Medical imaging products are listed as key development projects in Taiwan. Ultrasound can be divided into two parts: the probe and the body system. Qisda Group has invested a lot of manpower in the development of the body system and low-noise signal filtering processing to improve imaging capabilities, and has mastered key technologies to develop lightweight flat-panel ultrasound that is rarely developed by international manufacturers. The company and its subsidiaries are responsible for the marketing and distribution business of ultrasound market segmentation and product positioning, and have a relatively greater competitive

advantage. At the same time, the company and its subsidiaries are agents for the sales of well-known foreign brands of ultrasound in Taiwan, extending the business from the field of specialized high-end ultrasound to individual physicians and expanding the market.

### **Medical Consumables**

The competition in the domestic medical consumables market depends on the cost, quality, function and rarity of the products. For example, infusion products are still facing cost competition from domestic peers. Therefore, the company and its subsidiaries have long responded by improving quality and function and gaining recognition from domestic hospital customers. After some efforts, this approach has gradually shown good feedbacks, and we believe that the pressure of price competition will be gradually reduced in the future. In-house medical consumables adhere to the principle of improving the quality and function of self-made products; in the agency of medical consumables, we carefully select high-quality and special agency products, supplemented by marketing with professional knowledge to provide sales services that competitors cannot provide and package products with one-stop services to win more orders and increase customer stickiness.

In the export market, needle-free infusion products account for the majority, especially neutral-pressure needle-free connectors and related infusion sets. Although there are not many competitors for neutral-pressure needle-free connectors internationally, the product itself faces price competition from negative-pressure and positive-pressure needle-free connectors. Among them, the competition for negative-pressure needle-free connectors is particularly fierce because they are entry-level products. Fortunately, the European and American markets are dominated by neutral-pressure needle-free products, and the subsidiary's needle-free connector has obtained the U.S. FDA Class II medical device license, which is believed to be helpful in promoting the market; as for markets that have not yet fully adopted neutral-pressure needle-free connectors or even have not yet adopted needle-free connectors, the company targets countries with higher medical expenditures and cooperates with local distributors to target hospitals that provide high-end medical services for promotion, rather than relying on price competition.

### **Medical Services**

Looking into the dental medical device business operated by our subsidiary BenQ AB DentCare, the dental device market is currently moving towards "high integration, with the big getting bigger". The product lines of market leaders cover all types of dental treatments (periodontics, endodontics, prostheses, orthodontics and implants, etc.), ranging from consumables, equipment, software, education and training to services. The company will continue to invest resources in the following areas to enhance the company's competitiveness:

- ◎ Promote competitive products with own brands
  - ◆ Work with experienced dentists to develop differentiated products that meet clinical needs
  - ◆ Continue to promote export under our own brands to enhance the completeness of our products
  
- ◎ Digital dental services
  - ◆ Develop a complete set of materials and equipment required for digital dentistry, so that the entire digital process can use the products provided by BenQ AB DentCare
  - ◆ Combine back-end dentists and dental laboratories to provide end-customer related services
  
- ◎ Overseas market expansion
  - ◆ Prioritize Taiwan for product launches to ensure the quality of new products and collect customer feedback
  - ◆ In addition to Southeast Asia and other emerging countries, we also promote our own products to Europe to increase product sales
  - ◆ Based on the above actions as foundation, actively promote our products in various overseas regions to enhance product visibility and the company's international image.

The Company will continue to invest resources in the above-mentioned items and integrate development and marketing resources with other units within or outside the Group to increase the Company's competitiveness.

The mask business of BenQ Healthcare, a subsidiary of the Company, started with demand due to the COVID-19 epidemic. It has now evolved from a simple safety and epidemic prevention demand to a social and even self-realization demand. After the epidemic has subsided, sales will still have a certain momentum. In the hearing aid business, we have introduced group management resources, strengthened marketing and information management, and promoted organizational and process improvements to break away from traditional management models, improve the company's sales rate and competitiveness, and drive the company's revenue to continue to grow. Looking forward to the future, the hearing aid industry will develop towards a trend of scale. In terms of pharmacy channels, the current trend is the acceleration of chain operations, and traditional pharmaceutical and cosmetic leaders have also entered the pharmacy business, resulting in fierce competition. BenQ Healthcare, worked with Heyue Life Plaza, will adopt a physical and virtual combination model, combining the professional services of traditional physical stores and the convenience of cloud-based virtual stores, to achieve innovative breakthroughs and develop different market positioning.

### (3) Research and Development (R&D)

#### **Research And Development Expenses Invested**

The Company has invested NT\$36,387,000 in research and development expenses in 2024

#### **Successfully Developed Technologies and Products**

R&D Company	R&D Results	Description
BMTC	High-Perspective Orthopedic Traction Frame	High-Perspective Orthopedic Traction Frame can provide customers with better clinical usability and convenience
BMTC	LCD display hand controller	Operating table accessories, adding operating table angle, memory, and warning display functions
BMTC	Surgical light liquid digital touch panel	Provides intuitive digital operation interface and parameter settings to improve the control accuracy and operation convenience of surgical lights
LILY-Medical	New waste collection bag	Improve performance.
LILY-Medical	Infusion set automatic assembly machine	Save manpower on the assembly line.
LILY-Medical	Feeding Bag	Powered and mechanical feed bags

#### **Future R&D plans and expected reinvestment in R&D expenses**

In order to improve the quality of the medical environment, enable medical staff and patients to enjoy safer and more comfortable medical facilities, reduce the risks of patients during treatment, and improve the management philosophy of medical efficiency, the company adheres to the commitment of "customer first" and "quality first", and continuously cooperates, innovates, and progresses with upstream and downstream manufacturers to achieve the goal of sustainable operation and growth.

For the medical imaging information integration system solution iQOR, in addition to further enhancing and improving the first-generation functions such as remote dedicated video, real-time audio and video two-way interactive teaching and video conference discussion, the iQOR 2.0 design will expand the current successful experience in the operating room to the consulting rooms outside the operating room (such as ophthalmology, dental implants, etc.). With the trend of POC (Point of Care), the instruments and equipment in the clinic are constantly increasing and expanding. iQOR 2.0 can store and play back the big data information and 4K medical images generated by instruments in the clinic in real time, and can perform high-speed/wide-area transmission through 5G networks. In addition to human medicine, with the vigorous development of veterinary medicine at home and abroad, iQOR 2.0 is also actively expanding new product applications for the veterinary market. The Company plans to continue to enhance the functionality of iQOR and gradually introduce new modules and markets such as PACS/HIS integration to create new revenue sources and enhance system competitiveness.

Regarding surgical light-related products, LED light source surgical lamps have been introduced for several years. We have completed the development of economical surgical lamps and obtained the business opportunity of replacing halogen light source surgical lamps. With the introduction of a new generation of spring arms, in addition to being more in line with market demand and specifications, the practicality has also been greatly improved, and it has a price advantage, making the product more competitive. As the clinical demand for minimally invasive surgery increases, hospitals are also moving towards the use of high-resolution large screens. In conjunction with the development of 4K imaging LED surgical lights, new high-load screen arm products are designed, combined with the iQOR 2.0 solution to provide higher-specification integration solutions.

As surgical technology evolves, operating table-related products, in addition to improving the basic specifications of the operating table, also require a complete accessories solution to more fully meet the diverse surgical needs of hospitals. Other than the continued development of existing accessories, we plan to develop an operating table with a LCD display controller, improve the specifications of the handheld table, and achieve memory and prevention functions. In addition, in response to the clinical space needs for surgical fluoroscopy and angiography, we will also develop a flat-base operating table to enhance the overall competitiveness of the entire operating table product line.

In terms of medical consumables, high-end infusion connectors have completed functional verification and are expected to complete clinical testing and mass production in 2025. The existing needle-free infusion connectors continue to improve their functions and manufacturing processes, and are expected to have a significant improvement in usability. In addition, plans are also made to invest in the development of new intravenous infusion sets to reduce manufacturing costs through process integration. In terms of improving manufacturing capabilities, the company will invest in a new generation of infusion set automated assembly machines and new needle-free automated assembly machines, which is expected to further improve the flexibility of production scheduling and manufacturing costs.

As for oral medical supplies, the original implants, consumables, equipment and other products already have a certain customer base. Although some competitors have withdrawn from the market, many competitors continue to join, so the market is still quite competitive. In response to the current digital trend in dentistry, dental material companies need to provide customers with a complete package of digital dental products and services in order to be fully competitive. Dental Medical Devices continues to invest resources in the development of new medical devices. In recent years, it has launched products such as intraoral scanners, 3D printers and resins, orthodontic thermoplastic films, etc., to expand its product line and provide customers with digital solutions for treatments such as dental implants, orthodontics, and prosthesis. In the future, we will improve our digital dental product line in terms of product development, especially in terms of materials and equipment related to invisible braces. By leveraging the market experience accumulated in Taiwan, the business model has been expanded to Europe, Asia Pacific and other overseas regions. Currently, certain results have been achieved. Looking forward to the future, digital dentistry will continue to contribute to the company's growth.

Unit: NT\$

R&D Project	Current Status	R&D Expenses That Should Be Reinvested	Expected Date to Complete Mass Production	Major Success Factors
Multifunctional operating table	Design Phase	3,000,000	September 2026	Introducing a new platform architecture based on existing clinical experience and technology development
Operating table related accessories	Trial Production	2,000,000	September 2025	Developed based on a large number of existing accessories
Second-generation medical imaging information integration system (iQOR 2.0)	Trial Production	2,000,000	November 2025	Developed based on nearly 100 clinical results of iQOR 1.0
4K imaging surgical light	Prototype	3,000,000	March 2026	Based on the existing surgical light architecture, improve the imaging and control functions
High load screen arm	Design Phase	1,500,000	June 2026	Developed based on existing technical architecture
Advanced Infusion Set Connector	Prototype	7,500,000	December 2025	Clinical functional verification
New IV Set	Design Phase	3,000,000	September 2025	Cost
Continuous optimization of needle-free connectors	Prototype	2,000,000	June 2025	Clinical functional verification
New generation of infusion set automatic assembly machine	Design Phase	3,000,000	September 2025	Effectively shorten working hours

R&D Project	Current Status	R&D Expenses That Should Be Reinvested	Expected Date to Complete Mass Production	Major Success Factors
New needle-free automatic assembly machine	Design Phase	3,000,000	December 2025	Complete assembly and testing functions

#### (4) Long And Short-Term Business Development Plans

##### Short-Term Plan:

- ⊙ Consolidate the market share in countries with high market share such as China and India;
- ⊙ Deeply cultivate emerging markets such as ASEAN and Eastern Europe;
- ⊙ Expand potential markets such as Southeast Asia and South Africa.

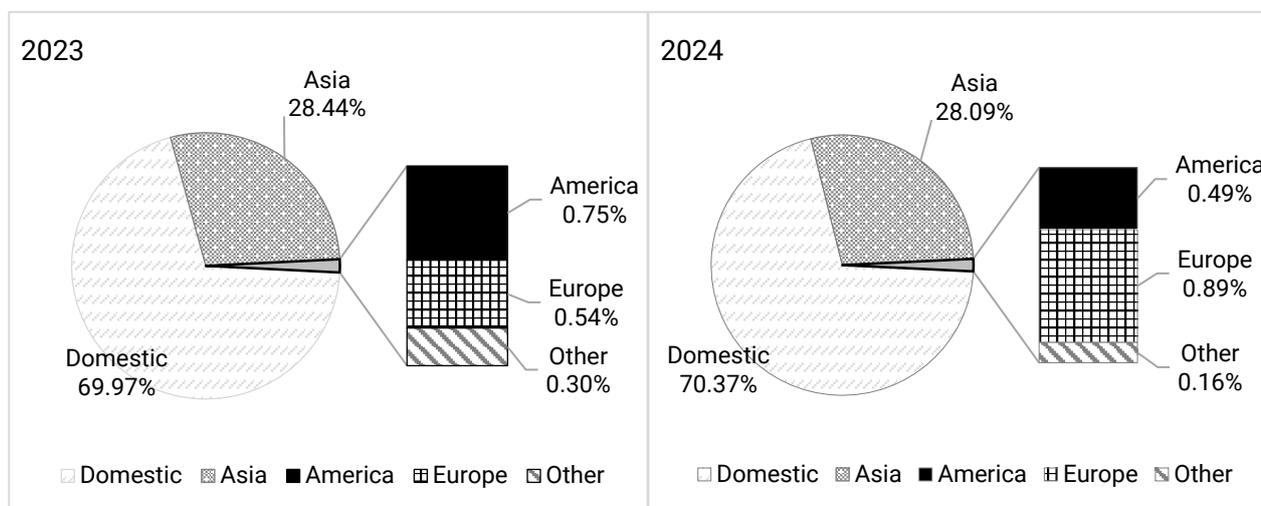
##### Long-Term Plan:

- ⊙ Develop niche high-profit products and integrated services (Total Solution);
- ⊙ Continue to prioritize channel development and expand medical industry alliances through win-win mergers and acquisitions or strategic cooperation models;
- ⊙ Break through tariff barriers and seek production bases in Southeast Asia.

## 2. Sales and Marketing Overview

### (i) Market Analysis

#### Major Sales Areas



Unit: NT\$1,000 ; %

Year	2023		2024	
	Amount	Percentage	Amount	Percentage
Domestic	3,178,630	69.97%	3,354,924	70.37%
Export	1,364,371	30.03%	1,412,428	29.63%
Asia	1,292,071	28.44%	1,339,373	28.09%
America	33,959	0.75%	23,311	0.49%
Europe	24,447	0.54%	42,350	0.89%
Others	13,894	0.30%	7,394	0.16%
Total	4,543,001	100.	4,767,352	100.00%

## **Market Share**

The company and its subsidiaries' products are divided into medical equipment, medical consumables and medical services, providing customers with a full range of services. Medical equipment products are distributed in various teaching hospitals, medical institutions and clinics. Operating room medical equipment accounts for about 30% of the Taiwan market. In terms of overseas markets, the Chinese market has a market share of about 10.4%, and it is one of the top three suppliers of operating room equipment; the Indian market share is about 9%, and it has been the number one imported brand in India for several years. Medical consumables products are sold across the northern, central, southern and eastern regions of Taiwan, among which needle-free infusion consumables products account for about 50% of the market share in Taiwan. Among medical service products, hearing products have been widely distributed in recent years and have a place in the Taiwan market.

## **Market Supply and Demand Outlook and Growth**

- ◎ Actively develop the market: The development for the ASEAN market has shown results, and we are actively expanding the international market and continuously increasing agents.
- ◎ Accelerate R&D speed, increase product profitability, combine the industrial advantages of the group companies, and actively expand product lines.
- ◎ Considering the product types, market size, growth potential and other factors of medical devices and the current product categories of the company and its subsidiaries, China, ASEAN and South America will be the key areas for future development

## **Medical Equipment**

**China:** China is one of the company's main markets. Its medical demand is expected to grow steadily every year due to the fading impact of the epidemic and policy coordination. The Company has a certain market share in China and is actively exploring new partners and products and expanding channels to gain a larger market share.

**ASEAN region:** This region is mostly composed of emerging countries with relatively backward economic development. Procurement plans are easily affected by government policies, medical regulations, political situations, local exchange rates, etc. On the other hand, this region has a large and young population and high growth potential in the future. There are relatively few local surgical light and table manufacturers, and the trust in Asian brands is higher than in other regions. This is a region where the company has developed steadily in recent years. In the future, we will actively encourage agents to arrange sales plans to penetrate the market, increase exposure, build trust through brand advantages, and expand integrated system products such as iQOR, thereby increasing sales and profits simultaneously.

**South America:** The main suppliers of surgical lights and tables are Steris from the United States, as well as manufacturers in Brazil and Argentina. As exchange rate factors gradually stabilize, we will strengthen training with agents, establish a stable sales network, and actively participate in bidding.

**Eastern Europe:** Poland, Romania and Bulgaria. The Company has obtained sales licenses for its products in these regions and has begun to build local sales networks. In the future, we will work with agents to consolidate channels and develop local markets.

In recent years, Asia has gradually become the main force of global economic growth, and emerging countries have promoted medical reforms and invested a lot of money in medical care to improve the quality of existing one, thereby driving the demand for basic medical equipment such as ultrasound diagnostic equipment. As the leader in domestic medical ultrasound, we develop high-end medical products. In addition to successfully consolidating the Taiwan market, our medical equipment company has also developed new medical equipment agency products. In line with the government's New Southbound Policy, we have also successfully expanded to Southeast Asian countries such as Thailand, Vietnam, Indonesia, Myanmar, and other countries, while also heading west to the Middle East and Europe. Actively explore other blue ocean markets and increase product market share. Therefore, our company will take Taiwan as its base, and take Asia Pacific, the European Union, the

Middle East and other CE certification countries as its main potential markets, expand its territory and actively deploy CFDA certification in mainland China to seize this huge market.

### **Medical Consumables**

In Taiwan's domestic market, the suppliers of infusion and bottle and bag medical consumables are stable, but due to limited market share and fierce competition, in order to effectively win more orders, continuous improvement and effectiveness in the control of quality and manufacturing costs are required, and growth is expected; the overseas market still focuses on needle-free products, and the annual global needle-free connector growth forecast of various industry reports is still in the range of 5% to 10%. At the same time, the growth of needle-free products in 2023 is also outstanding. Sales growth in overseas markets is expected, with Southeast Asia and North America as the key markets, followed by the Chinese market, because its economic conditions are still highly uncertain; in addition, agency items still need time to introduce and promote new items in order to enhance their growth momentum.

Dialysis products in Taiwan have entered a plateau period of growth, and the number of dialysis patients experienced a slight negative growth for the first time in 2023. Therefore, the company will increase the revenue of dialysis products by selling more dialysis items and packages through agents and increasing the number of customers. As for overseas market, dialyzers in Thailand and Indonesia are still in the reuse stage. The market size is much smaller than that of Taiwan, but the trend of blood donation is increasing year by year, with an annual growth of about 5%. The main business is to act as an agent for the sales of blood bags of well-known foreign brands.

### **Medical Services**

#### Dental Medical Supplies

Dental medical supplies are mainly positioned as digital dental products. Concord HealthCare, which was established within the Group to increase the operation and management of dental clinics, gives priority to purchasing consumables and equipment needed from BenQ AB DentCare, thus achieving good overall results. The implant business has grown overall with the support of dental implant courses, Concord HealthCare, and partners. The Slim LED also benefited from good marketing and was adopted by many clinics, contributing to the company's performance. The new product strategy will focus on a full range of orthodontic clear braces. Orthodontic transparent braces continue to be a popular topic in dentistry. As their design and production processes are complicated, equipment automation will help dental laboratories or clinics speed up production. Therefore, automated equipment and matching materials will be the focus of development, and there are also plans to expand into overseas markets. The operating strategy in Taiwan focuses on two aspects: one is to give full play to the synergy of Concord HealthCare, and the other is to cooperate with key physicians and make good use of social media platforms to promote product sales. Product sales are primarily focused on Slim LED, implants, Meisinger drills and instruments, supplemented by other peripheral equipment and consumables, in order to effectively increase the gross profit margin of overall sales.

#### Hearing aids, health supplements

The driving force behind the hearing aid and health supplements markets comes from the growing demand brought about by changes in the aging population structure. In order to improve the quality of life in old age, as people's income gradually increases and the epidemic prompts people to improve their health awareness, personal healthcare expenditures gradually increase, which continues to drive market growth.

### **Competitive Niche**

The global medical industry is dominated by major European, American and Japanese manufacturers. The same is true for Taiwan's medical ecosystem, where imported medical equipment still accounts for the majority. However, as the government actively promotes industrial transformation, combining Taiwan's top medical services and electronic technology, through various policy tools and guidance programs, the research and development capabilities and manufacturing technologies of medical equipment have been improved. Not only have domestic user perceptions changed, but "Made in Taiwan" products have also gained a good reputation internationally and have greater development prospects in the global market. Taiwan's past industrial structure was centered around small and medium-sized enterprises, while the structure of the medical industry is small-scale, diverse, high-quality, and high-value, which is completely in line with the characteristics of Taiwan's industry. Mastering product research and development, organizing the precision processing capabilities of downstream industries, and developing a team to expand the market, the medical industry can be said to be a small but beautiful star technology industry in the future.

Taiwan's upstream, midstream and downstream industrial chains are complete and mature, which is the advantage of Taiwan's medical electronics industry. In recent years, the Company has also actively developed products that combine electronic industry technology and meet future market demand. On the one hand, we respond to fashion trends, and on the other hand, we increase the value and usability of our products, enhance the added value of our products, and highlight our company's competitive advantage.

## **Advantages/ Disadvantages and Response Strategies in Future Development**

### Advantages:

- ◎ The aging population and the medical construction in emerging countries have created an urgent need for medical care

As the world moves towards an aging society, the demand for the global healthcare market continues to rise. On the other hand, the medical construction in emerging countries, the emphasis on medical care and welfare systems, and the improvement of personal economic standards will also bring huge business opportunities for medical products and medical services.

- ◎ The government encourages to enhance international competitiveness

The government has approved a number of plans to promote the biotechnology and medical industries, and has formulated the "Act for the Development of Biotech and Pharmaceutical Industry". It has also listed the biotechnology industry as one of the six core strategic industry projects and is committed to industrial transformation, upgrading and innovation. It has also helped break through industrial development bottlenecks and created a high-quality industrial development environment, which not only enhances product competitiveness, but also increases Taiwan's international competitiveness.

- ◎ Possess international marketing capabilities and extensive marketing network

In addition to developing export markets, the company and its subsidiaries are also actively seeking OEM and ODM orders from internationally renowned manufacturers. We also participate in international promotions and exhibitions to increase product awareness and establish a company network. By leveraging the far-reaching nature of the Internet, potential buyers at home and abroad can quickly obtain complete product information. Currently, our products are exported to more than 30 countries.

- ◎ Master key technologies and attach importance to independent research and development capabilities

The mastery of key technologies is the key to maintaining a competitive niche in the industry. In order to maintain a stable source of technology, the company and its subsidiaries continue to be active on the world stage. In addition to actively recruiting R&D teams to innovate product functions, we are also entrusted with cooperation projects with academic research institutions at home and abroad.

- ◎ Obtain international medical product certification to raise the competitive threshold

The products of the Company and its subsidiaries have obtained international medical product certifications related to medical devices, such as CE, and are actively applying for FDA certification to gain opportunities to cooperate with well-known manufacturers in Europe, America and Japan. At the same time, it will virtually raise the competitive threshold for entry into the industry, safeguard its own position in the industry, and be more conducive to sustainable development.

### Disadvantages

Taiwan's medical device industry has spared no effort to expand its exports, but the management regulations of the medical device industry in different countries are not the same. Depending on the risk level of the product, clinical trials are conducted before it is put on the market to verify its safety and effectiveness. In mature markets such as the United States and the European Union, the cost of developing and launching medical products has increased due to updates in medical device regulations, which will also affect the product launch layout of Taiwan's medical device companies.

### Response Strategies

- ◎ The government is actively planning the testing and verification of health care equipment and the

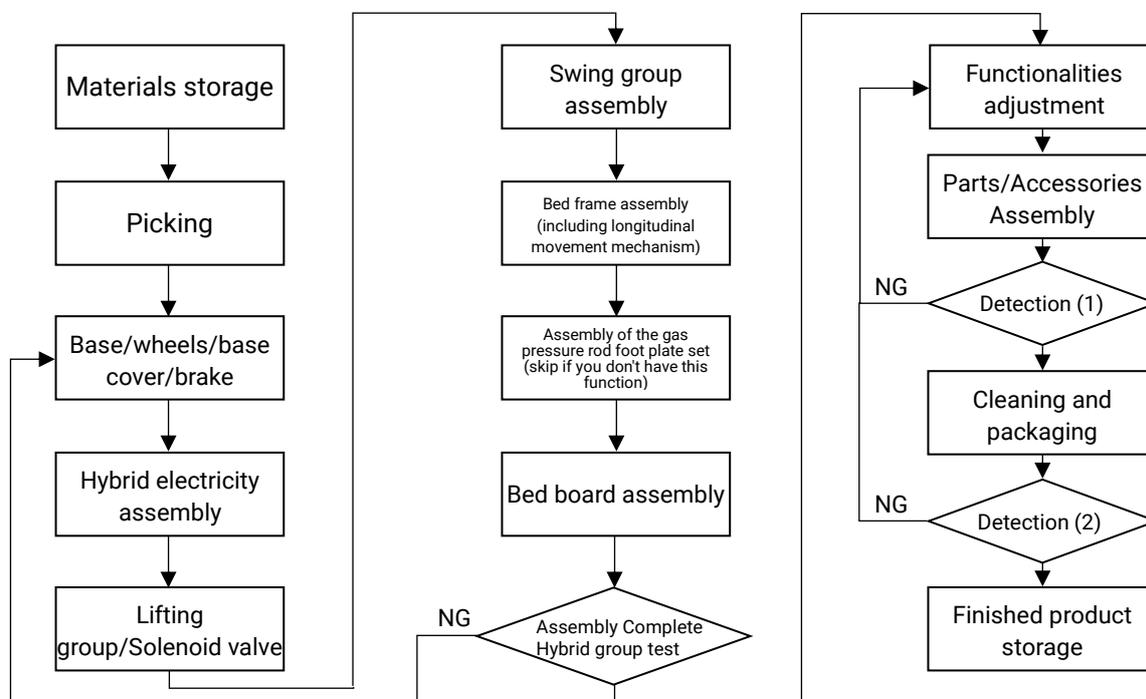
good manufacturing practice system to improve the industry's physique, which is conducive to enhancing the international image and being accepted by the international market. In addition, the latest international regulations are adopted for product safety testing and verification, which meets the import certification requirements of countries in each region and shortens the registration time for imported products in various countries.

- ◎ In addition to strengthening research and development, establishing proprietary technology, and developing high-function, high-value-added products, we also use global division of labor to effectively reduce production costs, enhance competitiveness, and promote localization.
- ◎ Continue to invest in R&D to improve product quality and maintain competitive advantage. We also leverage the resources of the parent company to verify product design through laboratories with high-quality equipment to achieve world-class product quality. We also collect dynamic information from the vast markets in Europe, America and mainland China through exhibitions and the Internet to grasp the pulse of the market, expand international market performance, and provide users with the best user experience through strong R&D capabilities.
- ◎ In order to seize the competitive niche, in addition to strengthening research and development and establishing proprietary technologies, we also acquire key technologies, innovate product functions, and enhance product added value through industry-university research collaboration and participation in science and technology programs, in order to allow the industry to remain rooted in Taiwan and expand globally.

## (2) Main applications and production process of major products

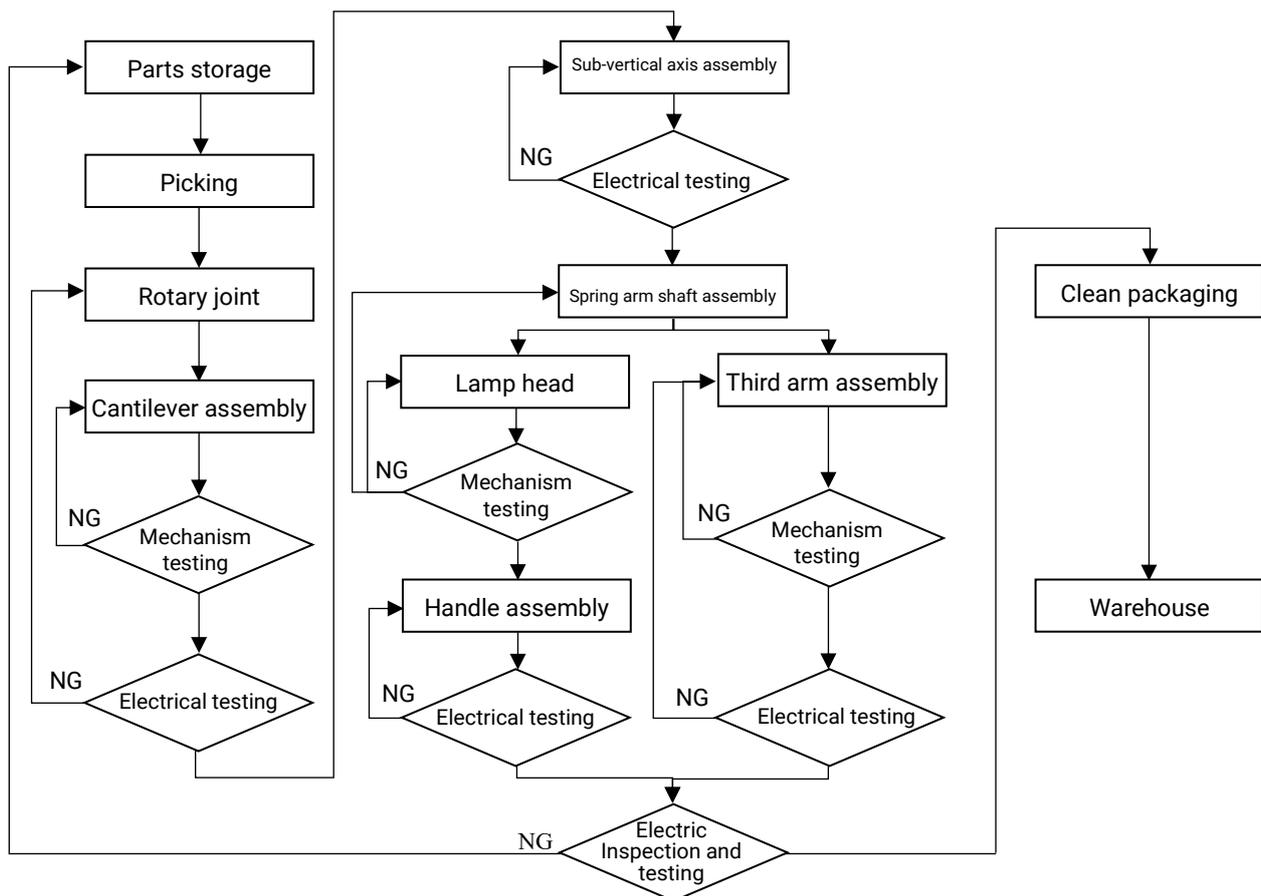
### Operating Room Equipment - Electric Operating Table

The design of the operating table can be adjusted in angle and matched with accessories to position the patient in the best surgical posture to achieve specific surgical purposes. The high-density sponge pad can also protect the patient from pressure sores, abrasions or bruises caused by long-term surgery.



## Operating Room Equipment - Surgical Lights

Surgical lights are used to illuminate the surgical site, optimizing the presentation of tiny and low-contrast objects in incisions of different depths and body holes. Because hands, heads, and instruments can enter the surgical field, these surgical lights are designed to reduce and minimize color distortion and extend the usable time, avoiding heat radiation that causes excessive temperature rise in the operator's head or excessive drying of the surgical site tissue, which can cause necrosis.



## Integrated imaging and information system for operating rooms (iQOR)

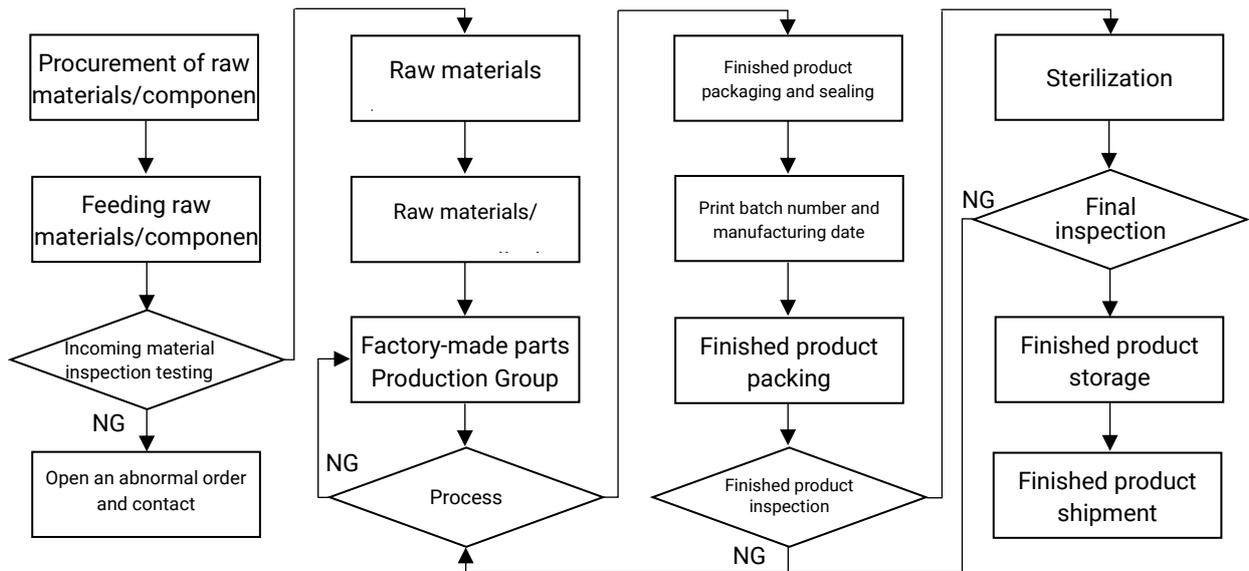
Integrated operating rooms have become the current development trend of operating rooms. By integrating equipment, images, information and processes in the operating room, surgical personnel can perform medical operations more safely and efficiently to improve the turnover rate of the operating room, while achieving the maximum benefits for patients, medical staff and the hospital.

## Medical imaging equipment - Ultrasound diagnostic equipment

Medical ultrasound has become increasingly widely used in recent years. Its portable and touch-sensitive application has become an important tool for point-of-care, internal and external surgery diagnosis and treatment.

## Medical Consumables - Safe Infusion Consumables

Needle-free infusion sets mainly provide clinical intravenous infusion lines, which are connected to liquid medicine or saline at the top and the patient's indwelling needle at the bottom. Their function is to control the amount of medicine to be infused in a small and stable manner so that it can be introduced into the body through the vein. Other products such as needle-free connectors or needle-free extension tubes are spare parts on the infusion line, which can meet the different grafting operation requirements of clinical intravenous infusion. The production process is shown in the figure below:



### Medical consumables - Waste liquid collection bag system

Integrated operating rooms have become the current development trend of operating rooms. By integrating equipment, images, information and processes in the operating room, surgical personnel can perform medical operations more safely and efficiently to improve the turnover rate of the operating room, while achieving the maximum benefits for patients, medical staff and the hospital.

Figure A

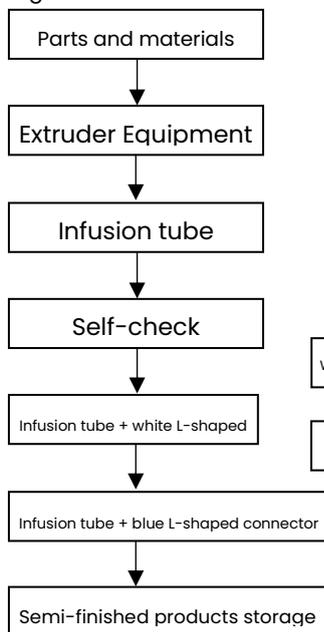
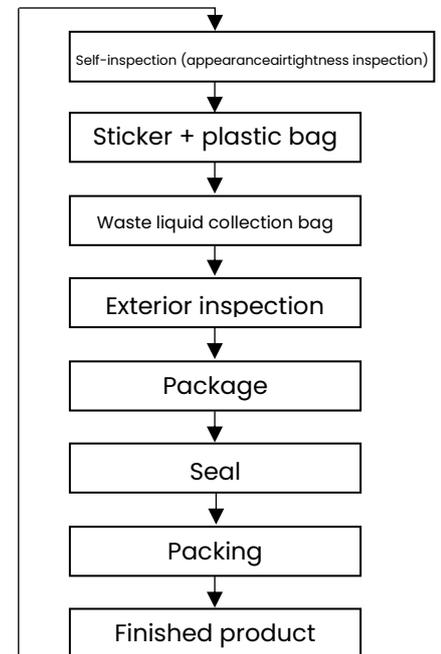
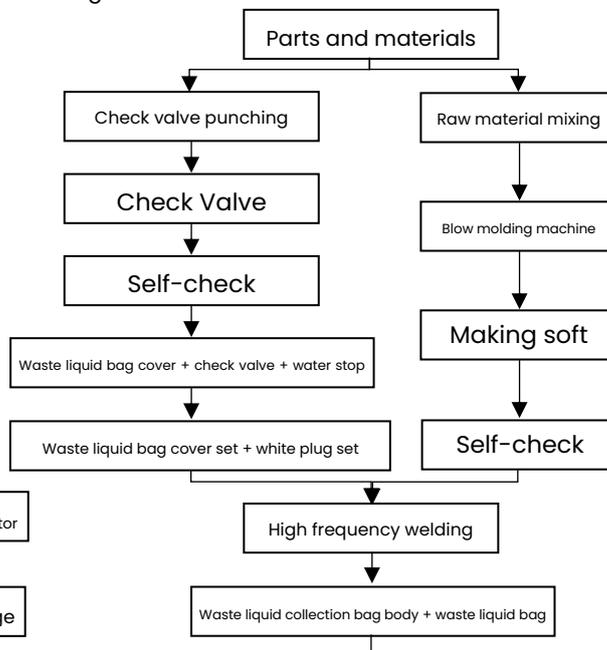


Figure B

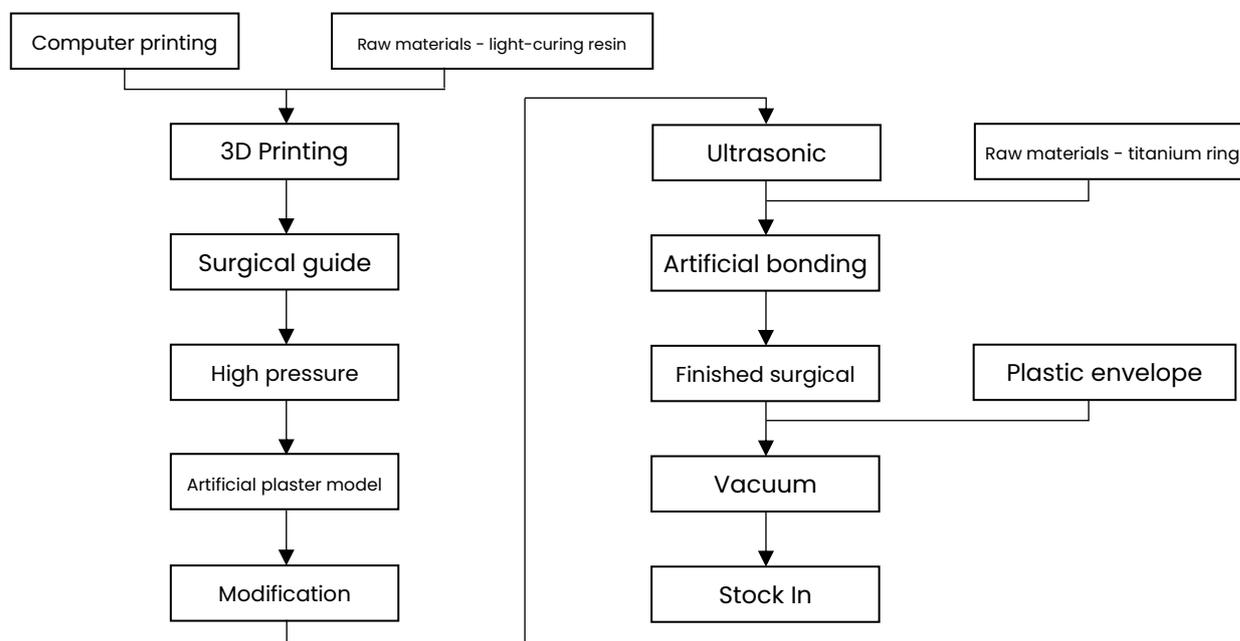


### Dental Medical Device - Implant Systems

The dental implant system is available in a wide range of sizes to suit the entire mouth, as if it were tailor-made for all types of dental implant cases. The product design covers two-piece and one-piece structures. The sizes can be divided into standard platform, narrow platform, fine thread, self-tapping thread, etc. The corresponding lengths range from 5 to 16mm; the diameters range from  $\Phi 2.4$  to  $\Phi 6$ mm.

## Dental Medical Equipment - Surgical Guides

Using the preoperative planning results, the surgical guide is designed by a computer-aided system, and a precise surgical guide is produced through 3D printing technology. Dentists can use surgical guides to accurately complete drilling operations and avoid important nerves or organs, greatly reducing patients' concerns about dental implants, improving surgical safety and success rates, and effectively improving diagnostic effectiveness.



### (3) Supply Condition of Major Raw Materials

The company purchases its main raw materials from qualified domestic and foreign manufacturers. The suppliers and supply are sufficient and the cost is quite competitive.

### (4) Purchase and sales status

#### List of major suppliers in the most recent two fiscal years

Unit: NT\$ Thousand

Year	2023				2024			
Item	Name	Amount	Percentage of total net purchase [%]	Affiliation with the issuer	Name	Amount	Percentage of total net purchase [%]	Affiliation with the issuer
1	Manufacturer A	732,778	23%	Nil	Manufacturer A	761,472	24%	Nil
2	Others	2,275,687	77%	Nil	Others	2,428,572	76%	Nil
	Net purchase	2,953,612	100%	Nil	Net purchase	3,190,044	100%	Nil

#### Reasons for changes in purchase ratio

No major changes in the last two years

#### List of major clients in the most recent two fiscal years

Unit: NT\$ Thousand

Year	2023				2024			
Item	Name	Amount	Percentage of total net purchase [%]	Affiliation with the issuer	Name	Amount	Percentage of total net purchase [%]	Affiliation with the issuer
1	Nil	-	0%	Not Applicable	Manufacturer A	-	0%	Not Applicable
	Net sales	4,543,001	100%	Nil	Net sales	4,543,001	100%	Nil

## **Reasons For Changes In Sales Ratio**

The Company operates a wide range of product lines, but no customer accounts for more than 10% of its annual net sales.

### **(3) Environmental Expenditure Information**

The Company is engaged in the manufacture and sale of operating tables, surgical lights, medical pendants, medical consumables, dental supplies, medical/surgical masks and related accessories. In the entire production process, there are no sources of waste gas and wastewater that cause environmental pollution. The company only assigns dedicated personnel to be responsible for environmental management and maintenance work in accordance with legal regulations.

Total amount of losses and penalties incurred due to environmental pollution in 2024 and up to the date of publication of the annual report: None.

#### **Implementation status of the EU Restriction of Hazardous Substances (RoHS) Directive**

Since 2024, the Company has asked all suppliers to provide proof that their raw materials comply with RoHS and required manufacturers to be responsible; and purchased XRF equipment (RoHS rapid screening metal detection analyzer) to conduct RoHS testing on all materials to ensure that the operating tables, surgical lights, medical pendants, medical consumables, dental supplies, medical/surgical masks and related accessories produced by our company comply with the requirements of RoHS regulations.

#### **Implementation status of the Environmental Management System**

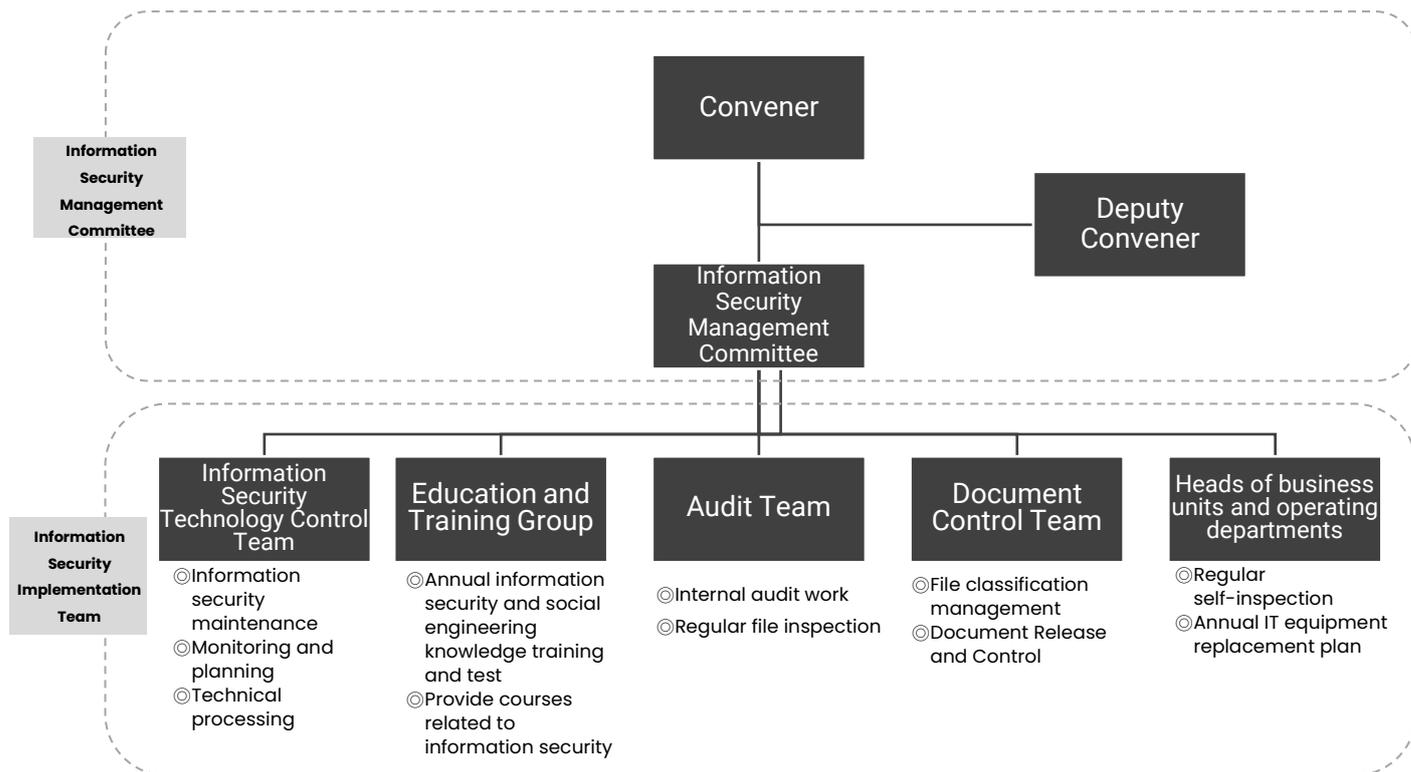
Since obtaining ISO14001 environmental management system certification in 2014, the Company has continued to adhere to the PDCA cycle to maintain the normal operation of the environmental management system, and in its business activities (including the entire product life cycle of R&D, production, product use, and waste gas treatment), it has sought impacts that have a significant impact on the environment and improved the generation of pollution sources in the production process to reduce environmental impacts and improve environmental performance. In 2020, we obtained the new version of ISO14001:2015 environmental management system certification (valid until December 26, 2025) to continue to promote the environmental management system to comply with international standards and specifications.

Based on the future product development direction, the Company does not expect to incur significant environmental capital expenditures in the next two years.

## **4. Information Security Management**

### **Information and Communications Security Risk Management Framework**

In 2020, under the guidance of the Deloitte Taiwan, the Company began to introduce an information security management system based on the ISO27001 PDCA cycle and the five aspects of the US CSF cybersecurity framework (identification, protection, detection, response and recovery) through current status investigation and risk assessment. In 2021, the Information Security Management Committee and the Information Security Implementation Team were established; the Information Security Committee is mainly responsible for reviewing the company's information security policies and examining the company's information security management mechanisms; the General Manager serves as the convener, the head of corporate governance serves as the deputy convener, and the information security specialist and committee members are responsible for the scope and policies of information security management; the Information Security Implementation Team is mainly responsible for ensuring the normal operation of information security tasks and operations, including technical teams, education and training teams, auditing, document management, and heads of business units and departments. At the same time, we conduct information security risk assessments every year to identify and reduce potential threats.



## Information Security Policy

In order to properly protect the information assets within the company's information security management system, relevant regulations are established and implemented for information assets and risk assessment procedures are performed to confirm the risk level of information assets. Through risk assessment results and internal meetings, measures to deal with risk issues are determined to effectively reduce, transfer, eliminate or even accept the risk.

We review various regulations and evaluate the company's internal information security procedures every year to ensure compliance and effectiveness, and regularly promote relevant information security procedures to prevent colleagues from violating internal regulations and causing damage to the company. In the supply chain cycle, we require contracts to be signed with third-party service providers, requiring them to comply with confidentiality and network security regulations. The Company also regularly conducts email social engineering drills to educate employees on information security knowledge related to email sending and receiving, in order to reduce the risk of employees accidentally clicking on malicious emails. Through various training courses, we not only enhance the information security awareness of our colleagues, but also ensure that information security concepts can be integrated into daily operations.

## Specific Management Plans

- Develop an information security management system covering access control, data classification and protection, risk management, etc.; appoint a dedicated information security supervisor and establish a regular reporting mechanism; regularly review and update information security policies to ensure compliance with emerging threats and regulatory changes.
- Use ISO 27005 or NIST RMF (Risk Management Framework) for risk assessment and management, perform penetration testing and vulnerability scanning regularly, and establish risk response mechanisms (such as risk transfer, risk reduction, and risk acceptance).
- Deploy multi-factor authentication (MFA) to ensure user identity security; establish access control lists and role permission management; regularly review and remove unused accounts to reduce the risk of internal threats.
- Deploy firewalls and intrusion detection/prevention systems (IDS/IPS) to prevent external attacks;

use endpoint security solutions (EDR/XDR) to enhance the security monitoring capabilities of devices; and ensure the integrity of critical data through regular data backup and restore drills.

- ⊙ Establish a SOC (Security Operations Center) to monitor and respond to security incidents in real time; introduce SIEM (Security Information and Event Management) for threat analysis; formulate a security incident reporting procedure to ensure a standardized response process.
- ⊙ Regularly organize information security awareness training and social engineering drills to enhance employees' ability to identify malicious emails.

### Resources invested in information security management

Information security is an important issue in company operations. The corresponding information security management actions and resource investment plans are as follows:

- ⊙ In June and October 2023, the company applied to set up one dedicated information security manager and one information security personnel. The information security manager is responsible for the company's information security planning, technology introduction and related matters to maintain and continuously strengthen information security. Review information security-related risks, present them to the Risk Control Management Committee annually, and track related improvement progress quarterly.
- ⊙ The Company purchase cyber security insurance together with the Group every year as one of the risk management solutions to face cyber security threats, with a coverage of US\$15 million.
- ⊙ Report to the Group Chief Information Security Officer every month and join the Group Information Security Experts Organization to share and learn about different aspects of information security every quarter, and work with the Group Information Security Team to provide consultation and advice to subsidiaries.

### Measures for Handling Major Information Security Incidents

In The Company has strengthened its internal emergency response process SOP and drill plans during the establishment of its information security management system. We will continue to simulate various information security attack incidents and arrange relevant personnel to participate in the drills to ensure that emergency response procedures can be activated when an incident occurs, effectively reducing the incident response time and reducing the company's losses.

No major cybersecurity incidents occurred in 2024 and up to the date of publication of the annual report. In addition, in conjunction with the RMC organizational plan, the backup mechanism was optimized to cope with the expansion of the operation center and the increase in backup frequency, so as to eliminate risks resulting in insufficient space, affecting the operation of the core system, and indirectly causing the risk of operational interruption of various factories and subsidiaries.

## 5. Labor Relations

### Human Resources Structure

Year	2023	2024	As of April 7, 2025
Number of employees (person)			
Direct employees	115	202	194
Indirect employees	569	503	641
Total	684	705	835
Average age (years)	39.4	38.3	40.9
Average service years (years)	6.5	5.5	5.5
Educational background distribution ratio (%)			
PhD	0.3%	0.3%	0.3%
Master	11.7%	17.2%	17.2%
College	67.8%	67.8%	67.8%
High school	16.9%	12.2%	12.2%
Below high school	3.4%	2.5%	2.5%

### Employee Welfare Measures

We hold dinner parties every quarter to maintain employee friendship; provide department party

allowances, travel subsidies, various wedding and funeral gifts and condolences, etc.; we have an employee welfare committee that meets regularly to discuss employee welfare matters and hold activities according to the annual plan. Share free musical tickets to support local theatre companies and encourage employees to participate in cultural and artistic activities.

We handle labor safety and health matters in accordance with the law, and provide group insurance and health examinations in addition to labor and health insurance to protect the physical and mental health of employees.

Every year, year-end bonuses, performance bonuses and employee dividends are distributed to employees based on their performance.

### **Employee Education and Training Structure**

In order to improve the capabilities and competence of employee, the Company conducts internal and external education and training programs, and provides regular refresher training to maintain professional capabilities. Through learning and development planning, we encourage employees to continue learning and self-growth.

The Company's 2024 education and training management performance is shown in the following table:

Self-organized training sessions	Self-organized training man-hours	Out-sourced training man-hours	Education and training expenses
36	1,310 man-hours	136 man-hours	NT\$130,600

### **Retirement Policy**

The Company has established employee retirement policy and established a labor retirement reserve fund supervision committee in April 1999. With the approval of the Taipei City Government's Labor Bureau, it began to set aside 2% to 15% of the total monthly salary for retirement funds after its establishment. Since July 2005, the new labor pension system has been implemented in accordance with the law. In accordance with the provisions of the Statement of International Accounting Standards, the Commission invites an actuary to evaluate and calculate the labor retirement reserve and submit an actuarial valuation report.

### **Employee Communication Channels**

The management treats employees with a sincere and responsible attitude, operates the company in an ethical manner, and holds labor-management meetings regularly to allow employees to catch company's information and express their opinions on the company's management and decision-making. If employees have any complaints, they can negotiate through the meetings.

In 2024 and up to the date of publication of the Annual Report, the Company has no losses incurred from labor disputes.

## 6. Significant Contracts

As of April 07, 2025

Contract Nature	Parties	Contract Start / End Date	Main Content	Restriction Clause
Medium-term loan agreement	Land Bank of Taiwan Shilin Branch	May 17, 2024 May 17, 2027	Medium-term guarantee loans totaled NT\$100 million	Taichung Factory Guarantee (Signing Date: January 19, 2024)
Medium-term loan agreement	Taishin Bank Jianbei Branch	June 30, 2024 Dec. 31, 2026	Medium-term loan of NT\$100 million	20% of deposit amount
Medium-term loan agreement	E.Sun Bank Xinzhuang Enterprise Finance Center	Oct. 15, 2024 Oct. 15, 2025	Medium-term loan of NT\$80 million	Nil
Medium-term loan agreement	Far Eastern International Bank	Dec. 26, 2024 Dec. 26, 2026	Medium-term loan of NT\$250 million	Current ratio 100% or more, debt ratio 150% or less, tangible net worth NT\$800 million or more
Medium-term loan agreement	Yuanta Commercial Bank Corporate Banking	Jan. 31, 2024 Jan. 31, 2026	Medium-term loan of NT\$100 million	Nil
Medium-term loan agreement	Shin Kong Commercial Bank Neihu Branch	June 01, 2023 June 01, 2026	Medium-term loan of NT\$100 million	Current ratio 100% (inclusive) or above, debt ratio 200% (inclusive) or below
Medium-term loan agreement	Bank SinoPac Hsinchu Branch	Oct. 31, 2024 Oct. 31, 2026	Medium-term loan of NT\$150 million	Current ratio 100% or more, debt-to-equity ratio 175% or less, reported net worth NT\$700 million or more
Medium-term loan agreement	First Commercial Bank Nanjing East Road Branch	Oct. 07, 2024 Oct. 07, 2025	Medium-term loans amounted to NT\$100 million	Nil
Medium-term loan agreement	Hua Nan Bank Hsi Hu Branch	July 05, 2024 July 05, 2025	Medium-term loan of NT\$50 million	Nil
Medium-term loan agreement	Chang Hwa Bank Dongxing Branch	Jan. 31, 2025 Jan. 31, 2026	Medium-term loan of NT\$150 million	After the loan is issued, the average current deposit in the past six months should be reviewed every six months and should reach more than 5 million (excluding pledges). If the total amount of funds used in the case exceeds 100 million, the average deposit in the past six months should reach more than 8 million (including) (excluding pledges)

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

### 1. Analysis of Financial Status

#### Consolidated Financial Statements

Unit : NT\$ thousand %

Item	Year	2023	2024	Increase or Decrease Amount	Increase or Decrease Ratio
Current Asset		2,732,343	3,098,314	365,971	13.39%
Property, Plant and Equipment		902,167	966,891	64,724	7.17%
Right-of-use Asset		166,204	207,885	41,681	25.08%
Investment property		475,961	466,272	(9,689)	-2.4%
Intangible Assets		334,437	395,164	60,727	18.16%
Other Assets		101,049	139,284	38,235	37.84%
<b>Total Assets</b>		<b>4,712,161</b>	<b>5,273,810</b>	<b>561,649</b>	<b>11.92%</b>
Current Liabilities		1,376,217	1,768,178	391,961	28.48%
Non-Current Liabilities		1,155,614	1,205,379	49,765	4.31%
<b>Total Liabilities</b>		<b>2,531,831</b>	<b>2,973,557</b>	<b>441,726</b>	<b>17.45%</b>
Share Capital		445,660	445,660	0	0.00%
Additional Paid-In Capital		297,921	297,921	0	0.00%
Retained Earnings		361,807	380,588	18,781	5.19%
Other Equity Interest		(5,561)	(2,110)	3,451	62.06%
Equity Attributable to Owners of Parent		1,099,827	1,122,059	22,232	2.02%
Non-Controlling Interest		1,080,503	1,178,194	97,691	9.04%
<b>Total Equities</b>		<b>2,180,330</b>	<b>2,300,253</b>	<b>119,923</b>	<b>5.50%</b>

Analysis of changes in the last two years with an increase or decrease ratio of 20%:

- Right-of-use Asset** changes description: Investment in the acquisition of new subsidiaries and the increase of assets of the right to use houses and buildings.
- Other Assets** changes description: Mainly due to the increase in financial assets measured at fair value through other comprehensive income.
- Current Liabilities** changes description: Mainly due to increase in bank loans.
- Other Equity Interest** changes description: The increase is due to the exchange difference in the translation of the financial statements of the foreign operating entities of the investment subsidiaries.

In summary, there is no significant impact on the financial situation.

#### Individual financial Statements

Unit : NT\$ thousand %

Item	Year	2023	2024	Increase or Decrease Amount	Increase or Decrease Ratio
Current Asset		308,101	299,701	(8,400)	-2.73%
Investments Accounted for Using Equity Method		1,160,332	1,214,255	53,923	4.65%
Property, Plant and Equipment		449,880	429,802	(20,078)	-4.46%
Right-of-use Asset		8,091	17,039	8,948	110.59%
Investment property		76,310	74,744	(1,566)	-2.05%
Intangible Assets		2,245	1,294	(951)	-42.36%
Other Assets		18,452	23,934	5,482	29.71%
<b>Total Assets</b>		<b>2,023,411</b>	<b>2,060,769</b>	<b>37,358</b>	<b>1.85%</b>
Current Liabilities		219,411	254,850	35,439	16.15%
Non-Current Liabilities		704,173	683,860	(20,313)	-2.88%
<b>Total Liabilities</b>		<b>923,584</b>	<b>938,710</b>	<b>15,126</b>	<b>1.64%</b>
Share Capital		445,660	445,660	0	0.00%
Additional Paid-In Capital		297,921	297,921	0	0.00%
Retained Earnings		361,807	380,588	18,781	5.19%
Other Equity Interest		(5,561)	(2,110)	3,451	-62.06%
Equity Attributable to Owners of Parent		1,099,827	1,122,059	22,232	2.02%
<b>Total Equities</b>		<b>2,023,411</b>	<b>2,060,769</b>	<b>37,358</b>	<b>1.85%</b>

Analysis of changes in the last two years with an increase or decrease ratio of 20%:

- Right-of-use Asset** changes description: increase in right-of-use assets of buildings and structures.
- Intangible Assets** changes description: Amortization expenses are recorded.
- Other Assets** changes description: Increase in net pension assets.
- Other Equity Interest** changes description: The increase is due to the exchange difference in the translation of the financial statements of the foreign operating entities of the investment subsidiaries.

In summary, there is no significant impact on the financial situation.

## 2. Financial Performance Analysis

### Consolidated Financial Statements

Unit : NT\$ thousand %

Item	Year	2023	2024	Increase or Decrease Amount	Increase or Decrease Ratio
Net Operating Revenue		4,543,001	4,767,352	224,351	4.94%
Operating Costs		3,197,567	3,318,988	121,421	3.80%
Gross Profit		1,345,434	1,448,364	102,930	7.65%
Operating Expenses		979,996	1,115,344	135,348	13.81%
Operating Income		365,438	333,020	(32,418)	-8.87%
Non-operating Revenue and Expenses		7,660	(3,639)	(11,299)	-147.51
Income Before Tax		373,098	329,381	(43,717)	-11.72%
Income Tax Expense		109,906	92,128	(17,778)	-16.18%
Net Income		263,192	237,253	(25,939)	-9.86%
Other Comprehensive Income		2,361	14,267	11,906	504.28%
Total Comprehensive Income		265,553	251,520	(14,033)	-5.28%
Consolidated Net Income Attributed to Shareholders of the Parent Company		114,581	104,831	(9,750)	-8.51%
Profit, attributable to former owner of business combination under common control		20,888	0	(20,888)	-100.00%
Comprehensive income, attributable to owners of parent		111,939	111,364	( 575)	-0.51%
Comprehensive income, attributable to former owner of business combination under common control		25,425	0	(25,425)	-100.00%

Analysis of changes in the last two years with an increase or decrease ratio of 20%:

- Non-operating Revenue and Expenses** changes description: The amount of bank loans increased while the financial costs increased.
- Other Comprehensive Income** changes description: Mainly due to the increase in exchange differences from currency translation of financial statements of foreign operating entities.
- Profit and Comprehensive income attributable to former owner of business combination under common control** changes description: This is mainly because the investment in K2 International in 2023 is a reorganization transaction of organizations under common control, which is regarded as a retrospective reorganization from the beginning to generate the equity of predecessors.

In summary, there is no significant impact on the financial situation.

### Individual Financial Statements

Unit : NT\$ thousand %

Item	Year	2023	2024	Increase or Decrease Amount	Increase or Decrease Ratio
Net Operating Revenue		432,524	468,207	35,683	8.25%
Operating Costs		303,263	356,792	53,529	17.65%
Gross Profit		129,261	111,415	(17,846)	-13.81%
Operating Expenses		150,978	150,188	( 790)	-0.52%
Operating Loss		(21,717)	(38,773)	(17,056)	-78.54%
Non-operating Revenue and Expenses		175,862	144,766	(31,096)	-17.68%
Income Before Tax		154,145	105,993	(48,152)	-31.24%
Income Tax Expense		18,676	1,162	(17,514)	93.78%
Net Income		135,469	104,831	(30,638)	-22.62%
Other Comprehensive Income		1,895	6,533	4,638	244.75%
Total Comprehensive Income		137,364	111,364	(26,000)	-18.93%
Consolidated Net Income Attributed to Shareholders of the Parent Company		114,581	104,831	(9,750)	-8.51%
Profit, attributable to former owner of business combination under common control		20,888	0	(20,888)	-100.00%
Comprehensive income, attributable to owners of parent		111,939	111,364	( 575)	-0.51%
Comprehensive income, attributable to former owner of business combination under common control		25,425	0	(25,425)	-100.00%

Analysis of changes in the last two years with an increase or decrease ratio of 20%:

- Operating Loss, Income Before Tax** changes description: Mainly affected by the MIC (Made in China) policy of the Chinese medical market.
- Income Tax Expense** changes description: Due to the expiration of loss deductions, deferred income tax recognized before 2023 will be transferred to income tax expense in 2023.
- Net Income** changes description: Mainly due to the decrease in net operating profit and the decrease in the share of interests in subsidiaries and joint ventures recognized using the equity method.
- Other Comprehensive Income** changes description: Mainly due to the increase in the re-measurements of defined benefit plans and the increase in exchange differences on the translation of the financial statements of foreign operating entities of the investment subsidiaries.
- Profit and Comprehensive income attributable to former owner of business combination under common control** changes description: This is mainly because the investment in K2 International in 2023 is a reorganization transaction of organizations under common control, which is regarded as a retrospective reorganization from the beginning to generate the equity of predecessors.

In summary, there is no significant impact on the financial situation.

### 3. Cash Flow

#### Consolidated Financial Statements

Unit : NT\$ thousand

Dec. 31, 2023 Balance of cash-beginning	2024 Net Cash Inflows from Operating Activities all year round	2024 Cash outflow over the year	Dec. 31, 2024 Cash Surplus (Deficit)	Remedy for Deficit in Cash	
				Investment Plan	Financing Plan
830,508	222,221	(189,538)	836,191	—	—

1. Analysis of changes in cash flows in 2024: Cash and cash equivalents increased by NT\$32,683,000.
2. Plan to improve liquidity shortage: There is no shortage of cash liquidity.
3. Cash liquidity analysis for the coming year: The Company will maintain stable cash liquidity and will make prudent plans based on the cash balance on the account and the cash flow from operating and investment activities, and measure the financial market conditions.

#### Individual Financial Statements

Unit : NT\$ thousand

Dec. 31, 2023 Balance of cash-beginning	2024 Net Cash Inflows from Operating Activities all year round	2024 Cash outflow over the year	Dec. 31, 2024 Cash Surplus (Deficit)	Remedy for Deficit in Cash	
				Investment Plan	Financing Plan
71,542	70,307	(69,425)	72,424	—	—

1. Analysis of changes in cash flows in 2024: Cash and cash equivalents increased by NT\$882,000.
2. Plan to improve liquidity shortage: There is no shortage of cash liquidity.
3. Cash liquidity analysis for the coming year: The Company will maintain stable cash liquidity and will make prudent plans based on the cash balance on the account and the cash flow from operating and investment activities, and measure the financial market conditions.

### 4. The Effect upon Financial Operations of Any Major Capital Expenditures

As of the date of publication of the annual report, the Company had no significant capital expenditure.

### 5. Reinvestment

The Company's reinvestment policy is in line with the Company's business development strategy and operational needs. All subsidiaries are included in the consolidated financial statements for 2024. The net profit of investments recognized using the equity method is NT\$0 after being offset in the consolidated financial statements. In the coming year, we will continue to focus on strategic investments related to our core business and continue to prudently evaluate our investment plans.

### 6. Risk Management and Assessment

- (1) The impact of interest rate, exchange rate, and inflation rate changes on the Company's revenue, as well as corresponding actions :

#### The impact of interest rate changes on the company's profit and loss and future response measures

All bank borrowings of the Company and its subsidiaries are on a floating rate basis. The Company and its subsidiaries take measures to deal with the risk of interest rate fluctuations, mainly by regularly evaluating the interest rates of banks and various currencies, and maintaining good relations with financial institutions to obtain lower financing costs; at the same time, we strengthen working capital management and other measures to reduce dependence on bank loans and diversify the risk of interest rate fluctuations.

The following sensitivity analysis is based on the interest rate risk of floating rate bank loans on the reporting date. The analysis is based on the assumption that the outstanding loan amount on the reporting date remains outstanding throughout the year. The rate of change used by the Company and its subsidiaries when reporting interest rates to key management is an increase or decrease of 1% per annum in the interest rate, which also represents management's assessment of the reasonably possible range of interest rate changes.

If the annual interest rate increases/decreases by 1%, assuming all other variables remain unchanged, the pre-tax net profit of the Company and its subsidiaries in 2024 and 2023 will decrease/increase by NT\$15,345,000 and NT\$12,362,000 respectively.

#### The impact of exchange rate changes on the company's profit and loss and future response measures

The exchange rate risk of the Company and its subsidiaries mainly comes from cash and cash equivalents, accounts receivable (payable) (including related parties), other receivables (payable) (including related parties) and bank loans denominated in foreign currencies, which generate foreign currency exchange gains and losses when converted. For the carrying amounts of significant monetary assets and liabilities of the Company and its subsidiaries denominated in non-functional currencies as of the reporting date (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) and related sensitivity analysis, please refer to Note 6 (26) to the Company's 2024 Consolidated Financial

Statements.

In addition to strengthening the management of exchange rate fluctuations and collecting information on exchange rate changes at any time to convert foreign currencies at appropriate times, the Company will also conduct risk hedging when there is a large difference in future amounts.

#### **The impact of inflation rate changes on the company's profit and loss and future response measures**

The Company and its subsidiaries use assets in a conservative and prudent manner in order to help the growth of the core business and to have better liquidity. In the future, the Company will closely observe changes in the price index, interpret the impact of inflation on the Company and its subsidiaries, adjust product pricing policies and inventory policies in a timely manner, and pay attention to fluctuations in product costs and material costs in order to cope with the pressure brought about by inflation.

#### **(2) Policies on high risk, highly leveraged investments, loans to other parties, endorsements, and derivative trading policies, main reasons for profits or losses, and future response measures**

The Company and its subsidiaries have always upheld a policy of not engaging in high-risk, high-leverage investments. When engaging in fund lending, endorsement and guarantee, and derivative product transactions, in addition to complying with relevant operating procedures, public announcements and declarations are made in accordance with the regulations of the competent authorities, and the company's internal auditors also conduct regular audits. There was no high-risk, high-leverage investment or endorsement and guarantee in 2024 and up to the date of publication of the annual report; the funds loaned to others were limited to the company's subsidiaries; derivative commodity trading was based on risk avoidance strategy, no investment transactions were engaged, and no related operating risks occurred.

#### **(3) Future Research & Development (R&D) Plans and Expected R&D expenses**

Please refer to pages 60 to 62 of this Annual Report.

#### **(4) Changes in important policies and the legal environment at home and abroad, and the effect on Company financial status and operation, and countermeasures**

For the year 2024 and up to the date of publication of the annual report, important domestic and international policy and legal changes have not had a significant impact on the financial operations of the Company and its subsidiaries.

The Company and its subsidiaries pay close attention to and grasp policies and laws that may affect the Company's operations, and cooperate to improve and revise the relevant internal policies and procedures of the Company and its subsidiaries to ensure smooth operation of the Company.

#### **(5) The technological and industrial changes, and their effect on the financial status and operation of the Company, and countermeasures**

With the rapid development of the medical industry in recent years, the Company and its subsidiaries continue to pay attention to the evolution of industry technology and are highly sensitive to grasp trends and meet customer needs. Regarding information security risk management, we implement information security management system through regular internal audit mechanism to reduce potential risks. The company also collaborates with various departments to conduct inventory and review of information assets, establish an appropriate asset classification management system, and continuously evaluate and replace information security equipment to further strengthen overall information security control. In summary, information security-related risks have no material adverse impact on the financial and business operations of the Company and its subsidiaries.

#### **(6) The Impact of changes in corporate identity on Company crisis management, and countermeasures**

In 2024 and up to the date of publication of the annual report, the Company and its subsidiaries did not encounter any risk events that might affect the normal operations and corporate image of the Company and its subsidiaries.

The Company and its subsidiaries implement the vision of "realizing the truth, goodness and beauty of technological life" through the four major core values of "integrity and self-discipline", "passion and dedication", "pursuit of excellence" and "care and contribution". We commit to the moral principles of "integrity and self-discipline", do not engage in fraud or cheating, set an example in observing the company's disciplinary regulations, and do what we say. "Passionate and down-to-earth" Take the initiative to complete tasks, love your work and partners, and stick to your commitments. "Pursue Excellence" is an open mind, courageous to innovate and change, continuous learning and growth, and pursuit of a better spirit. "Caring contribution" to the whole society, fulfilling the commitment of environmental protection and sustainable development, and contributing to the interests of customers, society and the environment.

(7) The expected benefits and possible risks of merger or acquisition, and countermeasures

The Company and its subsidiaries have no ongoing mergers and acquisitions in 2024 and up to the date of publication of the annual report, and therefore no benefits or risks are generated.

(8) The expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

The Company and its subsidiaries are currently focusing on fully utilizing existing production capacity and maximizing economic benefits in terms of plant and equipment. Therefore, there is no need for significant plant expansion in the short term.

(9) The risks from centralized purchasing or selling, and countermeasures

The Company and its subsidiaries have major suppliers and customers located at home and abroad, and maintain good cooperative relationships with suppliers and customers, eliminating the risk of concentrated purchases or sales. The Company and its subsidiaries also evaluate the financial attributes of different customers and control them according to different transaction models, such as through insurance companies, bank letters of credit and collateral, and track customer payment status in a timely manner to safeguard the interests of the Company.

(10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken

There were no large-scale transfers or changes in equity interests of the Company and its subsidiaries in 2024 and up to the date of publication of the annual report.

(11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

There were no changes in the management rights of the Company and its subsidiaries in 2024 and up to the date of publication of the annual report.

(12) Litigation or non-litigation events shall list the major litigation, non-litigation or administrative disputes that have been determined or are still under judgment by the company and its directors, supervisors, general manager, substantive responsible persons, major shareholders with a shareholding ratio of more than 10%, and affiliated companies. If the outcome may have a significant impact on shareholder rights or securities prices, the facts in dispute, the subject amount, the start date of the litigation, the main parties involved in the litigation, and the handling status as of the publication date of the annual report shall be disclosed.

The Company and its directors, supervisors, general manager, de facto person in charge, major shareholders with a shareholding ratio of more than 10%, and affiliated companies have no major litigation, non-litigation or administrative disputes that have been determined or are still under investigation in 2024 and as of the date of publication of the annual report.

(13) Other substantial risks and countermeasures: N/A

## VI. Special Disclosure

### 1. Information of the Affiliated Companies

The 2024 Affiliated Enterprises Consolidated Business Report, Consolidated Financial Statements, and Affiliation Report have been disclosed on the Market Observation Post System (MOPS).

Query Path: MOPS > Individual Company > Electronic Document Downloads > Affiliated Enterprises "Three Reports" Section

**URL:** [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

### 2. Status of Private Placement of Securities for the Most Recent Year and Up to the Date of the Annual Report Publication

There is no such situation from 2024 and up to the date of publication of the annual report.

### 3. Matters prescribed in Article 36, Paragraph 3, Clause 2 of the Securities and Exchange Act

From 2024 to the date of publication of the annual report, no event has occurred that has a significant impact on shareholders' equity or securities prices as defined in Article 36, Paragraph 3, Item 2 of the Securities and Exchange Act.

### 4. Any Other Special Matters

#### **Commitments that the Company must continue to make after listing on the Taipei Exchange**

The Company promises to add to the "Procedures for Acquisition or Disposal of Assets" that "The Company shall not give up its future capital increase in TOP Will Investment Co., Ltd. (hereinafter referred to as TOP Will Investment), LILY Medical Corporation. (hereinafter referred to as LILY Medical), ASIACONNECT International Co., Ltd. and BenQ AB DentCare Corporation. TOP Will shall not give up its future capital increase in BenQ Medical Technology (Shanghai)Ltd. LILY Medical shall not give up its future capital increase in LILY Medical Equipment Trading (Suzhou) Co., Ltd. If the Company needs to give up its capital increase in or dispose of the above-mentioned companies due to strategic alliance considerations or other factors in the future, it must first obtain the consent of the Taipei Exchange and then submit it for approval by a special resolution of the Company's Board of Directors." If the handling method is subsequently revised, it shall be entered into the Public Information Board for major information disclosure and reported to the Taipei Exchange for record.

Due to operational needs, the Company is conducting organization restructuring and changing the name of its overseas subsidiaries, and has notified the Taipei Exchange of this matter in writing in accordance with Article 13-1 (OTC Commitments) of the "Procedures for Acquisition or Disposal of Assets". This matter has been approved and filed on January 18, 2024 with the document No. 1130000238 of Taipei Exchange.

Article 13-1 (OTC Commitments) of the "Procedures for Acquisition or Disposal of Assets" as amended by the resolution of the shareholders' meeting on June 7, 2024 states: The company shall not waive its future capital increase for TOP Will Investment Co., Ltd. (hereinafter referred to as TOP Will Investment), LILY Medical Devices Co., Ltd. (hereinafter referred to as LILY Medical), ASIACONNECT International Co., Ltd. and BenQ AB DentCare Co., Ltd.; TOP Will Investment shall not waive its future capital increase for BenQ Medical Technology(Shanghai)Ltd. (hereinafter referred to as BenQ Medical Shanghai); BenQ Medical Shanghai shall not waive its future capital increase for BenQ Smart Medical Devices (Shanghai) Co., Ltd. In the future, if each of these companies needs to waive the capital increase or dispose of the above-mentioned companies due to strategic alliance considerations or other consent from the Taipei Exchange, it must be approved by a special resolution of the company's board of directors. If this handling procedure is subsequently revised, it should be entered into the Public Information Board for Major Information Disclosure and reported to the Taipei Exchange for record.

#### **Implementation status of promised matters**

- ◎ On October 8, 2015, the 6th Board of Directors meeting attended by all independent directors and directors approved the amendment of the Company's "Procedures for Acquisition or Disposal of Assets", adding Article 18 to supplementary matters and submitting it to the 2016 General Shareholders' Meeting for discussion.
- ◎ On June 7, 2016, the shareholders' meeting discussed the revision of the "Procedures for Acquisition or Disposal of

Assets" and the amendment was approved by shareholders' vote.

- ◎ On December 15, 2015, the 8th board of directors meeting was attended by all independent directors and directors, who approved the proposal to increase the capital of TOP Will Investment Company by US\$20,000.
- ◎ On February 17, 2017, the first board of directors meeting attended by all independent directors and directors approved the cash capital increase subscription of the indirect investment company " BenQ AB DentCare Co., Ltd.". The company holds 4.8 million shares of that company. According to the original shareholders' shareholding ratio, the number of shares subscribed is 2.28 million shares, totaling NT\$28.8 million; after the subscription, the company holds 7.68 million shares of the company, with a shareholding ratio of 76.80%.
- ◎ On March 3, 2017, the second board of directors meeting was attended by all independent directors and directors, who approved the specific person proposal to participate in the cash capital increase subscription of the indirect investment company " BenQ AB DentCare Co., Ltd." and authorized the chairman to handle all related matters within NT\$11.2 million. (The number of shares subscribed by specific persons is 1.12 million shares, totaling NT\$11.2 million. After the subscription, the Company holds 8.8 million shares of the company, accounting for 88% of the shares.)
- ◎ On June 8, 2017, the shareholders' meeting discussed the revision of the "Procedures for Acquisition or Disposal of Assets" and the amendment was approved by shareholders' vote.
- ◎ On June 6, 2019, the shareholders' meeting discussed the revision of the "Procedures for Acquisition or Disposal of Assets" and was approved by shareholders' vote.
- ◎ On July 15, 2021, the shareholders' meeting discussed the revision of the "Procedures for Acquisition or Disposal of Assets" and was passed by shareholders' vote.
- ◎ The first extraordinary shareholders' meeting on July 29, 2021 discussed and amended the "Procedures for Acquisition or Disposal of Assets" and was passed by shareholders through voting.
- ◎ On June 8, 2022, the shareholders' meeting discussed the revision of the "Procedures for Acquisition or Disposal of Assets" and was passed by shareholders' vote.
- ◎ On June 7, 2024, the shareholders' meeting discussed the revision of the "Procedures for Acquisition or Disposal of Assets" and was passed by shareholders' vote.

