

Applied BioCode Corporation

2024

Annual Report

The contents of this annual report and the Company's information can be found on the following websites

Market Observation Post System: <http://newmops.twse.com.tw>

Website: <http://www.apbiocode.com.tw>

Printed on May 16, 2025

I. The Company's spokesperson, deputy spokesperson, litigation and non-litigation agents in Taiwan.

(I) Spokesperson:

Name:	Winston Z. Ho	Title:	President
TEL:	+886-2-8791-6833	Email:	who@apbiocode.com

(II) Deputy Spokesperson:

Name:	Yu-Lin Chen	Title:	Vice President of Taiwan's sub- subsidiary
TEL:	+886-2-8791-6833	Email:	ychen@apbiocode.com

(III) Domestic Litigation and non-litigation agents:

Name:	Winston Z. Ho	Title:	President
TEL:	+886-2-8791-6833	Email:	who@apbiocode.com

II. Address and Telephone Number of Head Office, Branch and Plant

(I) The Company

Name: Applied BioCode Corporation
Address: Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands
Website: www.ApBioCode.com TEL: +886-2-8791-6833

(II) Subsidiary

1. Name of US subsidiary: Applied BioCode, Inc. (ABC-US)
Address: 12130 Mora Drive, Unit 2, Santa Fe Springs, CA 90670, USA
Website: www.ApBioCode.com TEL: +1-562-777-9800
2. Taiwan's subsidiary: Applied BioCode Corporation (ABC-TW)
Address: 6F, No. 1, Lane 28, Xingzhong Road, Neihu District, Taipei
Website: www.ApBioCode.com/tw TEL: +886-2-8791-6833

III. Name, Address, Website, and Contact Number of the Stock Agency:

Name: Stock Agency Department of SinoPac Securities
Address: 3F, No. 17, Bo'ai Road, Zhongzheng District, Taipei
Website: www.sinotrade.com.tw
TEL: +886-2-2381-6288
Website: www.sinotrade.com.tw

IV. Names of CPAs and the Name, Address, Website, and Contact Number of the Accounting Firm for the Latest

Financial Statements:

Names of CPAs: Wendy Liang and Alan Chien

Name of the Accounting Firm: PwC Taiwan

Address: 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei

TEL: +886-2-2729-6666

Website: <http://www.pwc.tw/>

V. Name of Exchange for Trading in Overseas Listed Securities and Information Inquiry for the Securities: Not applicable

VI. Website: <http://www.apbiocode.com.tw>

VII. List of the Board of Directors

Position	Name	Nationality or Place of Registration	Major Work Experience (Education)
Chairman	George J. Lee	Taiwan / USA	Ph.D. in Chemistry, New York State University Master, Department of Agricultural Chemistry, National Taiwan University R&D Manager, Syntex USA Inc Chairman, Epitomics
Director	Winston Z. Ho	Taiwan / USA	Ph.D. of Physical chemistry and Master of Biochemistry, Arizona State University, U.S. Post-doctoral researcher, Columbia University, New York, U.S. - high-speed optics Researcher, optical center of University of Arizona, U.S. - non-linear optics Bachelor of Chemistry, National Chung Hsing University Maxwell Sensors Incorporation Founder / CEO Director of smart optical system and sensor Director, Biomedical Sciences, Physical Optics Corp. US-NIH Grant review committee
Director	Benjamin Jen	Taiwan	Master in Science and Technology Management, Massachusetts Institute of Technology Director, Strategy and Investment / Director, Marketing, Quanta Computer
Corporate Director	Maxwell Sensors, Inc.	United States	-
Director (Representative of Corporate Director)	Huan-Rung Li	Taiwan	MSc Accounting and Finance, The London School of Economics and Political Science Director of Risk Control, GRC SinoGreen Fund Investment Manager, SinoPac Financial Holdings Co., Ltd.
Independent director	Wen-Jing Tsai	Taiwan	Master in Accounting, National Chengchi University Bachelor in Accounting, National Taiwan University Manager, Deloitte Taiwan CEO, the Tax Committee, Taipei CPA Association Deputy Chairman, the National Federation of CPA Associations of the R.O.C.
Independent director	Ben Liu	Taiwan	Ph.D. in Law, National Chengchi University Institute of Finance, National Taiwan University Department of Law, National Taiwan University Lawyer, Perkins Coie Lawyer, Yongyun International Law Firm Lawyer, Lee and Li
Independent director	Jack Hsiao	Taiwan	Deputy Chief Operating Officer, Show Chwan Health Care System Co-host, Telecare, Department of Health, Executive Yuan OmniHealth Group (US/TW) CEO

One. Letter to Shareholders.....	6
Two. Corporate Governance Report	9
1. Profiles of Board of Directors, Supervisors, President, Vice President, Directors, Department and Branch Heads	9
II. Remuneration of Board of Directors, Supervisors, President and Vice Presidents for the last fiscal year	22
III. Implementation of Corporate Governance	26
IV. Information of CPA Professional Fees	57
V. Change of CPAs: None.	57
VI. Status of whether the company’s chairman, president, or any managerial officer in charge of finance or accounting matters has for the last fiscal year held a position at the accounting firm of its auditing CPAs or at an affiliate: None.....	57
VII. Evaluation of CPAs’ Independence:	57
VIII. Information of shares transfers or pledges from Board of Directors, managerial officers, and shareholders with more than 10% shareholding	57
IX. Information of Relationship between top 10 shareholder.....	59
X. Number of shares and shareholding percentage of an invested entity held by the company, the company’s board members, supervisors, managerial officers and directly or indirectly controlled entities.....	59
Three. Fundraising.....	61
I. Capital and Shares	61
II. Corporate Bonds (overseas included): None.	63
III. Preferred Shares: None.	63
IV. Global Depository Receipts: None.	63
V. Employees Incentive Stock Options	63
VI. Employees Restricted New Shares	76
VII. New shares issued for merger or acquisition: None.	76
VIII. Usage of Injected Capital.....	76
Four. Operation Overview	78
I. Business Scope	78
II. Industry, Supply and Sales Overview	100
III. Number of Employees of past two years	116
IV. Environmental Expenditure	116
V. Employer-Employee Relation.....	117
VI. Information and Technology Security Management:	118
VII. Important Agreements	120
Five. Analysis of Financial Position, Performance, and Risk.....	122
I. Financial Position	122
II. Financial Performance	123
III. Cash Flow	124
IV. Impact to Finance and Business from Major Capital Expenditure on financial business	126
V. Investment Policies of last fiscal year, causes of profit or loss, improvement plan and upcoming year’s investment plans.....	126
VI. Risk Management and Assessment.....	126
VII. Other important disclosures: None.	131
Six. Special disclosures	132

I.	Information of Affiliates	132
II.	Issuance of Securities through Private Placement in the most recent fiscal year and up to publication date of the annual report: None.	133
III.	Other Required Amended Explanation	133
IV.	If any of the situations listed in Article 36, paragraph 2 subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or up to publication of the annual report: None.....	141

One. Letter to Shareholders

Dear Shareholders:

First of all, I would like to thank all shareholders for their continued strong support of the Company, enabling us to maintain smooth operations and achieve positive developments for the near future.

(I) 2024 operating result

In 2024, the Group's operating revenue was NT\$343,066 thousand, representing a decrease of NT\$52,103 thousand (13.2%) compared to the operating revenue of NT\$395,169 thousand reported in 2023. This reduction was primarily due to the Barcoded Magnetic Beads product line, which experienced a NT\$60,413 thousand (29.4%) decrease in shipments in 2024 as Customer I had purchased larger inventory at the end of 2023. However, the Group's flagship product, the Enteritis Multiplex Molecular Detection Reagent, showed growth of NT\$15,733 thousand (14.1%) compared to the same period last year, with a compound annual growth rate approaching 32% over the past 5 years.

In 2024, the Group's operating loss, excluding non-operating income and expenses, was NT\$277,912 thousand, an increase of NT\$91,210 thousand compared to the operating loss of NT\$186,702 thousand reported in 2023. This increased loss was primarily attributable to a decrease in gross profit of NT\$64,741 thousand and an increase in operating expenses of NT\$26,469 thousand compared to 2023, resulting from the recruitment of additional talent and procurement of research materials for future product development initiatives.

Regarding the income for the period, the net loss in 2024 was NT\$260,807 thousand, compared to the net loss of NT\$164,199 thousand in 2023, representing an increased loss of NT\$96,608 thousand. The main reasons for this are the same as those mentioned above.

(II) Financial analysis for 2024

As of the end of 2024, the Group's debt to asset ratio was 27.7% (NT\$336,071 thousand/NT\$1,214,902 thousand), long-term capital(NT\$1,085,072 thousand) to property, plant and equipment (NT\$85,637 thousand) ratio was 1267%, shareholders' equity was NT\$878,830 thousand, loss per share was NT\$(2.88). The total cash in the Group's books (including time deposit) was NT\$857,487 thousand.

(III) 2025 outlook:

1. The Company recently, on January 18, 2025, received FDA 510K certification approving the integration of the Biocode 3000 fully automated molecular detection instrument with Thermo Fisher's King Fisher DNA extraction system for gastrointestinal pathogen panel (GPP) testing. Since the King-Fisher DNA extraction system was widely installed during the COVID-19 pandemic, with over a thousand laboratories having installed this system. In addition to our existing bioMérieux EasyMag and Roche Magnapure 96 options, this new combination will enable our IVD products to effectively and rapidly increase customer penetration rates.
2. The automated MDx3000 molecular diagnostic instrument-based Respiratory Pathogen Panel (RPP) test, combined with Thermo Fisher's KingFisher extraction equipment, will apply for FDA 510K certification in the third quarter of 2025.
3. Following preliminary evaluation testing by major laboratories, the Company's comprehensive 20-item fungal test will undergo improvements to 3 specific items based on customer requirements to optimize fungal detection. These enhancements will improve market acceptance and facilitate commercialization.
4. Artificial Intelligence and laboratory automation represent unstoppable trends in the industry.

The Group is developing a semi-automated MDx3000 system that integrates extraction equipment with the existing platform to achieve one-stop molecular multiplex testing. This integration will significantly reduce manual labor time and operational error rates, creating a positive impact on acquiring major clients. We will have a prototype system ready before the end of this year.

5. Between 2025 and 2027, the Group will focus on developing urinary tract infection (UTI) products integrated with antibiotic resistance testing capabilities. Clinical trials for the UTI product are scheduled to begin in the second quarter of 2026, with experimental results to be submitted to the FDA for review in the first quarter of 2027.
6. Regarding our IVD product customer development focusing primarily on large National/Regional Level clients, we have achieved significant results from the end of 2024 until now. Currently, the 1st, 2nd, 3rd, and 6th largest laboratories in the US have implemented our group's systems, which will positively impact our revenue.
7. Our licensed customer, Idexx, has commercialized this testing across all their US laboratories. In addition to their current animal and pet serum and parasite testing, they will launch pet lymphoma testing in March 2025, which will have a positive impact on the Group's Barcoded Magnetic Beads procurement.

(IV) Future development strategy:

In addition to developing existing proprietary brands of multiplex molecular testing assays and licensing customer development in non-infectious disease areas, the Group's core technology Barcoded Magnetic Beads (BMB) platform provides benefits such as high throughput, multiple target detection, and low cost. With resource allocation permission from the group, the group will begin research and development on innovative technical products such as multiple liquid biopsy testing assays, multiple dementia testing assays, and multiple allergen testing assays. The Group's goal is to become a global leader in multiplex molecular testing assays and multiple antibody-antigen testing assays.

(V) Impact from external competitive environment, regulatory environment and overall business environment

1. Impact from the external competitive environment

The seven major IVD manufacturers in the world are Roche, Abbott, Siemens, Hologic, Danaher/Cepheid, Qiagen and BioMerieux. These manufacturers have high market shares in medical diagnostic assays but lack innovative technology, especially in multiplex testing. Multiplex testing is the mainstream trend of the current market. Global manufacturers that lack this type of technology risk losing in the future's highly competitive diagnostic market. As such, these manufacturers are catching up by acquiring companies with multiple diagnostic technologies. For example, BioMerieux acquired Biofire in 2014 and the procurement of Cepheid by Danaher in 2016 (up to 4 tests). Roche acquired GenMark and DiaSorin acquired Luminex in 2021. This illustrates the emphasis of global major pharmaceutical companies on multiplex testing. Presently, except for Luminex and BioMerieux, none of the seven major manufacturers have technology platforms and products for multiplex detection (more than 4 labels). The Company is currently a technology leader in terms of high throughput, number of detection targets and high automation. Based on the above advantages, we will prioritize the sales to large hospitals and laboratories, while also closely keeping an eye on the countermeasures of competitors and latecomers that are being divided in the market in order to quickly adjust our marketing strategies, ensuring that the development target of our businesses can be achieved.

2. Impact from the regulatory environment

Given that the Group's in-vitro diagnostic products and most of the final products developed by our licensed customers require a review by the competent authorities (FDA in each country), the decision to enter the market is determined by the FDA. For this reason, products with FDA clearance will significantly reduce external competition. As a result, the Group will continue to develop a variety of in-vitro diagnostics assays and with the clinical and trial experience of the first and second products, the time to enter the market will be gradually shortened.

3. Impact from the overall business environment

Given that the Group's principal place of operation is the U.S., changes in politics, economics and taxation in the U.S. affect the Group's overall operating performance. The COVID-19 outbreak has effected the overall economy, and the trade barriers created by geopolitics are all unfavorable factors for business in the short term. However, the medical industry is a steadily growing industry in the U.S. or even around the world, and the importance of testing assays for epidemic prevention further expands the market share. Through the advantages of our products, the expansion of our experienced sales and technical service teams, strategic alliances with licensed partners as well as diversified commercialization outlets, we will overcome challenges faced in the industry, creating maximum value for our shareholders.

Two. Corporate Governance Report

1. Profiles of Board of Directors, Supervisors, President, Vice President, Directors, Department and Branch Heads

(I) Directors and Supervisors

1. Information on Directors

April 08, 2025

Position	Nationality or Place of Registration	Name	Gender / Age	Date elected	Term of Office (year)	Date First Elected	Shareholding when Elected		Current shareholding		Current Shareholding of Spouse & Minor Children		Shares Held by Proxy		Major Work Experience (Education)	Current Concurrent Positions in the Group and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second-Degree of Kinship to Each Other			Remarks
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation	
Chairman	Taiwan / USA	George J. Lee	Male/ 71 - 80	2022.6.13	3	2016.6.30	-	-	-	-	-	-	3,571,060	3.47	Ph.D. in Chemistry, New York State University Master, Department of Agricultural Chemistry, National Taiwan University R&D Manager, Syntex USA Inc Chairman, Epitomics, Inc.	Chairman, ABC-US Chairman, ABC-TW Director, Foresee Pharmaceuticals Co., Ltd. Chairman, Genepharm, Inc. Chairman, RevMab, Inc.	-	-	-	None
Director	Taiwan / USA	Winston Z. Ho	Male/ 71 - 80	2022.6.13	3	2016.4.15	103,750	0.10	108,750	0.11	4,959,574	4.83	4,913,418	4.78	Ph.D. of Physical Chemistry and Master of Biochemistry, Arizona State University, U.S. Post-doctoral researcher,	President, ABC- KY Director, President and Founder / Chief Technology Officer, ABC-US Director, Maxwell Sensors Director, ABC- TW	-	-	-	None

Position	Nationality or Place of Registration	Name	Gender / Age	Date elected	Term of Office (year)	Date First Elected	Shareholding when Elected		Current shareholding		Current Shareholding of Spouse & Minor Children		Shares Held by Proxy		Major Work Experience (Education)	Current Concurrent Positions in the Group and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second- Degree of Kinship to Each Other			Remarks
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation	
															Columbia University, New York, U.S. - high- speed optics Bachelor of Chemistry, National Chung Hsing University Maxwell Sensors Incorporation Founder / CEO Director of smart optical system and sensor Director, Biomedical Sciences, Physical Optics Corp. US-NIH Grant review committee Member Research Scientist - Nonlinear Photonics, University of Arizona College of Optical Sciences					
Director	Taiwan	Benjamin Jen	Male/ 51 - 60	2022.6.13	3	2016.9.29	-	-	-	-	-	-	-	-	Master in Science and Technology Management, Massachusetts Institute of Technology	Executive Partner, GRC Managers Limited Taiwan, Virgin Islands Director, Applied Biocode, Inc.	-	-	-	None

Position	Nationality or Place of Registration	Name	Gender / Age	Date elected	Term of Office (year)	Date First Elected	Shareholding when Elected		Current shareholding		Current Shareholding of Spouse & Minor Children		Shares Held by Proxy		Major Work Experience (Education)	Current Concurrent Positions in the Group and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second- Degree of Kinship to Each Other			Remarks
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation	
															Vice Chairman, Danen Technology Corporation Sales President, Yu Jing Energy Technology Co., Ltd Director, Strategy and Investment / Director, Marketing, Quanta Computer	Director, ABC-TW				
Corporate Director	United States	Maxwell Sensors, Inc.	-	2022.6.13	3	2022.6.13	8,307,042	8.08	8,307,042	8.08	-	-	-	-	-	-	-	-	-	None
Director (Representative of Corporate Director)	Taiwan	Huan- Rung Li	Female/ 31~40	2023.6.14	3	2023.6.14	-	-	-	-	50,000	0.05	-	-	MSc Accounting and Finance, The London School of Economics and Political Science Director of Risk Control, GRC SinoGreen Fund Investment Manager, SinoPac Financial Holdings Co., Ltd.	Director of Risk Control, Shenzhen Fuhua Equity Investment Fund Management Co., Ltd. Director, Maryvale Limited	-	-	-	None

Position	Nationality or Place of Registration	Name	Gender / Age	Date elected	Term of Office (year)	Date First Elected	Shareholding when Elected		Current shareholding		Current Shareholding of Spouse & Minor Children		Shares Held by Proxy		Major Work Experience (Education)	Current Concurrent Positions in the Group and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second- Degree of Kinship to Each Other			Remarks
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation	
Independent director	Taiwan	Wen-Jing Tsai	Male/ 51 - 60	2022.6.13	3	2016.9.29	-	-	-	-	-	-	-	-	Master in Accounting, National Chengchi University Bachelor in Accounting, National Taiwan University Manager, Deloitte Taiwan CEO, the Tax Committee, Taipei CPA Association Deputy Chairman, the National Federation of CPA Associations of the R.O.C.	President, Gaowei Accounting Firm Supervisor, Shinho Energy & Technology CO., LTD. Supervisor, Mirror TV Inc.	-	-	-	None
Independent director	Taiwan	Ben Liu	Male/ 51 - 60	2022.6.13	3	2016.9.29	-	-	-	-	-	-	-	-	Ph.D. in Law, National Chengchi University Institute of Finance, National Taiwan University Department of Law, National Taiwan University Lawyer, Perkins Coie Lawyer, Yongyun	Lawyer, InfoShare Tech Law Office Independent Director, Foresee Pharmaceuticals Co., Ltd. Independent Director, LINE Pay Taiwan Limited Assistant Professor, National Chengchi University Director, Living Grace Charity Foundation	-	-	-	None

Position	Nationality or Place of Registration	Name	Gender / Age	Date elected	Term of Office (year)	Date First Elected	Shareholding when Elected		Current shareholding		Current Shareholding of Spouse & Minor Children		Shares Held by Proxy		Major Work Experience (Education)	Current Concurrent Positions in the Group and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second-Degree of Kinship to Each Other			Remarks
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation	
															International Law Firm Lawyer, Lee and Li					
Independent director	Taiwan	Jack Hsiao	Male/ 51 - 60	2022.6.13	3	2018.1.3	-	-	-	-	-	-	-	-	PhD, Boston University School of Medicine Deputy Chief Operating Officer, Show Chwan Health Care System Co-host, Telecare, Department of Health, Executive Yuan OmniHealth Group (US/TW) CEO	Chief Operating Officer, Hsiao Chung-cheng Hospital Director, TriHealth Enterprise Co., Ltd. Director, ThinkCloud Technology, Inc. Director, FU-DE Biomedical Technology Inc. Chairman, JU-SHENG Biomedical Technology Inc. Supervisor, Ai Wan Lin Biotechnology Co., Ltd. Chairman, En-Qi Co., Ltd. Director, Wellink Investments Limited Chairman, Fu-Ze Health Co., Ltd. Independent Director, World Fitness Services Ltd. Independent Director, JUYANG MEDICAL DEVICE CO., LTD.	-	-	-	None

- Supervisors: The Group has an Audit Committee; therefore, there are no supervisors.
- Major shareholders of corporate shareholders:

Name of corporate shareholder	Major shareholders of corporate shareholders
Maxwell Sensors, Inc.	The ZAAD Living Trust

4. Major shareholders of corporate shareholders are juristic persons' major shareholders:

Name of corporate	Major shareholders of corporate
The ZAAD Living Trust	Winston Z. Ho, April Tang

5. Directors or Supervisors' professional qualifications and their independence:

Qualification Name	Professional qualifications and experience (Note 1)	Independence Criteria (conforms to the criteria set out in Note 2)	Number of Independent Director Positions Concurrently Held in Other Publicly Listed Companies
George J. Lee	Professional Qualifications: Required working experience at least five years in commerce, law, finance, accounting or other fields required by the business of the Company. Experience: Ph.D. in Chemistry, New York State University R&D Manager, Syntex USA Inc Chairman, Epitomics, Inc. None of the directors was in the circumstances under Article 30 of the Company Act (Note 3)	Not applicable	-
Winston Z. Ho	Professional Qualifications: Required working experience at least five years in commerce, law, finance, accounting or other fields required by the business of the Company. Experience: Ph.D. in Physical chemistry and Masters Degree in Biochemistry, Arizona State University, U.S. Maxwell Sensors Incorporation Founder / CEO Director of smart optical system and sensor Director, Biomedical Sciences, Physical Optics Corp. None of the directors was in the circumstances under Article 30 of the Company Act (Note 3)	Not applicable	-
Benjamin Jen	Professional Qualifications: Required working experience at least five years in commerce, law, finance, accounting or other fields required by the business of the Company. Experience: Masters Degree in Science and Technology Management, Massachusetts Institute of Technology Director, Strategy and Investment / Director, Marketing, Quanta Computer None of the directors was in the circumstances under Article 30 of the Company Act (Note 3)	Not applicable	-
Maxwell Sensors, Inc.	Not applicable	Not applicable	-

Huan-Rung Li	<p>Professional Qualifications: Required working experience at least five years in commerce, law, finance, accounting or other fields required by the business of the Company.</p> <p>Experience: MSc Accounting and Finance, The London School of Economics and Political Science Director of Risk Control, GRC SinoGreen Fund Investment Manager, SinoPac Financial Holdings Co., Ltd.</p> <p>None of the directors was in the circumstances under Article 30 of the Company Act (Note 3)</p>	Not applicable	-
Wen-Jing Tsai	<p>Professional Qualifications: Professional or technical specialists who have passed a national examination or hold a license in accounting or another profession required for the Company's business operations with at least five years' experience.</p> <p>Experience: Master in Accounting, National Chengchi University Bachelor in Accounting, National Taiwan University Manager, Deloitte Taiwan CEO, the Tax Committee, Taipei CPA Association Deputy Chairman, the National Federation of CPA Associations of the R.O.C.</p> <p>None of the directors was in the circumstances under Article 30 of the Company Act (Note 3)</p>	(1) No; (2) None; (3) No; (4) None; (5) Yes	-
Ben Liu	<p>Professional Qualifications: Lecturer or above in commerce, law, finance, accounting or other subjects required for the Company's business operations in public or private colleges or universities, at least five years' experience in commerce, law, finance, accounting, or another profession required for the Company's business operations, and professional or technical specialists who have passed a national examination or hold a license in law or another profession required for the Company's business operations.</p> <p>Experience: Ph.D. in Law, National Chengchi University Department of Law, National Taiwan University Lawyer, Perkins Coie Lawyer, Yongyun International Law Firm Lawyer, Lee and Li</p> <p>None of the directors was in the circumstances under Article 30 of the Company Act (Note 3)</p>	(1) No; (2) None; (3) No; (4) None; (5) Yes	2
Jack Hsiao	<p>Professional Qualifications: Required working experience at least five years in commerce, law, finance, accounting or other fields required by the business of the Company.</p> <p>Experience: PhD, Boston University School of Medicine Deputy Chief Operating Officer, Show Chwan Health Care System Co-host, Telecare, Department of Health, Executive Yuan OmniHealth Group (US/TW) CEO</p> <p>None of the directors was in the circumstances under Article 30 of the Company Act (Note 3)</p>	(1) No; (2) None; (3) No; (4) None; (5) Yes	1

Note 1: Professional qualifications and experiences: Description of director and supervisor qualifications and experiences. If Audit Committee members have professional expertise in accounting or finance, their background and work experience in these fields shall be described in detail.

Note 2: Independent directors shall provide a detailed description of their conformity to independence criteria including but not limited to the following: (1) Does the candidate, his/her spouse, or one of his/her relatives within the second degree of kinship serve as director, supervisor, or employee at the Company or one of its affiliates? (2) How many company shares does the candidate, his/her spouse, or one of his/her relatives within the second degree of kinship (or the candidate under others' names) hold and what is the shareholding ratio? (3) Does the candidate serve as director, supervisor, or employee of a company that has a specific relationship with this Company (as stipulated in Article 3, Paragraph 1, Subparagraph 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)? (4) Cumulative compensation received for the provision of commercial, law, financial, and accounting services to this Company or its affiliates within the past two years; (5) Do one of the circumstances specified in Article 30 of the Company Act apply?

Note 3: A person who is under any of the following circumstances shall not act as a managerial personnel of a company. If he has been appointed as such, he shall certainly be discharged: (1) Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon; (2) Having committed the offence in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon; (3) Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon; (4) Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges; (5) Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet; or (6) Having no or only limited disposing capacity. (7) Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

6. Board diversity and independence:

(1) Board diversity:

The composition of the Company's Board of Directors shall consider the diversification of the Board of Directors from various aspects based on Article 20 of the Corporate Governance Best Practice Principles, and the Board of Directors shall have the knowledge, skills, and experience necessary to perform their duties. The board of directors shall possess the ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct management administration, ability to conduct crisis management, knowledge of the industry, an international market perspective, ability to lead and ability to make policy decisions. The board is composed of seven directors (incl. three independent directors). All board members have extensive experience and professional expertise in a wide range of fields including commerce, law, finance, accounting, production technologies, and management. One board member (14%) is an employee of the Company; one independent director has served for 7 years; two independent directors have served for 8 years; none of the independent directors have served for more than three consecutive terms. Two directors are aged above 70; four directors are aged between 51 and 60; one director is aged between 31 and 40. Six directors are male and one director is female. They are all R.O.C. citizens and two of them hold U.S. citizenship.

The concrete objectives and implementation of the Board of Directors diversification policy are as follows

Concrete objectives	Implementation status
At least 1/3 of the board members are biotech industry and operation professionals	Achieved
At least 1/3 of the independent directors possess legal, financial or information technology skills	Achieved

Diversification of the Board of Directors:

Position	Name	Experience in biotech industry			Professional skill		
		Research and development	Industry knowledge	Business management	Legal	Finance and accounting	Marketing

Chairman	George J. Lee	✓	✓	✓	-	-	✓
Director	Winston Z. Ho	✓	✓	✓	-	-	✓
Director	Benjamin Jen	-	✓	✓	-	-	✓
Corporate Director	Maxwell Sensors, Inc.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Director (Proxy of Corporate Director)	Huan-Rung Li	—	✓	✓	—	✓	✓
Independent director	Wen-Jing Tsai	-	-	-	-	✓	✓
Independent director	Ben Liu	-	-	-	✓	-	✓
Independent director	Jack Hsiao	-	✓	✓	-	-	✓

(2) Board member independence:

The board is composed of seven directors (incl. three independent directors accounting for 43%). Based on the kinship diagram provided by the independent directors, it can be determined that none of the circumstances specified in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act exist.

(II) Profile of Presidents, Vice Presidents, Directors, and Heads of Departments and Branches:

April 08, 2025; Unit: shares

Position	Nationality	Name	Gender	Date of Assumption of Office	Shareholding		Shareholding of Spouse & Minor Children		Shares Held by Proxy (Note)		Major Work Experience (Education)	Current Concurrent Positions in Other Companies	Spouse or Relatives of Second Degree or Closer Acting as Managerial Officers (Note 2)			Remarks
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation	
President and Founder/Chief Technology Officer	Taiwan United States	Winston Z. Ho (Note 1)	Male	2008.03	108,750	0.11	4,959,574	4.83	4,913,418	4.78	Ph.D. of Physical Chemistry and Master of Biochemistry, Arizona State University, U.S. Post-doctoral researcher, Columbia University, New York, U.S. - high-speed optics Bachelor of Chemistry, National Chung Hsing University Maxwell Sensors Founder / CEO Director of smart optical system and sensor Director, Biomedical Sciences, Physical Optics Corp. US-NIH Grant review committee Member Researcher, optical center of University of Arizona, U.S. - non-linear optics	Director & Presidents, ABC-US Director, ABC-TW Director, Maxwell Sensors Managerial Officer, Oceania, LLC	-	-	-	None
Chief of Scientist	United States	Elisabeth Laderman	Female	2023.11	-	-	-	-	-	-	- Ph.D. in Biochemistry, California State University, Los Angeles HYCOR Biomedical, LLC. Chief Scientific Officer Vice President of Product Development, Biomerica, Inc.	-	-	-	-	None
US Subsidiary Operating Vice President	United States	Gerald Kowalski (Note 3)	Male	2014.07	8,000	0.01	-	-	-	-	- Bachelor in Technology in Electronic Instrumentation Engineering, Michigan Technological University Software team leader, BECKMAN COULTER INC. Senior Software Engineer, BAXTER International	-	-	-	-	None
Senior Director, Product Manufacturing Division	Canada	Gao Chen	Male	2014.10	145,000	0.14	-	-	-	-	- Ph.D. in Molecular Biology and Immunology, Gembloux Agro-Bio Tech, Belgium Researcher, University of California,	-	-	-	-	None

Position	Nationality	Name	Gender	Date of Assumption of Office	Shareholding		Shareholding of Spouse & Minor Children		Shares Held by Proxy (Note)		Major Work Experience (Education)	Current Concurrent Positions in Other Companies	Spouse or Relatives of Second Degree or Closer Acting as Managerial Officers (Note 2)			Remarks
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation	
											Los Angeles Senior Researcher, R&D Department, Maxwell Sensors Incorporation					
Technology and Customers Service Division Associate manager	United States	Michael Ho (Note 4)	Male	2015.07	160,000	0.16	-	-	-	-	- Ph.D., University of California, Davis Technical Services, Quest Diagnostics EraGen Biosciences (Luminex)	-	-	-	-	None
Taiwan sub-subsidiary Vice President	Taiwan	Yu-Lin Chen	Male	2016.05	46,500	0.05	-	-	-	-	- Bachelor in Electrical Engineering, George Washington University Deputy General Manager, Opto-Sensor Ltd. Business Engineer, Opto-Sensor Ltd.	-	-	-	-	None
CFO	Taiwan	Liang-Kai Huang	Male	2018.02	-	-	-	-	-	-	- Bachelor in Accounting, Soochow University CFO, BTL Corporate CFO, Landseed International Medical Group	-	-	-	-	None
Accounting Supervisor	Taiwan	Jau-Tung Pan (Note 5)	Female	2019.08	1,000	0.00	-	-	-	-	- Bachelor in Accounting, National Chengchi University Assistant Manager, Merck KGaA Assistant Manager, Deloitte Taiwan	-	-	-	-	None
Internal Auditor	Taiwan	Zong-Han You	Male	2019.09	40,000	0.04	13,000	0.01	-	-	- Bachelor in of Accounting, National Taiwan University Assistant Manager, Merck KGaA Assistant Manager, Deloitte Taiwan	-	-	-	-	None
Administration Division Associate manager	United States	Ingrid Joseph	Female	2020.08	10,000	0.01	-	-	-	-	- Bachelor, Management at Cerritos College Procurement Supervisor of Maxwell Sensors Incorporation	-	-	-	-	None
Marketing Division Vice President	United States	Parisa Hanachi	Female	2021.11	-	-	-	-	-	-	- PhD in Molecular Microbiology, University of California, Davis CMO, HiPic Inc. Senior Director, Marketing Division, Alere Inc.	-	-	-	-	None

Position	Nationality	Name	Gender	Date of Assumption of Office	Shareholding		Shareholding of Spouse & Minor Children		Shares Held by Proxy (Note)		Major Work Experience (Education)	Current Concurrent Positions in Other Companies	Spouse or Relatives of Second Degree or Closer Acting as Managerial Officers (Note 2)			Remarks
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Position	Name	Relation	
US Subsidiary CEO	United States	Christopher Bernard (Note 6)	Male	2022.03	-	-	-	-	-	-	- Bachelor in Psychobiology, Hiram College CEO, Oncogenesis CEO, Curetis USA Inc.	-	-	-	-	None
Sales Division Vice President	United States	Jim Leigh (Note 7)	Male	2023.03	-	-	-	-	-	-	- B.S. in Finance, Department of Business Administration, University of Iowa Vice President, Renovia Inc. Strategic Accounts Senior Director, Genoptix National Accounts	-	-	-	-	None
Human Resources Division Associate manager	United States	Julian Sanchez	Male	2023.03	-	-	-	-	-	-	- M.A., Human Resources in Public Administration, California State University, Long Beach Interim HR Director, Skillset Group HR Director, G4S	-	-	-	-	None
Clinical Affairs Director	United States	Cassandra Ingles (Note 8)	Female	2023.03	-	-	-	-	-	-	- PhD in Public Health, University of Capella Clinical and Medical Affairs Director, SpeedX, Inc. Technical Services Specialist, Oxford Immunotec Inc.	-	-	-	-	None
Accounting Supervisor	Taiwan	Chao-Ku Chen (Note 5)	Male	2024.05	-	-	-	-	-	-	- Bachelor in Accounting, Soochow University Accounting Vice Manager, ABC-TW Assistant Manager, PwC Taiwan	-	-	-	-	None
Financial Controller	United States	Yang Zhang (Note 9)	Female	2024.05	-	-	-	-	-	-	- Bachelor of Accounting, California State University, Fullerton Accounting Manager, Phoenix Motor Car Senior Accountant and Analyst, ABC-US	-	-	-	-	None

Note 1: Director and President Winston Z. Ho and his spouse April Tang jointly set up the ZAAD Living Trust. They are both the trustees of this trust. The ZAAD Living Trust has total ownership of Maxwell Sensors and Oceanina, LLC. Maxwell Sensors holds 8,307,042 shares of ABC-KY, or 10.18%, and Oceania, LLC holds 1,504,758 shares of ABC-KY, or 1.84%.

Note 2: The President or the person with an equivalent position (the highest level manager) and the chairman of the board of directors are the same person, spouses or relatives within the first degree of kinship.

Note 3: Managerial officer Gerald Kowalski retired on January 10, 2025.

Note 4: Managerial officer, Michael Ho, discharged on January 27, 2024.

Note 5: Managerial officer Jau-Tung Pan resigned on April 26, 2024, and executive Chao-Ku Chen was appointed as the head of accounting after approval by the board of directors in May 2024.

Note 6: Managerial officer Christopher Bernard retired on March 19, 2024.

Note 7: Managerial officer Jim Leigh served as Vice President of Sales Division March 2024.

Note 8: Managerial officer Cassandra Ingles resigned on May 24, 2024.

Note 9: Managerial officer Yang Zhang was newly appointed in May 2024.

II. Remuneration of Board of Directors, Supervisors, President and Vice Presidents for the last fiscal year

(I) Remuneration of general directors and independent directors for the most recent fiscal year (2024)

December 31, 2024; unit: NT\$ thousand

December 31, 2024, and FYG thousand

Position	Name	Remuneration to Directors								Ratio of total remuneration A+B+C+D to net income after tax		Relevant remuneration received by Directors who are also employees								Ratio of total remuneration A+B+C+D+E+F+G to net income after tax				Remuneration paid to Directors from an invested company other than the Company's subsidiary or from the parent company
		Remuneration (A)		Severance Payment and Pension (B)		Remuneration to directors (C)		Fees for Performance of Work (D)				Salary, Bonuses, and Allowances (E)		Severance Payment and Pension (F)		Remuneration to Employees (G)								
		The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company		Companies Included in the Financial Statements		The Company	Companies Included in the Financial Statements			
																Cash Amount	Stock Amount	Cash Amount	Stock Amount					
Director	George J. Lee	—	—	—	—	—	—	42	42	(0.02)%	(0.02)%	—	—	—	—	—	—	—	—	(0.02)%	(0.02)%	—		
Director	Winston Z. Ho	—	—	—	—	—	—	42	42	(0.02)%	(0.02)%	—	6,078	—	946	—	—	—	—	(0.02)%	(2.71)%	—		
Director	Benjamin Jen	—	—	—	—	—	—	42	42	(0.02)%	(0.02)%	—	—	—	—	—	—	—	—	(0.02)%	(0.02)%	—		
Director	Huan-Rung Li	—	—	—	—	—	—	42	42	(0.02)%	(0.02)%	—	—	—	—	—	—	—	—	(0.02)%	(0.02)%	—		
Independent director	Wen-Jing Tsai	400	400	—	—	—	—	—	—	(0.15)%	(0.15)%	—	—	—	—	—	—	—	—	(0.15)%	(0.15)%	—		
Independent director	Ben Liu	400	400	—	—	—	—	—	—	(0.15)%	(0.15)%	—	—	—	—	—	—	—	—	(0.15)%	(0.15)%	—		
Independent director	Jack Hsiao	400	400	—	—	—	—	—	—	(0.15)%	(0.15)%	—	—	—	—	—	—	—	—	(0.15)%	(0.15)%	—		
(1) Please explain the policy, system, standards and structure by which independent director remuneration is paid, and the association between the amount paid and independent directors' responsibilities, risks and time committed: The Company's remuneration to directors is determined concerning the practice of public companies in Taiwan and the participation of the independent directors in the Audit Committee, Remuneration Committee and the Board meeting. After the directors of this Board have been elected, it was discussed and approved by general directors at the Board meeting that remuneration shall be paid after NT\$100 thousand each month.																								
(2) The Company pays transportation allowance to directors (excluding independent directors) approved by a resolution of the board of directors for the current term. The transportation allowance for attending each quarterly board meeting is USD330.																								
(3) Remuneration received by directors for providing service to any company included in the financial statements (e.g. consultancy service without the title of an employee) for the most recent fiscal year, except those disclosed in the above table: None.																								

Breakdown of Remuneration

Remuneration to individual directors in respective brackets along the remuneration scale	Name of director			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Group	Companies Included in the Financial Statements	The Group	Companies Included in the Financial Statements
Below NT\$1,000,000	Wen-Jing Tsai; Ben Liu; Jack Hsiao; George J. Lee; Benjamin Jen; Huan-Rung Li; Winston Z. Ho	Wen-Jing Tsai; Ben Liu; Jack Hsiao; George J. Lee; Benjamin Jen; Huan-Rung Li; Winston Z. Ho	Wen-Jing Tsai; Ben Liu; Jack Hsiao; George J. Lee; Benjamin Jen; Huan-Rung Li; Winston Z. Ho	Wen-Jing Tsai; Ben Liu; Jack Hsiao; George J. Lee; Benjamin Jen; Huan-Rung Li
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	—	—	—	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	—	—	—	-
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	—	—	—	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	—	—	—	Winston Z. Ho
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	—	—	—	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	—	—	—	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	—	—	—	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	—	—	—	-
Above NT\$100,000,000	—	—	—	-
Total	7 persons	7 persons	7 persons	7 persons

(II) Remuneration to supervisors: The Group has an Audit Committee; therefore, there are no supervisors.

(III) Remuneration to the president and vice president for the most recent fiscal year (2024)

December 31, 2024; unit: NT\$ thousand

Position	Name	Salary (A)		Severance Payment and Pension (B)		Bonuses and special allowances, etc. (C)		Remuneration to employees (D)		Total of A, B, C and D as a percentage (%) of net income after tax		Remuneration paid to Directors from an invested company other than the Company's subsidiary
		The Company	Companies Included in the	The Company	Companies Included in the	The Company	Companies Included in the	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the	

			Financial Statements		Financial Statements		Financial Statements	Cash Amount	Stock Amount	Cash Amount	Stock Amount		Financial Statements	or from the parent company
President	Winston Z. Ho	-	5,262	-	946	-	817	-	-	-	-	-	(2.69)%	-
Vice President	Christopher Bernard (Note 1)	-	3,189	-	468	-	675	-	-	-	-	-	(1.66)%	-
Vice President	Gerald Kowalski (Note 2)	-	6,425	-	1,015	-	514	-	-	-	-	-	(3.05)%	-
Vice President	Jim Leigh	-	6,523	-	1,081	-	1,000	-	-	-	-	-	(3.30)%	-
Vice President	Parisa Hanachi	-	6,746	-	928	-	540	-	-	-	-	-	(3.15)%	-
Vice President	Elisabeth Laderman	-	7,549	-	680	-	-	-	-	-	-	-	(3.16)%	-
Vice President	Liang-Kai Huang	-	3,548	-	108	-	591	-	-	-	-	-	(1.63)%	-
Vice President	Yu-Lin Chen	-	1,776	-	108	-	296	-	-	-	-	-	(0.84)%	-

Note 1: Managerial officer Christopher Bernard was retired on March 19, 2024

Note 2 : Managerial officer Gerald Kowalski retired on January 10, 2025.

Breakdown of Remuneration

Remuneration to presidents and vice presidents in respective brackets along the remuneration scale	President and vice president name	
	The Group	Companies Included in the Financial Statements
Below NT\$1,000,000	-	—
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	-	—
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	-	Yu-Lin Chen
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	-	Liang-Kai Huang, Christopher Bernard (Note 1)
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	Winston Z. Ho, Gerald Kowalski, Jim Leigh, Parisa Hanachi, Elisabeth Laderman (Note 2)
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	—
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	—
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	—

NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	—
Above NT\$100,000,000	-	—
Total	-	8 persons

Note 1: Managerial officer Christopher Bernard was retired on March 19, 2024.

Note 2: Managerial officer Elisabeth Laderman was newly appointed in November 2023.

(IV) Top 5 managers with the highest remuneration: Details in the table above.

(V) Names of managerial officers who received employee remuneration for the most recent fiscal year (2024): None.

(VI) Compare and analyze the total remuneration as a percentage of net income after tax stated in the parent company only financial reports or individual financial reports, paid by this group and by all consolidated entities (including this company) for the most recent 2 fiscal years to each of this group's directors, supervisors, presidents, and vice presidents, and describe the policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its linkage to business performance and future risk exposure.

1. The total remuneration as a percentage of net income after tax paid by this group and by all consolidated entities (including this group) for the most recent 2 fiscal years to each of this group's directors, presidents, and vice presidents

Unit: NT\$ thousand

Item \ Year	2023		2024	
	The Company	As a percentage of net income after tax	The Company	As a percentage of net income after tax
Directors, presidents and vice presidents	50,685	(30.87)%	52,153	(20.00)%

Remuneration policy, standards and composition, procedures and the correlation with operational performance and future risks:

(1) Principle of payment of remuneration to directors

The remuneration to directors includes travel expenses, business execution expenses and earnings distribution. The remuneration to the directors of the consolidated company is determined according to the Company's Articles of Association. The Board of Directors is authorized to determine the remuneration based on the directors' participation in the consolidated company's operations, the value of their contributions and the industry standard.

(2) President and Vice President

The remuneration to the president and vice president includes salary and employee bonus. The salary level is determined based on the Company's contribution and the reference to the industry standard.

(3) Operating performance and the relevance of future risks

The Group has established the Remuneration Committee that is made up of all independent directors. These independent directors review and evaluate on a regular basis the performance of directors and managerial officers as well as the remuneration policy, system, standard and structure.

III. Implementation of Corporate Governance

(I) Functionality of the Board of Directors

The Board of Directors of the Group convened 11 times between 2024 and 2023 and once in the reporting year until the annual report's publication date. The board convened a total of 12 times (A) in the most recent 2 fiscal years until the annual report's publication date. Director attendance records were as follows:

Position	Name	Actual Attendance (B)	Proxy Attendance	Actual Attendance Ratio (B/A) (%)	Remarks
Chairman	George J. Lee	12	0	100%	
Director	Winston Z. Ho	12	0	100%	
Director	Wen-Chin Hung	3	0	100%	Newly appointed on June 13, 2022
Director	Huan-Rung Li	9	0	100%	Newly appointed on June 14, 2023
Director	Benjamin Jen	9	3	75%	
Independent director	Wen-Jing Tsai	12	0	100%	
Independent director	Ben Liu	11	1	91.67%	
Independent director	Jack Hsiao	12	0	100%	

Supplementary Information:

1. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the content of motions, independent directors' opinions and how the company has responded to such opinions:

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

Meeting Date and Session	Content of motions	Independent directors' opinions and how the Company has responded to such opinions:
2023/01/18 4th Board 4th Session	Salary adjustment for CEO of the US subsidiary	Passed by all independent directors.
2023/03/13 4th Board 5th Session	1. Motion of 2022 business report and 2022 consolidated financial statements 2. Acknowledge 2022 Deficit Compensation Statement 3. Internal Control System Statement 4. The independence and appropriateness of CPAs 5. Discussion on pre-approval the CPAs, and the non-audit services provided by their accounting firms and associates of the firms 6. Amendment to the Company's "Memorandum and Articles of Association" 7. Amendment to the Company's "Management of Loans to Others" 8. Motion of setting a date, location, shareholder proposal procedures and agenda for the 2023 Annual General Meeting 9. Appointment of Corporate Governance Officer 10. Appointment of HR Director	Passed by all independent directors.

	11.Appointment of Clinical Compliance Director 12.Appointment of Vice President of Sales Division 13.Promotion of Marketing Vice President 14.Promotion of Senior Financial Director 15.Motion for 2022 distribution of employee stock warrants (1st distribution)	
2023/05/12 4th Board 6th Session	1. Motion of the Q1 2023 consolidated financial statements 2. Appointment of Senior Business Development Director 3. Motion for 2022 distribution of employee stock warrants (2nd distribution)	Passed by all independent directors.
2023/08/24 4th Board 7th Session	1. Motion of the Q2 2023 consolidated financial statements 2. Amendment to the Corporate Governance Best Practice Principles 3. Motion for 2022 distribution of employee stock warrants (3rd distribution)	Passed by all independent directors.
2023/11/8 4th Board 8th Session	1. Motion of the Q3 2023 consolidated financial statements 2. 2023 audit plan 3. Motion of providing loans to the Company's U.S. subsidiary 4. Motion for the determination of remuneration packages for managerial officers in 2024 5. 2024 sales incentive plan for Sales Division 6. Appointment of Chief of Scientist 7. Motion for 2022 distribution of employee stock warrants (4th distribution)	Passed by all independent directors.
2023/12/21 4th Board 9th Session	Motion of 2024 budget	Passed by all independent directors.
2024/03/07 4th Board 10th Session	1. Motion of 2023 business report and 2023 consolidated financial statements 2. Acknowledge 2023 Deficit Compensation Statement 3. Internal Control System Statement 4. Proposal to issue new capital to increase capital 5. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets" 6. Amendment to the Company's "Rules of Procedure for Board Meetings" 7. Motion for 2022 distribution of employee stock warrants (5th distribution) 8. Recruitment of Director of Product Manufacturing 9. Salary adjustment for CEO of the US subsidiary	Passed by all independent directors.
2024/05/10 4th Board 11th Session	1.2024 Motion of the Q1 consolidated financial statements 2. Motion of amendments to the plan of a sound business 3. Amendment to the Company's "Audit Committee Charter" 4. Amendment to the Company's "Remuneration Committee Charter" 5. Promotion of the Associate Vice President of Quality Assurance 6. Appointment of the Financial Controller 7. Promotion of the Accounting Officer (job transfer) 8. Motion for 2022 distribution of employee stock warrants (6th distribution)	Passed by all independent directors.

	9. Motion of employee stock subscriptions for employees who are also directors and managerial officers for the 2024 cash capital increase	
2024/06/24 4th Board 12th Session	1. Proposal to issue new capital to increase capital (adjustment of issuance price discount range)	Passed by all independent directors.
2024/08/22 4th Board 13th Session	Motion of the Q2 1.2023 consolidated financial statements 2. Amendment to the Company's "Related Party Transaction Management Procedures" 3. Motion of the U.S. subsidiary's capital increase 4. Appointment of the Vice President of Clinical Affairs and Business Strategy 5. Motion for 2022 distribution of employee stock warrants (7th distribution)	Passed by all independent directors.
2024/11/11 4th Board 14th Session	Motion of the Q3 1.2024 consolidated financial statements Motion of 2.2025 budget 3.2025 audit plan 4. Amendment to the Procedures for Sustainability Report Preparation and Assurance 5. Signing of Contract for Securities Regulations Compliance Consulting 6. Application of the 2024 employee stock warrants 7. Motion for the determination of remuneration packages for employees in 2025 8. 2025 sales incentive plan for Sales Division 9. Motion for 2022 distribution of employee stock warrants (8th distribution)	Passed by all independent directors.
2025/05/13 4th Board 15th Session	1. Motion of 2024 business report and 2024 consolidated financial statements 2. Acknowledge 2024 Deficit Compensation Statement 3. Internal Control System Statement 4. Motion of election of all directors and independent directors 5. Amendment to the Company's "Memorandum and Articles of Association" 6. Motion for 2024 distribution of employee stock warrants (1st distribution)	Passed by all independent directors.

(2) Any other documented objections or qualified opinions raised by independent directors against board resolutions in relation to matters other than those described above: None.

2. In the case of recusal of a director in a motion related to his/her own interests, please specify the director's names, the content of motions, the reasons for the recusal and the voting results: None.

3. TWSE/TPEx Listed Companies should disclose information on the evaluation content of the board's self (or peer) evaluation:

Evaluation Cycle	Once a year
Evaluation Period	January 1, 2024 to December 31, 2024
Evaluation	Board of directors, individual directors and functional committees

Scope	
Evaluation method	Internal self-evaluation by the board of directors and self-evaluation by the board members
Evaluation content	<p>1. Performance evaluation of the board of directors: Participation in the operation of the company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors, and internal control.</p> <p>2. Performance evaluation of the board members: Alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationships and communication, the director's professionalism and continuing education, and internal control.</p> <p>3. Performance evaluation of the functional committees: Participation in the operation of the Company, awareness of the duties of the functional committee, quality of decisions made by the functional committee, makeup of the functional committee and election of its members, and internal control.</p>
Evaluation outcome	<p>The results of the evaluation are reported to the Board of Directors in Q1 2025 according to the Regulations for Self-evaluation or Peer Evaluation of the Board of Directors adopted by the Board of Directors to be used as the basis for review and improvement.</p> <p>1. Performance evaluation of the board of directors Excellent.</p> <p>2. Performance evaluation of the board members: Excellent.</p> <p>3. Performance evaluation of the Audit Committee: Excellent.</p> <p>4. Performance evaluation of the Remuneration Committee: Excellent.</p>

4. Measures the objectives to strengthen the board's functionality (e.g. establish Audit Committee, enhance information transparency) and execution status in the current and the most recent fiscal year: The Group has formulated the "Rules of Procedure for Board Meetings" as guidelines for the operation of Board meetings. The Group has 3 independent directors and has established the Audit Committee and Remuneration Committee. In the future, the Group will disclose related information on its website and on the MOPS to improve the transparency of information required by the law.

(II) The operation of the Audit Committee

The Audit Committee assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices, as well as risk management of the Company.

The Audit Committee is responsible to review the following major matters:

Financial statements; audit and accounting policies and procedures; internal control system and related policies and procedures; significant asset transactions or derivative transactions; significant lending, endorsement, or guarantees; fundraising or issuance of securities; derivative financial products and cash investments; regulatory compliance; whether managerial officers and directors have related party transactions and possible conflicts of interest; complaint reports; fraud prevention plans and fraud investigation reports; corporate information security; enterprise risk management; qualifications, independence,

and performance evaluation of the certifying CPA; appointment, dismissal, or remuneration of the certifying CPA; appointment and removal of financial, accounting, or internal audit heads; fulfillment of the Audit Committee's responsibilities, etc.

Work focus: The focus of the Audit Committee's work this year included review of financial reports, assessment of the effectiveness of the internal control system, matters related to corporate governance, and review of amendments to the internal control system.

Current term of the Audit Committee: June 13, 2022 to June 12, 2025.

As of the print date of this annual report, the Audit Committee has held one meeting. In 2023 and 2024, the Audit Committee has held a total of 10 meetings. Therefore, the Group has held a total of 11 Audit Committee meetings in the last two fiscal years and during the year up to the publication date of this annual report. Below are the attendance records of independent directors:

Position	Name	Actual Attendance (B)	Proxy Attendance	Actual Attendance Ratio (B/A) (%)	Remarks
Independent director	Wen-Jing Tsai	11	0	100%	
Independent director	Ben Liu	10	1	90.91%	
Independent director	Jack Hsiao	11	0	100%	

Supplementary Information:

1. Where Audit Committee meetings meet any of the following criteria, the date and session of the convened Audit Committee meeting, the content of motions, dissenting or qualified opinions or major recommendations by independent directors, Audit Committee resolutions, and the handling of such opinions shall be clearly specified:

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

Meeting Date and Session	Content of motions	How the Company has responded to the Audit Committee's opinions:
2023/03/13 3rd Board 3rd Session	1. Motion of 2022 business report and 2022 consolidated financial statements 2. Acknowledge 2022 Deficit Compensation Statement 3. Internal Control System Statement 4. Discussion on pre-approval the CPAs, and the non-audit services provided by their accounting firms and associates of the firms 5. Amendment to the Company's "Management of Loans to Others" 6. Motion for 2022 distribution of employee stock warrants (1st distribution)	Passed by all members of the Audit Committee
2023/05/12 3rd Board 4th Session	1. Motion of the Q1 2023 consolidated financial statements 2. Motion for 2022 distribution of employee stock warrants (2nd distribution)	Passed by all members of the Audit Committee

2023/08/24 3rd Board 5th Session	1. Motion of the Q2 2023 consolidated financial statements 2. Amendment to the Corporate Governance Best Practice Principles	Passed by all members of the Audit Committee
2023/11/8 3rd Board 6th Session	1. Motion of the Q3 2023 consolidated financial statements 2. 2023 audit plan 3. Motion of providing loans to the Company's U.S. subsidiary	Passed by all members of the Audit Committee
2023/12/21 3rd Board 7th Session	Motion of 2024 budget	Passed by all members of the Audit Committee
2024/03/07 3rd Board 8th Session	1. Motion of 2023 business report and 2023 consolidated financial statements 2. Acknowledge 2023 Deficit Compensation Statement 3. Internal Control System Statement 4. Proposal to issue new capital to increase capital 5. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets" 6. Amendment to the Company's "Rules of Procedure for Board Meetings" 7. Motion for 2022 distribution of employee stock warrants (5th distribution)	Passed by all members of the Audit Committee
2024/05/10 3rd Board 9th Session	1. Motion of the Q1 1.2024 consolidated financial statements 2. Motion of amendments to the plan of a sound business 3. Motion for 2022 distribution of employee stock warrants (6th distribution)	Passed by all members of the Audit Committee
2024/06/24 3rd Board 10th Session	1. Proposal to issue new capital to increase capital (adjustment of issuance price discount range)	Passed by all members of the Audit Committee
2024/08/22 3rd Board 11th Session	1. Motion of the Q2 1.2023 consolidated financial statements 2. Amendment to the Company's "Related Party Transaction Management Procedures" 3. Motion of the U.S. subsidiary's capital increase 4. Motion for 2022 distribution of employee stock warrants (7th distribution)	Passed by all members of the Audit Committee
2024/11/11 3rd Board 12th Session	1. Motion of the Q3 1.2024 consolidated financial statements 2. Motion of 2.2025 budget 3.2025 audit plan 4. Amendment to the Procedures for Sustainability Report Preparation and Assurance	Passed by all members of the Audit Committee

		5. Signing of Contract for Securities Regulations Compliance Consulting 6. Application of the 6.2024 employee stock warrants 7. Motion for 7.2022 distribution of employee stock warrants (8th distribution)	
2025/03/13 3rd Board 13th Session		1. Motion of 2024 business report and 2024 consolidated financial statements 2. Acknowledge 2024 Deficit Compensation Statement 3. Internal Control System Statement 4. Motion for 2024 distribution of employee stock warrants (1st distribution)	Passed by all members of the Audit Committee

(2) Other than those described above, any resolutions not approved by the Audit Committee passed by more than two-thirds of directors: None.

2. In case of an independent director's recusal in a motion related to his/her own interests, please specify the director's names, the content of motions, the reasons for the recusal, and the voting results: None.

3. State of communication between independent directors, internal auditor and CPA (such as significant items, methods and results of communications on the Group's finances and business status): The Group's Audit Committee meetings are convened in accordance with the "Audit Committee Charter." Through related motions, financial reports audited by CPAs are regularly reviewed. The internal audit implementation status and results are regularly reported to the Audit Committee. The Audit Committee also keeps a smooth communication channel with the independent directors.

(III) Corporate governance execution status and deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/TEPx Listed Companies and the reasons
	Yes	No	Summary	
1. Whether the Company establishes and discloses its corporate governance rules in accordance with the Corporate Governance Best-Practice Principles for TSE/TPEX Listed Companies?	✓		The Group has established its Corporate Governance Best-Practice Principles to implement vital corporate governance principles to protect shareholders’ equity and interests, strengthen the functions of the Board of Directors and enhance the transparency of information. The Group has also formulated related corporate governance rules, such as the Rules of Procedure for Board Meetings, the Audit Committee Charter, the Remuneration Committee Charter, the Procedures for Handling Material Inside Information and Prevention of Insider Trading, the internal audit system, and the Ethical Corporate Management Best Practice Principles. The Group discloses material information as required by applicable laws and regulations and discloses financial and nonfinancial information regularly. 3 independent directors have also been set up; therefore, the Group’s practical operations are handled in accordance with corporate governance rules.	No material nonconformity
2. Equity structure and shareholders’ equity	✓			
(1) Has the Company established internal procedures to handle shareholders’ proposals, doubts, disputes, and litigation matters; also, have the procedures been implemented accordingly?	✓		(1) The Group has appointed a professional stock transfer agency in Taiwan to handle stock affairs. It has set up a spokesperson and deputy spokesperson that are available to deal with shareholders’ suggestions, doubts and disputes.	No material nonconformity
(2) Does the Company have the list of the Company’s major shareholders and the list of the ultimate	✓		(2) Through the insider reporting system, the Group is aware of the changes in the list of major shareholders and ultimate controllers of major	No material nonconformity

Evaluation Item	Implementation Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/TEPx Listed Companies and the reasons
	Yes	No	Summary	
<p>controllers of the major shareholders?</p> <p>(3) Has the Company established and implemented the risk control and firewall mechanisms with affiliated enterprises?</p> <p>(4) Has the Company set up internal norms to prohibit insiders from utilizing undisclosed information to trade securities?</p>			<p>shareholders.</p> <p>(3) The Group has formulated the “Management Measures Governing Transactions between Enterprises, Certain Companies and Related Parties.” Related matters are handled accordingly to enforce risk control.</p> <p>(4) The Group has formulated the Procedures for Handling Material Inside Information and Prevention of Insider Trading to prevent insiders from trading marketable securities using information that is not yet open to the public. The Group also strengthens the promotion of legal compliance of insiders to be aware of and follow applicable regulations.</p>	<p>No material nonconformity</p> <p>No material nonconformity</p>
<p>3. The composition, duties of the Board of Directors</p> <p>(1) Has the board of directors formulated a diversity policy and concrete management objectives and have this policy and objectives been implemented?</p> <p>(2) Apart from establishing the Remuneration Committee and audit committee by the law, has the Company established other functional committees voluntarily?</p> <p>(3) Has the company established the Regulations Governing the Board Performance Evaluation and its evaluation methods, and</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Group’s current Board is made up of 4 directors and 3 independent directors, who share backgrounds of biotechnology, healthcare, business management, and finance and accounting.</p> <p>(2) Currently, we have established the Remuneration Committee, Audit Committee and Sustainable Development Committee. In the future, the Group may set up other functional committees according to business needs.</p> <p>(3) The Group has established the Regulations Governing the Board Performance Evaluation and its evaluation methods and conducts a regular performance evaluation as required. The first quarter of 2025 has</p>	<p>No material nonconformity</p> <p>No material nonconformity</p> <p>No material nonconformity</p>

Evaluation Item	Implementation Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/TEPx Listed Companies and the reasons
	Yes	No	Summary	
<p>does the company conduct a regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors (or peer) and use them as a reference in determining remuneration for individual directors, their nomination, and additional office terms?</p> <p>(4) Has the company assessed the independence of the CPAs regularly?</p>			<p>been evaluated by all members of the board and the result has been submitted to the Board.</p> <p>(4) We appoint CPAs through approval by the Board and carry out regular evaluations on the independence of the CPAs. The accounting firm of the Group's CPAs is a large accounting firm that audits the Group's financial statements with their substantial independence and is in compliance with laws and regulations.</p>	No material nonconformity
<p>4. Has the company designated an appropriate number of personnel that specializes (or are involved) in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders meetings, preparation of board meeting and shareholders meeting minutes, etc.)?</p>	✓		<p>The appointment of the Corporate Governance Officer was approved by the Company's Board of Directors on March 13, 2023. Vice President Liang-Kai Huang was appointed as the Corporate Governance Officer on a part-time basis. In this role, he is tasked with overseeing corporate governance-related matters and will be responsible for the following: providing directors (including independent directors) with information pertaining to board meetings and shareholders' meetings, company registration and changes in registration, and preparing documents related to these matters.</p>	No material nonconformity

Evaluation Item	Implementation Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/TEPx Listed Companies and the reasons
	Yes	No	Summary	
(3) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?			(3) The Group published and reported its financial reports before the specified deadline.	No material nonconformity
8. Is there any important information (including but not limited to employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of the directors and supervisors, risk management policy and risk assessment implementation, the pursuit of customer policy, and the purchase of liability insurance for the company's directors and supervisors) that is helpful in understanding the corporate governance operation of the company?	✓		<p>(1) Employee rights and benefits, employee care: We attach great importance to the rights and benefits of employees and maintains smooth communication channels while providing adequate education and training and reasonable remuneration and benefits.</p> <p>(2) Investor relations: We publish all information on MOPS and the Group's website. Spokesperson and deputy spokesperson have also been set up to maintains investor relations.</p> <p>(3) Supply relations: We have clear agreements with suppliers and customers to regulate each other's rights and obligations.</p> <p>(4) Stakeholder rights: Stakeholders may communicate with and make suggestions to us through our website, spokesperson and deputy spokesperson to protect their legitimate rights and interests.</p> <p>(5) The directors and supervisors' continuing education: Continuing education is provided to directors as required by regulations.</p> <p>(6) Risk management policy and risk</p>	<p>No material nonconformity</p> <p>No material nonconformity</p> <p>No material nonconformity</p> <p>No material nonconformity</p> <p>No material nonconformity</p> <p>No material nonconformity</p>

Evaluation Item	Implementation Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/TEPx Listed Companies and the reasons
	Yes	No	Summary	
			<p>assessment implementation: We have established an internal control system and management measures and carry out operating procedures required by regulations.</p> <p>(7) The pursuit of customer policy: We implement quick response and quality customer service mechanism so as to become our customers' permanent business partner.</p> <p>(8) The purchase of liability insurance for the Company's directors and supervisors: The Group currently purchases liability insurance for directors.</p>	<p>nonconformity</p> <p>No material nonconformity</p>

9. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified: (Not required for companies not included in the evaluation list):

Status of improvements		
Serial number	Item	Improvement method
1	Does the Company disclose the professional qualifications and experience of the members of the Audit Committee, as well as the annual work focus and operation status?	It has been disclosed in the most recent annual report.
2	Does the board of directors of the company evaluate the independence of CPAs regularly (at least once a year), and disclose the evaluation procedures in detail in the annual report?	It has been disclosed in the most recent annual report.
3	Does the Company's website and annual report disclose employee benefits and retirement systems and their implementation?	It has been disclosed on the Company's website and the most recent annual report.
Prioritized enhancements		

Evaluation Item			Implementation Status		Difference from the Corporate Governance Best-Practice Principles for TWSE/TEPx Listed Companies and the reasons
			Yes	No	
			Summary		
	1	Has the Company disclosed the annual greenhouse gas emission, water consumption and total weight of waste in the past two years?	Relevant data will be collected and appropriately disclosed in the annual report.		
	2	Does the Company follow the framework of the Climate-related Financial Disclosures (TCFD) to disclose information about corporate governance, strategies, risk management, indicators and goals for climate-related risks and opportunities?	Please provide details about the climate-related information section in annual reports of TWSE/TPEX listed companies.		

(IV) If the company has established a remuneration committee, its composition, duties and operations should be disclosed:

1. Information of members of the Remuneration Committee

<div>Qualification</div> <div>Identity Name</div>		Professional qualifications and experience	Independence Criteria (conforms to the criteria set out in the Note)	Number of Other Public Companies Where the Member is Also a Member of Their Remuneration Committee
Independent director (convener)	Wen-Jing Tsai	Professional Qualifications: Professional or technical specialists who have passed a national examination or hold a license in accounting or another profession required for the Company's business operations with at least five years' experience. Experience: Master in Accounting, National Chengchi University Bachelor in Accounting, National Taiwan University Manager, Deloitte Taiwan CEO, the Tax Committee, Taipei CPA Association Deputy Chairman, the National Federation of CPA Associations of the R.O.C.	(1) No; (2) None; (3) No; (4) None; (5) Yes	-
Independent director	Ben Liu	Professional Qualifications: Lecturer or above in commerce, law, finance, accounting or other subjects required for the Company's business operations in public or private colleges or universities, at least five years' experience in commerce, law, finance, accounting, or another profession required for the Company's business operations, and professional or technical specialists who have passed a national examination or hold a license in law or another profession required for the Company's business operations. Experience: Ph.D. in Law, National Chengchi University Department of Law, National Taiwan University Lawyer, Perkins Coie Lawyer, Yongyun International Law Firm Lawyer, Lee and Li	(1) No; (2) None; (3) No; (4) None; (5) Yes	2

Independent director	Jack Hsiao	Professional Qualifications: Required working experience at least five years in commerce, law, finance, accounting or other fields required by the business of the Company. Experience: PhD, Boston University School of Medicine Deputy Chief Operating Officer, Show Chwan Health Care System Co-host, Telecare, Department of Health, Executive Yuan OmniHealth Group (US/TW) CEO	(1) No; (2) None; (3) No; (4) None; (5) Yes	1
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Note: Independent directors shall provide a detailed description of their conformity to independence criteria including but not limited to the following: (1) Does the candidate, his/her spouse, or one of his/her relatives within the second degree of kinship serve as director, supervisor, or employee at the Company or one of its affiliates? (2) How many company shares does the candidate, his/her spouse, or one of his/her relatives within the second degree of kinship (or the candidate under others' names) hold and what is the shareholding ratio? (3) Does the candidate serve as director, supervisor, or employee of a company that has a specific relationship with this Company (as stipulated in Article 3, Paragraph 1, Subparagraph 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)? (4) Cumulative compensation received for the provision of commercial, law, financial, and accounting services to this Company or its affiliates within the past two years; (5) Do one of the circumstances specified in Article 30 of the Company Act apply?

2. Information on the operation of the Remuneration Committee
 - (1) The Group's Remuneration Committee is made up of 3 persons.
 - (2) Term of the current committee members June 13, 2022 to June 12, 2025. The Remuneration Committee convened 9 times between 2023 and 2024 and once in the current year until the printing of the annual report for publication. The committee convened a total of 10 times in the most recent 2 fiscal years until the printing of the annual report for publication. Committee member attendance records were as follows:

Position	Name	Actual Attendance (B)	Proxy Attendance	Actual Attendance Ratio (%) (B/A)	Remarks
Convener	Wen-Jing Tsai	10	-	100%	
Member	Ben Liu	9	1	90%	
Member	Jack Hsiao	10	-	100%	

Supplementary Information:

1. The Remuneration Committee held 4 regular meetings on March 7, May 10, August 22 and November 11, 2024, to discuss the following matters:
 - Report on employee compensation related matters
 - Discussion on directors' evaluation
 - Appointment of the managerial officers
 - Motion of 2022 distribution of employee stock warrants
 All of the above matters were reviewed or approved by the Remuneration Committee.
2. If the Board of Directors declines to adopt or modify a recommendation of the Remuneration Committee, the date, session, the content of motions, and the resolution of the Board meeting and handling of the resolution of the Remuneration Committee shall be specified (if the compensation package approved by the Board is better than the recommendation made by Remuneration Committee, please specify the discrepancy and its reason): None.
3. If a particular member holds an adverse opinion or qualified opinion on the resolution of the Remuneration Committee on record or in a written declaration, specify the date, the session, the content of motions, the opinions of all members, and the responses to the opinions of the members: None.

(V) Promotion of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof

Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
1. Has the Company established a governance framework for the promotion of sustainable development and has it designated units that are directly or concurrently responsible for the promotion of sustainable development? Has the board of directors authorized senior management to handle relevant matters and does it fulfill its supervisory duties?	✓		The Sustainable Development Committee, chaired by the President, is in charge of setting annual corporate social responsibility goals in economic, environmental, and social areas and regularly supervising their implementation, leading the Group's sustainable development, reviewing various short, medium, and long-term goal implementation progress, and operation implementation performance.	No material nonconformity
2. Has the company performed risk assessments on environmental, social, and corporate issues in relation to the Company's operations according to material principles and formulated relevant risk management policies or strategies?	✓		The Group's Sustainable Development Committee continues to evaluate issues related to the environment, society and corporate governance, and explains the environmental management system to employees through training and meetings to enhance environmental protection awareness.	No material nonconformity
3. Environmental issues (1) Does the company have an appropriate environmental management system established in accordance with its industrial character? (2) Has the company committed efforts to upgrade the efficient use of energy and using recycled materials, causing less burden to the environment? (3) Does the company assess potential risks and opportunities associated with climate change and undertake measures in response to climate issues?	✓		(1) We place great importance on environmental protection and have established an appropriate environmental management system in accordance with its industrial character. (2) We strive to enhance the efficient use of energy and foster good habits such as low-carbon office, water and power conservation among our employees. (3) As we are primarily engaged in the production and sales of vitro diagnostic products, we are not directly related to climate change. However, the	No material nonconformity No material nonconformity No material nonconformity

Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
(4) Does the company maintain statistics on greenhouse gas emissions, water usage and total waste volume in the last two years and implement policies to reduce energy, carbon, greenhouse gas, water and waste?			<p>management team keeps a close eye on the target market regarding the impact of climate change in order to formulate and adopt relevant measures accordingly.</p> <p>(4) We are committed to reducing the impact of the Group's operation on the environment. We pay attention to the temperature in the office in an attempt to reduce carbon emissions while promoting energy conservation, recycling and reusing.</p>	No material nonconformity
4. Social issues	✓			
(1) Does the company have the relevant management policies and procedures stipulated in accordance with the applicable laws and regulations and international conventions on human rights?			(1) The Group supports the "United Nations Universal Declaration of Human Rights (UDHR)" and is committed to the understanding of international human rights standards, and follows labor laws and regulations to formulate relevant policies and procedures such as personnel management regulations and work rules to protect the legitimate rights and interests of employees.	No material nonconformity
(2) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) and appropriately reflect the business performance or achievements in the employee remuneration?			(2) We have established and implemented reasonable employee benefit measures (including remuneration, holidays and other benefits), and reflect our business performance or achievements in the employee remuneration.	No material nonconformity
(3) Does the company provide employees with a safe and healthy work environment and regularly provide safety and health education to employees?			(3) We provide our employees with a safe and healthy workplace. We organize labor safety education and training periodically. No fire incident has occurred within the	No material nonconformity
(4) Has the company established a training program for helping employees with effective career planning?				No material nonconformity

Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
<p>(5) Has the company complied with laws and international standards with respect to customers' health, safety and privacy, marketing and labeling in all products and services offered, and implemented consumer and client protection policies and complaint procedures?</p> <p>(6) Has the company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health or work rights/human rights issues, and tracked suppliers' performance on a regular basis?</p>			<p>Group in the past two years.</p> <p>(4) We organize internal education and training from time to time and encourage our employees to take part in external education and training so that employees are able to improve their working ability.</p> <p>(5) Our marketing and labeling of products and services comply with applicable laws, regulations, and international standards.</p> <p>(6) Although the Group's contracts currently entered into with its major suppliers do not cover the contents listed on the left, ABC-KY performs audits on suppliers' basic information as required by the internal control system and applicable management measures. Until now, ABC-KY has no suppliers with significant environmental protection concerns, occupational safety and health, or labor and human rights.</p>	May be established according to future needs.
5. Does the company prepare a sustainability report or any non-financial information report based on international reporting standards or guidelines? Are the abovementioned reports supported by the assurance or opinion of a third-party verification unit?	✓		The Group has not yet completed the preparation of a sustainability report. The Company plans to obtain assurance from a third-party verification unit in accordance with the "Sustainability Development Roadmap for TWSE/TPEX Listed Companies."	May be established according to future needs.
6. If the Company has formulated its own sustainable development best practice principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed				

Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
Companies,” please clearly specify the state of implementation and any deviations: The Group has adopted its own Corporate Social Responsibility Best Practice Principles. There are no significant deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”				
7. Any other important information that may help the understanding of the performance of sustainable development promotion better: Not only do we attach great importance to legal compliance to protect all stakeholders, as a group concerned by society, but it has also become the Group’s culture to strive to fulfill its corporate social responsibility while setting an example.				

(VI) Climate-related information on TWSE/TPEX listed companies.

Evaluation Item	Implementation Status
I. Description of the Board of Directors' and management's oversight and governance of climate-related risks and opportunities	According to the Group's corporate governance structure, the Sustainable Development Committee is established under the Board of Directors. The President coordinates all units and reports regularly to the Board of Directors on sustainability development progress annually. The Sustainable Environment and Product Service Team is established under the Sustainable Development Committee, specifically responsible for handling environmental-related issues, including greenhouse gas emissions inventory and climate risk identification.
II. Please describe identified climate risks and opportunities, and the impact on an enterprise's business, strategy and finance (short, medium, and long term)	<p>Climate risk and opportunity issues</p> <p>一、Low-carbon technology transition costs: Carbon emission costs from upstream suppliers may cause price increases in raw materials.</p> <p>Response strategy: Seek alternative material suppliers and obtain multiple price quotes to mitigate procurement cost pressures. Furthermore, both offices and factory areas have adopted energy-efficient lighting equipment to reduce lighting energy consumption and have switched to electric forklifts.</p> <p>The potential short-term financial impact is increased costs.</p> <p>二、Customer behavior changes: Rising environmental awareness will affect customer willingness.</p> <p>Response strategy: During product development processes, minimize the use of plastic raw materials and packaging while reducing the use of single-use plastic items and liquid solvents.</p> <p>The potential short-term financial impact is increased costs.</p> <p>三、Implementing more efficient production and distribution processes: Introducing AI technology and digital transformation to achieve more environmentally friendly and sustainable production models.</p> <p>Response strategy: Implement digital material management systems to optimize</p>

Evaluation Item	Implementation Status
	<p>inventory control processes and effectively reduce inventory levels. Additionally, design new packaging to reduce materials used during product shipping. Also, establish automated test tube labeling systems to improve production efficiency. The potential short-term financial impact is increased costs.</p> <p>Due to long-term improvements in production efficiency, overall operational costs can be reduced.</p>
III. Description of the financial impact of extreme climate events and transformation actions	As stated above.
IV. Description of how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>Following the Task Force on Climate-related Financial Disclosures (TCFD) guidelines for climate issue categories, the Group has collected common climate issues from domestic and international benchmark peers and industry trend reports. We initially screened climate issues relevant to Applied BioCode's industry, and integrated these findings with operational experience recommendations from various departments. Ultimately, we identified 11 climate issues for materiality assessment, including 5 transition risks, 2 physical risks, and 4 opportunities.</p> <p>In the future, we will regularly re-identify climate risks and review assessment results based on impact level and probability of occurrence.</p>
V. If scenario analysis is used to assess resilience to climate change risks, please describe the scenarios, parameters, assumptions, analysis factors, and major financial impacts.	We have not used scenario analysis to perform resilience assessment for climate change risks.
VI. If there is a transition plan to address and manage climate-related risks, please describe the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks.	The Company has established a systematic transformation plan through the Sustainable Development Committee, addressing transition risks (such as carbon fees and technology transition costs) and physical risks (such as extreme weather events) with concrete measures including energy conservation and emission reduction, supply chain resilience enhancement, and low-carbon product development.

Evaluation Item	Implementation Status
	<p>The Company uses indicators such as impact probability and severity, greenhouse gas emissions, energy efficiency, supply chain stability, and product sustainability to identify and manage risks.</p> <p>Current goals focus primarily on data inventory and transparency, while specific carbon reduction targets are still under evaluation. However, the Company plans to align with international standards.</p>
VII. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	Still under evaluation, not yet implemented.
VIII. If climate-related targets have been set, please describe the activities covered, greenhouse gas emission scopes, planning timeline, annual progress, and other information. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, the source and quantity of carbon reduction credits or the number of RECs should be explained.	<p>The Company implemented the Greenhouse Gas Protocol (GHG Protocol) in 2023, establishing 2023 as the base year. The inventory results showed that total carbon emissions were 168.9055 metric tons of CO₂e in 2023, with a slight increase to 181.1689 metric tons of CO₂e in 2024, primarily due to increased Scope 2 emissions (purchased electricity). The Company plans to follow the "Sustainability Development Roadmap for TWSE/TPEX Listed Companies" by conducting data assurance operations in accordance with the International Standard on Assurance Engagements (ISAE 3410) to ensure transparency and gradually align with international sustainability standards. Climate-related targets are currently in the evaluation phase.</p>
IX. Greenhouse gas inventory, assurance status, reduction targets, strategies, and specific action plans	Still under evaluation.

(VII) Ethical Corporate Management Best Practice Principles and
Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed
Companies and Reasons

Evaluation Item	Implementation Status		Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
<p>1. Ethical Management Policies and Action Plans</p> <p>(1) Has the company established an ethical management policy that its Board of Directors has passed, and clearly specified in its rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and senior management on the rigorous and thorough implementation of such policies and methods?</p> <p>(2) Has the company established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical behavior, and established prevention programs at least covering the preventive measures specified in Paragraph 2, Article 7 “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?</p> <p>(3) Has the company specified operational procedures, behavioral guidelines, disciplines of violations, as well</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>No material nonconformity</p> <p>No material nonconformity</p> <p>No material nonconformity</p>
			<p>(1) The Group has formulated the Ethical Corporate Management Best Practice Principles and the Conduct Guidelines, in which the policy, method and commitment of ethical management are clearly listed.</p> <p>(2) The Group has formulated the Ethical Corporate Management Best Practice Principles and the Conduct Guidelines, in which the regulations are clearly listed.</p> <p>(3) The Group has established the Guidelines for the Adoption of Codes of Ethical Conduct and foster the idea of corporate ethics to the employee. The Group’s management regulations have clear, relevant reward and disciplinary measures.</p>

Evaluation Item	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPE x Listed Companies and Reasons
	Yes	No	Summary	
as an appeal system in the program against unethical behavior, and implemented such programs, and reviewed and revised the previous program on a regular basis?				
<p>2. Implementation of Ethical Management</p> <p>(1) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(2) Has the company set up a dedicated, responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its execution in terms of ethical management policy and preventive programs against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at least once a year)?</p> <p>(3) Does the company have any policy that prevents conflict of interest and channels that facilitate the reporting of</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company carries out a review on the basic information of whom the Company does business with, as required by the internal control system and applicable management measures. So far, there is no significant irregularity in the content of purchase and sales or payment and receipt. Therefore, the main counterparties should have no unethical record. Although ABC-KY does not specify integrity terms in the contract entered into with counterparties, both the Company and counterparties carry out operating procedures in accordance with our respective internal norms. ABC-KY also enforces the regulations stipulated in the Ethical Corporate Management Best Practice Principles and the Conduct Guidelines.</p> <p>(2) Although the Group has not established a dedicated unit to promote corporate ethical management under the Board of Directors, all of the Group's operating activities adhere to the spirit of ethical Corporate Management Best Practice</p>	<p>No significant differences/the contract explicitly stipulates integrity clauses, which will be managed according to relevant regulations as needed in the future.</p> <p>May be established according to future needs.</p> <p>No material nonconformity</p>

Evaluation Item	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPE x Listed Companies and Reasons
	Yes	No	Summary	
<p>conflicting interests?</p> <p>(4) Has the company established an effective accounting system and internal control system in order to implement ethical management, and propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrust an accountant to carry out the review?</p> <p>(5) Does the company organize internal or external training on a regular basis to maintain ethical management?</p>			<p>Principles and the Conduct Guidelines, and implement ethical management policy while proactively preventing any unethical conduct.</p> <p>(3) The Group has established the Guidelines for the Adoption of Codes of Ethical Conduct for the employee to follow, to prevent them from sacrificing the Company's interests for their personal gains.</p> <p>(4) The Group has established an effective accounting system and internal control system. These systems are regularly reviewed for compliance by internal auditors.</p> <p>(5) The Group has established rules for ethical management and promotes the importance of ethical management to the employee from time to time.</p>	<p>No material nonconformity</p> <p>No material nonconformity</p>
<p>3. Whistleblowing system</p> <p>(1) Does the company have a specific whistleblowing and reward system established, a convenient report channel established, and a responsible staff designated to handle the individual being reported?</p> <p>(2) Has the company implemented any standard procedures and/or subsequent measures after</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established its own whistle-blowing system and measures in accordance with Article 23 of the Ethical Corporate Management Best Practice Principles approved by the Board of Directors, and has set up and announced the whistle-blowing e-mail box on the Company's website, where internal and external parties</p>	<p>No material nonconformity</p> <p>No material nonconformity</p>

Evaluation Item	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
<p>carrying out an investigation or confidentiality measures for handling reported misconducts?</p> <p>(3) Has the company taken appropriate measures to protect the whistle-blower from suffering any consequences of reporting an incident?</p>			<p>can whistle-blower and accept criminal, fraud, or illegal matters.</p> <p>(2) The relevant procedures have been defined in the Company's whistle-blowing system.</p> <p>(3) The relevant procedures have been clearly defined in the Company's whistle-blowing system. Any breach of confidentiality regulations will be punished internally.</p>	No material nonconformity
<p>4. Information Disclosure Strengthening</p> <p>Has the company disclosed the content of its ethical corporate management best practice principles and the results of implementation on its official website and MOPS?</p>	✓		The Group's information is released in a timely and transparent manner, and information related to ethical corporate management is fully disclosed in the annual report.	No material nonconformity
<p>5. For companies who have established Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe the current practice and any deviations from the code of conduct: So far, there are no significant differences in the operation.</p>				
<p>6. Other important information that helps to understand the practice of ethical management of the company: (e.g., the review and revision of Ethical Corporate Management Best Practice Principles): The Group arranges corporate governance courses for directors on a regular basis and promotes the ethical management policy through internal meetings from time to time.</p>				

Note: Regardless of clicking "yes" or "no," it should be explained in the summary field.

(VIII) Other important information that is sufficient to enhance the understanding of the operation of corporate governance: None.

(IX) Internal control system implementation status

Please see the Declaration of Internal Control System posted on the Market Observation Post System.

<https://mopsov.twse.com.tw/mops/web/t06sg20>

If an accountant is entrusted to perform a special audit on the internal control system, the audit report shall be disclosed: None.

(X) Important resolutions of board of directors' meeting during the last fiscal year and up to the date of publication of the annual report:

Date of Meeting	Session	Content of motions	Resolution
2024/03/07	10th meeting of the 4th board	(1) Motion of 2023 business report and 2023 consolidated financial statements (2) Acknowledge 2023 Deficit Compensation Statement (3) Proposal to issue new capital to increase capital (4) Amendment to the Company's "Procedures for Acquisition or Disposal of Assets" (5) Amendment to the Company's "Rules of Procedure for Board Meetings"	Motion has been passed
2024/05/10	11th meeting of the 4th board	(1) Motion of the Q1 consolidated financial statements (2) Motion of amendments to the plan of a sound business (3) Amendment to the Company's "Audit Committee Charter" (4) Amendment to the Company's "Remuneration Committee Charter"	Motion has been passed
2024/06/24	12th meeting of the 4th board	Proposal to issue new capital to increase capital (adjustment of issuance price discount range)	Motion has been passed
2024/08/22	13th meeting of the 4th board	(1) Motion of the Q2 2023 consolidated financial statements (2) Amendment to the Company's "Related Party Transaction Management Procedures" (3) Motion of the U.S. subsidiary's capital increase	Motion has been passed
2024/11/11	14th meeting of the 4th board	(1) Motion of the Q3 2024 consolidated financial statements (2) Motion of 2025 budget (3) 2025 audit plan	Motion has been passed

		(4) Application of the 2024 employee stock warrants	
2025/03/13	15th meeting of the 4th board	(1) Motion of 2024 business report and 2024 consolidated financial statements (2) Acknowledge 2024 Deficit Compensation Statement (3) Internal Control System Statement (4) Motion of election of all directors and independent directors (5) Amendment to the Company's "Memorandum and Articles of Association"	Motion has been passed

- (XI) Any other documented objections or qualified opinions raised by directors or supervisors against board resolutions in relation to matters, and their content for the most recent fiscal year and as of the publication date of the annual report: None.

IV. Information of CPA Professional Fees

(I) Information of CPA Professional Fees

Unit: NT\$ thousand

Name of the Accounting Firm	Name of the CPAs	CPA audit period	Audit Fee	Non-Audit Fee	Total	Remarks
PwC Taiwan	Chan-Niu Liang	2024	7,099	450	7,549	Note
	Alan Chien					
	Jung-Ling Liao	Sustainable information consulting and greenhouse gas inventory related consulting	900	0	900	
	Wen-Li Huang	Capital increase by cash through issuance of new shares and capital change agreement procedures	0	80	80	

Note: Non-audit fees include cash capital increase cases and issuance of employee stock options.

(II) When the company changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.

(III) Over 10% decrease in audit fee compared to the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: None

V. Change of CPAs: None.

VI. Status of whether the company's chairman, president, or any managerial officer in charge of finance or accounting matters has for the last fiscal year held a position at the accounting firm of its auditing CPAs or at an affiliate: None.

VII. Evaluation of CPAs' Independence:

The Audit Committee assessed the independence of the CPAs using the following criteria and reported the results of its assessment to the Board of Directors.

(I) Independence Declaration of the CPAs

(II) The same CPA has not performed audit services for more than seven consecutive years

(III) The CPA's independence evaluation report is used to evaluate the financial interests, business relationships, and employment relationships of the CPA annually in order to summarize the results of the evaluation of the CPA's independence.

VIII. Information of shares transfers or pledges from Board of Directors, managerial officers,

and shareholders with more than 10% shareholding

- I. Changes in shareholding and changes in pledge of shares by directors, supervisors, managerial officers and major Shareholders:

Please refer to the subsequent declaration of changes in shareholding by insiders on the Market Observation Post System.

- II. Information on transfer of shares or pledge of shares to related parties: Not applicable.

IX. Information of Relationship between top 10 shareholder

April 8, 2025; Unit: shares; %

Name	Shareholding		Shareholding of Spouse & Minor Children		Number of shares held under another person's name		Names and relationship of top ten shareholders who are related parties, spouses or within second-degree of kinship to each other		Remarks
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Name	Relation	
Fu-Lung Shiu	8,816,723	8.58	-	-	-	-	-	-	-
Maxwell Sensors Inc.	8,307,042	8.08	-	-	-	-	-	-	-
(Representative: Winston Z. Ho)	108,750	0.11	4,959,574	4.83	4,913,418	4.78	-	-	-
Eureka BioVenture Partners	3,571,060	3.47	-	-	-	-	-	-	-
(Representative: George J. Lee)	-	-	-	-	3,571,060	3.47	-	-	-
GVT Fund, L.P.	2,779,421	2.70	-	-	-	-	-	-	-
(Representative: Hsiu-Chun Wang)	-	-	-	-	-	-	-	-	-
Celerus Diagnostics Inc.	2,729,061	2.66	-	-	-	-	-	-	-
Cathay Venture	2,250,000	2.19	-	-	-	-	-	-	-
(Representative: Jen-Han Chang)	-	-	-	-	-	-	-	-	-
Jih-Yuan Venture & Investment Inc.	2,088,427	2.03	-	-	-	-	-	-	-
(Representative: Chiou-Huang Jang)	-	-	-	-	-	-	-	-	-
Wistron Corporation	2,075,000	2.02	-	-	-	-	Wise Cap Limited Company	-	-
(Representative: Shian-Ming Lin)	-	-	-	-	-	-	-	-	-
Wise Cap Limited Company	1,724,514	1.68	-	-	-	-	Wistron Corporation	-	-
(Representative: Fu-Chian Lin)	-	-	-	-	-	-	-	-	-
Tsai-Kuei Wang	1,542,837	1.50	-	-	-	-	-	-	-

X. Number of shares and shareholding percentage of an invested entity held by the company, the company's board members, supervisors, managerial officers and directly or indirectly controlled entities

April 8, 2025; Unit: thousand shares; %

Re-invested business	Group Investment		Directors, supervisors, managerial officers and investments in direct or indirectly controlled entities		Comprehensive Investment	
	Shares	Shares Ratio	Shares	Shares Ratio	Shares	Shares Ratio
Applied BioCode, Inc.	47,140	100.00	-	-	47,140	100.00
ABC-TW (Note)	10,300	100.00	-	-	10,300	100.00

Note: Originally named Wei-Cih Biotechnology Corporation; changed its name on August 12, 2016.

Three. Fundraising

I. Capital and Shares

(I) Source of Share Capital

1. Formation of Share Capital

Unit: NT\$; Shares

Year / Month	Issue Price	Authorized Share Capital		Paid-up Share Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of Share Capital	Paid in properties other than cash	Others
2024.02	USD 0.286	150,000,000	1,500,000,000	81,771,352	817,713,520	Conversion of 3,000 shares of employee stock warrants	None	—
2024.03	USD 0.286	150,000,000	1,500,000,000	81,777,561	817,775,610	Conversion of 6,209 shares of employee stock warrants	None	—
2024.08	NT\$ 21	150,000,000	1,500,000,000	102,777,561	1,027,775,610	Cash capital increase to issue 21,000,000 new shares	None	—
2024.08	USD 0.286	150,000,000	1,500,000,000	102,787,561	1,027,875,610	Conversion of 10,000 shares of employee stock warrants	None	—

2. The Company's private placement of common stock for the past 3 years and as of the publication date of the annual report: The Group was not engaged in the private placement of common stock for the past 3 years and as of the publication date of the annual report.

3. Types of shares issued

April 08, 2025; Unit: shares

Types of shares	Authorized share capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Ordinary share	102,787,561	47,212,439	150,000,000	

Note: The outstanding shares are the shares of the listed company.

4. General information about the reporting system: Not applicable.

(II) List of major shareholders

April 8, 2025; Unit: shares

Name of major shareholder	Share	Number of shares held	Shareholding ratio
Fu-Lung Shiu		8,816,723	8.58%
Maxwell Sensors Inc.		8,307,042	8.08%
Eureka BioVenture Partners		3,571,060	3.47%
GVT Fund, L.P. (investment account of GRC SinoGreen Fund under the custody of Bank SinoPac)		2,779,421	2.70%
Celerus Diagnostics Inc		2,729,061	2.70%
Cathay Venture		2,250,000	2.19%
Jih-Yuan Venture & Investment Inc.		2,088,427	2.03%

Share	Number of shares held	Shareholding ratio
Name of major shareholder		
Wistron Corporation	2,075,000	2.02%
Wise Cap Limited Company	1,724,514	1.68%
Tsai-Kuei Wang	1,542,837	1.50%

1. The status of directors, supervisors and shareholders holding more than 10 percent of outstanding shares waived their subscription right to the cash capital increase during the most recent 2 fiscal years and in the current fiscal year.

- (1) The status that directors, supervisors and shareholders holding more than 10 percent of outstanding shares had waived their subscription right to the cash capital increase:

Position	Name	2023		2024	
		Numbers of shares for subscription	Number of shares subscribed	Numbers of shares for subscription	Number of shares subscribed
Director	Winston Z. Ho	There was no cash capital increase conducted this year.		For this capital increase, after considering the overall investment strategy, both directors waived their subscription rights.	
Major shareholder	Maxwell Sensors				

- (2) For cash capital increases where subscription rights waived by directors are offered to related parties, the names of such related parties, their relationships with the company, directors, supervisors, shareholders holding more than 10% of shares, and the number of shares subscribed should be disclosed: In this capital increase, all directors waived their subscription rights, and all unsubscribed shares were fully subscribed by Harbinger IX Venture Capital Corp. as part of their investment strategy planning, in proportion, through private placement.

(III) Company dividend policy and implementation status

1. Dividend policy in Articles of Association

It is determined based on the Group's dividend policy, and the Board understands that the Group's operations are in a growth stage. The Board of Directors, when determining the amount of dividends or other distributions (if any) to be proposed for shareholders' approval in each fiscal year: (1) may take into consideration the Group's earnings for the respective fiscal year, overall development, financial planning, capital requirements, industry outlook, and future prospects of the Group, in order to ensure the protection of shareholders' rights and interests; and (2) As required by Article 14.4 of the Company's Articles of Association, not only remuneration to employees and directors shall be distributed. The following shall also be set aside from the current net income: (i) losses to be made up; (ii) 10% of the general reserve (the "legal reserve"); and (iii) the special reserve required by the Board of Directors in accordance with the rules for public companies promulgated by the Securities Authority, or the surplus resolved in Article 15.1 of the Company's Articles of Association.

Without violating the Company Law of the Cayman Islands, after remuneration to employees and directors in accordance with Article 14.4 of the Company's Articles of Association and an amount deemed appropriate by the Board of Directors in accordance with Article 14.5 of the Company's Articles of Association are set aside, the Board of Directors shall set aside not less than 10% of the distributable amount of the earnings from the previous fiscal year (excluding the accumulated earnings from previous years) as dividends for shareholders. These dividends must be resolved by the shareholders meeting prior to distribution. Distribution of dividends to shareholders and remuneration to employees shall be determined by the Board of Directors and distributed in cash, or by the amount

of the unissued shares in such amount, or both. However, dividends to shareholders may not be less than 10% of the total dividends and shall be distributed in cash. The Group does not pay interest on undistributed dividends and remuneration.

2. The proposed distribution of dividends for the year

The Group suffered a loss in 2024; therefore, there is no distribution of the previous year's earnings in 2025.

(IV) The impact of bonus shares on company operating performance and earnings per share for the current fiscal year: None.

(V) Remuneration to employees, directors and supervisors

1. The percentage or scope of remuneration to employees, directors and supervisors stipulated in the Articles of Association

As stipulated in the Group's Articles of Association, if the Group makes a "profit" (as defined below) in the year, no more than 12% of the profit shall be set aside as remuneration to employees ("employee remuneration"). Employee remuneration is paid to employees of the Group and of its subsidiaries who are subject to meet certain criteria. The Group may set aside no more than 3% of the said profit as remuneration to directors (directors' remuneration) (excluding independent directors). The motion of the employee remuneration and directors' remuneration shall be approved by a resolution made by the Board of Directors' meeting attended by two-thirds of the total number of directors and approved by a majority of the directors present at the meeting. Then it will be submitted to the shareholders meeting. Where the Group still has accumulated losses, the amount of remuneration shall be retained in advance. Employee remuneration and directors' remuneration shall be set in accordance with the aforementioned ratio. The term "profit" refers to the Group's profit before tax. So as to avoid confusion, the term "profit before tax" refers to the amount before the payment of employee remuneration and directors' remuneration.

2. The accounting of the difference between the estimates of remuneration to employees, directors and supervisors, the basis for the calculation of outstanding shares for dividend payment and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:

The Group suffered a loss in 2024; therefore, there is no allocated remuneration to employees and directors.

3. Remuneration to employees passed by the Board of Directors: None.
4. Remuneration distribution and the result reported by the shareholders meeting: None.
5. If there is any discrepancy between actual distribution (including the number of shares distributed, amount and stock price) and the recognized remuneration for employees, directors and supervisors for the previous year, please specify the discrepancy, cause, and how it is treated: None.

(VI) Repurchase of shares:

Until now, the Group has not repurchased or acquired the Group's shares from the market as approved by the Board of Directors. Therefore, the Group has not been engaged in matters stipulated in Article 28-2 of the Securities and Exchange Act. However, since the Company began its public offering in Taiwan in January 2017, only employees restricted new shares owned by an employee were withdrawn due to their departure as required by the issuance regulations. Currently, there are no ongoing repurchasing procedures.

II. Corporate Bonds (overseas included): None.

III. Preferred Shares: None.

IV. Global Depositary Receipts: None.

V. Employees Incentive Stock Options

- (1) For employee stock warrants issued by the Company but not yet mature, the date of effective registration from the competent authority; issue date, number of units issued; the ratio of the number of issued shares for subscription to total number of issued shares; subscription period, exercise method; period and ratio in which subscription is restricted; the number of shares that have been

obtained through exercise of subscription rights, NT dollar amount of the shares subscribed, number of shares that have not been subscribed, subscription price per share of the unsubscribed shares, and the ratio of the number of unsubscribed shares to the number of issued and outstanding shares up to the publication date of the annual report, and effect on shareholders' equity:

Type of employee stock warrants	2008 1st Employee Incentive Plan (amended in 2016)			
Filing Effective Date and Total Units	Not applicable	Not applicable	Not applicable	Not applicable
Date of issuance	2015/3/20	2015/6/26	2015/10/16	2016/2/29
Total number of issued units	26,500 shares (of which 4,886 shares have lapsed)	60,000 shares (of which 20,000 shares have lapsed)	47,400 shares (of which 15,000 shares have lapsed)	211,700 shares (of which 55,295 shares have lapsed)
Number of units still available for issuance	-	-	-	-
Ratio of the number of issued shares for subscription to total number of issued shares	0.02%	0.04%	0.03%	0.15%
Subscription period	10 years	10 years	10 years	10 years
Exercise method	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Period and ratio in which subscription is restricted	<p>0 to 4 years; vesting conditions include:</p> <p>(1) Immediate vesting.</p> <p>(2) Four-year vesting schedule; certificate holders are granted 25% of the stock options after one year of employment and 1/48 of the total grant of shares will vest each month thereafter.</p> <p>(3) 1-year vesting schedule; 1/12 of the total grant of shares will vest each month using the straight-line method.</p>	<p>0 to 4 years; vesting conditions include:</p> <p>(1) Immediate vesting.</p> <p>(2) Four-year vesting schedule; certificate holders are granted 25% of the stock options after one year of employment and 1/48 of the total grant of shares will vest each month thereafter.</p> <p>(3) 1-year vesting schedule; 1/12 of the total grant of shares will vest each month using the straight-line method.</p>	<p>0 to 4 years; vesting conditions include:</p> <p>(1) Immediate vesting.</p> <p>(2) Four-year vesting schedule; certificate holders are granted 25% of the stock options after one year of employment and 1/48 of the total grant of shares will vest each month thereafter.</p> <p>(3) 2-year vesting schedule; 1/24 of the total grant of shares will vest each month using the straight-line method.</p> <p>(4) 6-month vesting schedule; 1/6 of the total grant of shares will vest each month using the straight-line method.</p>	<p>1 to 4 years; vesting conditions include:</p> <p>(1) Four-year vesting schedule; certificate holders are granted 25% of the stock options after one year of employment and 1/48 of the total grant of shares will vest each month thereafter.</p> <p>(2) 1-year vesting schedule; 1/12 of the total grant of shares will vest each month using the straight-line method.</p>
Number of shares that have been obtained through the exercise of	21,614 shares	20,000 shares	12,400 shares	119,905 shares

Type of employee stock warrants	2008 1st Employee Incentive Plan (amended in 2016)			
subscription rights				
Amount of the shares subscribed	USD 6,181.60	USD 5,720.00	USD 3,546.40	USD 34,292.83
Number of shares that have not been subscribed	-	20,000 shares	20,000 shares	36,500 shares
Subscription price per share of the unsubscribed shares (Note)	USD 0.286	USD 0.286	USD 0.286	USD 0.286
Ratio of the number of unsubscribed shares to the number of issued (%)	-	0.02%	0.02%	0.04%
Effect on shareholders' equity	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant

Note: The exercise price is the exercise price adjust by the anti-dilution terms and conditions to accommodate the capital increase proposal of the capital company resolved at the shareholders meeting held on November 7, 2016. The base date for the capital increase of the capital reserve ex-rights is November 15, 2016.

Type of employee stock warrants	2008 1st Employee Incentive Plan (amended in 2016)			
Filing Effective Date and Total Units	Not applicable	Not applicable	Not applicable	Not applicable
Date of issuance	2016/6/8	2016/9/18	2016/9/29	2016/11/2
Total number of issued units	112,800 shares (of which 32,892 shares have lapsed)	13,100 shares (of which 4,167 shares have lapsed)	20,000 shares	7,000 shares (of which 5,032 shares have lapsed)
Number of units still available for issuance	-	-	-	-
Ratio of the number of issued shares for subscription to total number of issued shares	0.08%	0.00%	0.02%	0.00%
Subscription period	10 years	10 years	10 years	10 years
Exercise method	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Period and ratio in which subscription is restricted	0~4 years; Vesting conditions include: (1) Immediate vesting. (2) Four-year vesting schedule; certificate holders are granted 25% of the stock options after one year of employment and 1/48 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 25% of the stock options after one year of employment and 1/48 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 25% of the stock options after one year of employment and 1/48 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 25% of the stock options after one year of employment and 1/48 of the total grant of shares will vest each month thereafter.
Number of shares that have been obtained through the exercise of subscription rights	69,908 shares	8,933 shares	20,000 shares	1,968 shares
Amount of the shares subscribed	USD 19,993.69	USD 5,100.74	USD 5,720	USD 1,123.73
Number of shares that have not been subscribed	10,000 shares	-	-	-
Subscription price per share of the unsubscribed shares (Note)	USD 0.286	USD 0.571	USD 0.286	USD 0.571

Type of employee stock warrants	2008 1st Employee Incentive Plan (amended in 2016)			
Ratio of the number of unsubscribed shares to the number of issued shares (%)	0.01%	-	-	-
Effect on shareholders' equity	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant

Note: The exercise price is the exercise price adjust by the anti-dilution terms and conditions to accommodate the capital increase proposal of the capital company resolved at the shareholders meeting held on November 7, 2016. The base date for the capital increase of the capital reserve ex-rights is November 15, 2016.

April 08, 2025

Type of employee stock warrants	2017 1st Employee Incentive Plan			
Filing Effective Date and Total Units	2018/5/22 650,000 shares	2018/5/22 650,000 shares	2018/5/22 650,000 shares	2018/5/22 650,000 shares
Date of issuance	2018/7/2	2018/9/28	2018/12/11	2019/4/11
Total number of issued units	215,000 shares (of which 89,000 shares have lapsed)	172,000 shares (of which 72,000 shares have lapsed)	51,000 shares (of which 16,500 shares have lapsed)	26,500 shares (of which 22,000 shares have lapsed)
Number of units still available for issuance	435,000 shares	263,000 shares	212,000 shares	185,500 shares
Ratio of the number of issued shares for subscription to total number of issued shares	0.12%	0.10%	0.03%	0.00%
Subscription period	10 years	10 years	10 years	10 years
Exercise method	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Period and ratio in which subscription is restricted	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.
Number of shares that have been obtained through the exercise of subscription rights	48,500 shares	11,000 shares	10,000 shares	-
Amount of the shares subscribed	NT\$1,721,750	NT\$390,500	NT\$334,000	-
Number of shares that have not been subscribed	77,500 shares	89,000 shares	24,500 shares	4,500 shares

Type of employee stock warrants	2017 1st Employee Incentive Plan			
Subscription price per share of the unsubscribed shares (Note)	NT\$35.50	NT\$35.50	NT\$33.40	NT\$38.50
Ratio of the number of unsubscribed shares to the number of issued (%)	0.08%	0.09%	0.02%	0.00%
Effect on dilution of original common shareholders' equity	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant

Note: Pursuant to Article 60 of the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers, employee stock warrants issued after 2017 are price-adjusted in the event of a change in conformity to applicable regulations in the shares of the Company's common stock. The price for such stock options is adjusted in accordance with the Company's stock option regulations.

April 08, 2025

Type of employee stock warrants	2020 1st Employee Incentive Plan				
Filing Effective Date and Total Units	2020/7/21 800,000 shares	2020/7/21 800,000 shares	2020/7/21 800,000 shares	2020/7/21 800,000 shares	2020/7/21 800,000 shares
Date of issuance	2020/7/21	2020/8/11	2021/1/5	2021/3/18	2021/5/14
Total number of issued units	347,360 shares (of which 182,770 shares have lapsed)	72,000 shares (of which 72,000 shares have lapsed)	25,500 shares (of which 6,000 shares have lapsed)	10,500 shares (of which 6,000 shares have lapsed)	331,800 shares (of which 157,635 shares have lapsed)
Number of units still available for issuance	452,640 shares	380,640 shares	355,140 shares	344,640 shares	12,840 shares
Ratio of the number of issued shares for subscription to total number of issued shares	0.16%	-	0.02%	0.00%	0.17%
Subscription period	10 years	10 years	10 years	10 years	10 years
Exercise method	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Period and ratio in which subscription is restricted	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.
Number of shares that have been obtained through the	-	-	-	-	-

Type of employee stock warrants	2020 1st Employee Incentive Plan				
exercise of subscription rights					
Amount of the shares subscribed	-	-	-	-	-
Number of shares that have not been subscribed	164,590 shares	-	19,500 shares	4,500 shares	174,165 shares
Subscription price per share of the unsubscribed shares	NT\$92.30	NT\$94.80	NT\$53.70	NT\$46.80	NT\$46.90
Ratio of the number of unsubscribed shares to the number of issued (%)	0.16%	-	0.02%	0.00%	0.17%
Effect on shareholders' equity	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant

Note: Pursuant to Article 60 of the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers, employee stock warrants issued after 2017 are price-adjusted in the event of a change in conformity to applicable regulations in the shares of the Company's common stock. The price for such stock options is adjusted in accordance with the Company's stock option regulations.

April 08, 2025

Type of employee stock warrants	2021 Employee Incentive Plan				
Filing Effective Date and Total Units	2021/9/3 800,000 shares	2021/9/3 800,000 shares	2021/9/3 800,000 shares	2021/9/3 800,000 shares	2021/9/3 800,000 shares
Date of issuance	2021/9/6	2021/11/8	2022/3/23	2022/5/10	2022/08/26
Total number of issued units	34,500 shares (of which 26,000 shares have lapsed)	83,500 shares (of which 35,000 shares have lapsed)	327,500 shares (of which 310,000 shares have lapsed)	1,000 shares	140,000 shares (of which 136,000 shares have lapsed)
Number of units still available for issuance	765,500 shares	682,000 shares	354,500 shares	353,500 shares	213,500 shares
Ratio of the number of issued shares for subscription to total number of issued shares	0.01%	0.05%	0.02%	0.00%	0.00%
Subscription period	10 years	10 years	10 years	10 years	10 years
Exercise method	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Period and ratio in which subscription is restricted	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two

Type of employee stock warrants	2021 Employee Incentive Plan				
	years of employment and 1/24 of the total grant of shares will vest each month thereafter.	years of employment and 1/24 of the total grant of shares will vest each month thereafter.	years of employment and 1/24 of the total grant of shares will vest each month thereafter.	years of employment and 1/24 of the total grant of shares will vest each month thereafter.	years of employment and 1/24 of the total grant of shares will vest each month thereafter.
Number of shares that have been obtained through the exercise of subscription rights	-	-	-	-	-
Amount of the shares subscribed	-	-	-	-	-
Number of shares that have not been subscribed	8,500 shares	48,500 shares	17,500 shares	1,000 shares	4,000 shares
Subscription price per share of the unsubscribed shares	NT\$35.50	NT\$29.90	NT\$31.10	NT\$33.20	NT\$29.70
Ratio of the number of unsubscribed shares to the number of issued (%)	0.01%	0.05%	0.02%	0.00%	0.00%
Effect on shareholders' equity	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant

Note: Pursuant to Article 60 of the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers, employee stock warrants issued after 2017 are price-adjusted in the event of a change in conformity to applicable regulations in the shares of the Company's common stock. The price for such stock options is adjusted in accordance with the Company's stock option regulations.

Type of employee stock warrants	2022 Employee Incentive Plan				
Filing Effective Date and Total Units	2022/11/22 1,500,000 shares	2022/11/22 1,500,000 shares	2022/11/22 1,500,000 shares	2022/11/22 1,500,000 shares	2022/11/22 1,500,000 shares
Date of issuance	2023/03/13	2023/05/12	2023/08/24	2023/11/8	2024/03/07
Total number of issued units	124,000 shares (of which 19,000 shares have lapsed)	80,000 shares (of which 75,000 shares have lapsed)	10,000 shares (of which 5,000 shares have lapsed)	25,000 shares	75,000 shares (of which 5,000 shares have lapsed)
Number of units still available for issuance	1,376,000 shares	1,296,000 shares	1,286,000 shares	1,261,000 shares	1,186,000 shares
Ratio of the number of issued shares for subscription to total number of issued shares	0.10%	0.00%	0.00%	0.02%	0.07%
Subscription period	10 years	10 years	10 years	10 years	10 years
Exercise method	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Period and ratio in which subscription is restricted	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.
Number of shares that have been obtained through the exercise of subscription rights	-	-	-	-	-
Amount of the shares subscribed	-	-	-	-	-
Number of shares that have not been subscribed	105,000 shares	5,000 shares	5,000 shares	25,000 shares	70,000 shares
Subscription price per share of the unsubscribed shares	NT\$26.80	NT\$25.30	NT\$23.20	NT\$20.50	NT\$21.20
Ratio of the number of unsubscribed shares to the	0.10%	0.00%	0.00%	0.02%	0.07%

Type of employee stock warrants	2022 Employee Incentive Plan				
number of issued (%)					
Effect on shareholders' equity	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant

Note: Pursuant to Article 60 of the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers, employee stock warrants issued after 2017 are price-adjusted in the event of a change in conformity to applicable regulations in the shares of the Company's common stock. The price for such stock options is adjusted in accordance with the Company's stock option regulations.

April 08, 2025

Type of employee stock warrants	2022 Employee Incentive Plan			2024 Employee Incentive Plan
Filing Effective Date and Total Units	2022/11/22 1,500,000 shares	2022/11/22 1,500,000 shares	2022/11/22 1,500,000 shares	2024/12/17 261,000 shares
Date of issuance	May 10, 2024	August 22, 2024	November 11, 2024	March 13, 2025
Total number of issued units	13,000 shares (of which 5,000 shares have lapsed)	108,000 shares	5,000 shares	260,000 shares
Number of units still available for issuance	1,173,000 shares	1,065,000 shares	1,060,000 shares	600,000 shares
Ratio of the number of issued shares for subscription to total number of issued shares	0.01%	0.11%	0.00%	0.25%
Subscription period	10 years	10 years	10 years	10 years
Exercise method	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Period and ratio in which subscription is restricted	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.	Four-year vesting schedule; certificate holders are granted 50% of the stock options after two years of employment and 1/24 of the total grant of shares will vest each month thereafter.
Number of shares that have been obtained through the exercise of subscription rights	-	-	-	-
Amount of the shares subscribed	-	-	-	-
Number of shares that have not been subscribed	8,000 shares	108,000 shares	5,000 shares	260,000 shares
Subscription price per share of the unsubscribed shares	NT\$18.80	NT\$22.35	NT\$23.20	NT\$22.35

Ratio of the number of unsubscribed shares to the number of issued shares (%)	0.01%	0.11%	0.00%	0.25%
Effect on shareholders' equity	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant	The effect on the dilution of original common shareholders is not significant

(2) Names of managerial officers having acquired employee stock warrants and names of employees ranking top ten in convertible shares:

March 29, 2024

Item	Position (Note 1)	Name	Number of acquired shares that have been subscribed	Percentage of subscription quantity acquired to total issued shares (%)	Subscribed				Not subscribed			
					Number of shares subscribed	Subscription price (USD) (Note 2)	Subscription amount (USD) (Note 2)	Ratio of the number of shares that have been subscribed to the number of issued (%)	Volume of shares subscribed	Subscription price (USD) (Note 2)	Subscription amount (USD) (Note 2)	Ratio of the number of shares that have been subscribed to the number of issued (%)
Managerial officer	President	Winston Z. Ho	1,172,140	1.14	356,500	0.036~ 0.286 ; NTD 35.50~ 37.80	1,617,020.16	0.35	404,640	0.286 ; NTD 20.50~ 92.30	15,012,554.49	0.39
	Vice President	Liang-Kai Huang										
	Vice President	Yu-Lin Chen										
	Vice President	Christopher Bernard (Note 3)										
	Vice President	Gerald Kowalski (Note 4)										
	Vice President	Parisa Hanachi										
	Vice President	Jim Leigh										
	Vice President	Elisabeth Laderman										
	Associate manager	Gao Chen										
	Associate manager	Michael Ho (Note 5)										
	Associate manager	Ingrid Joseph										
	Associate manager	Cassandra Ingles (Note 6)										
	Associate manager	Julian Sanchez										
	Associate manager	Yang Zhang (Note 7)										
	Accounting Supervisor	Rou-Tung Pan (Note 8)										
	Accounting Supervisor	Chao-Ku Chen (Note 8)										

Item	Position (Note 1)	Name	Number of acquired shares that have been subscribed	Percentage of subscription quantity acquired to total issued shares (%)	Subscribed				Not subscribed			
					Number of shares subscribed	Subscription price (USD) (Note 2)	Subscription amount (USD) (Note 2)	Ratio of the number of shares that have been subscribed to the number of issued (%)	Volume of shares subscribed	Subscription price (USD) (Note 2)	Subscription amount (USD) (Note 2)	Ratio of the number of shares that have been subscribed to the number of issued (%)
	Internal Auditer	Zong-Han You										
Employee	Scientist	Chung-Jen Hou	403,540	0.39	126,000	0.036~ 0.286 : NTD 33.40~ 35.50	935,833.88	0.12	210,615	0.286 : NTD 22.35~ 92.30	9,956,511.61	0.20
	Engineer	Shu Huang (Note 9)										
	Information Specialist	Cliff Chang										
	Engineer	Jie Chen (Note 10)										
	Scientist	Anh Pham (Note 11)										
	Engineer	Brandon Phan (Note 12)										
	Scientist	Roger Wang										
	Senior Manager	Jesse Fisher										
	Director	Pei-Chen Wu										
	Scientist	Kristen Haag										

Note 1: Including managerial officers and employees (please indicate if they have resigned or are deceased) - their respective names and titles shall be disclosed, but their acquisition and subscriptions shall be disclosed in an aggregate manner.

Note 2: The subscription price is the subscription price adjust by the anti-dilution terms and conditions to accommodate the capital increase proposal of the capital group resolved at the shareholders meeting held on November 7, 2016. The base date for the capital increase of the capital reserve ex-rights is November 15, 2016.

Note 3: Managerial officer Christopher Bernard was retired on March 19, 2024

Note 4 : Managerial officer Gerald Kowalski retired on January 10, 2025.

Note 5: Managerial officer, Michael Ho, discharged on January 27, 2024.

Note 6: Managerial officer Cassandra Ingles resigned on May 24, 2024.

Note 7: Managerial officer Yang Zhang was newly appointed in May 2024.

Note 8: Accounting supervisor Jau-Tung Pan resigned on April 26, 2024, and executive Chao-Ku Chen was appointed as the head of accounting after approval by the board of directors in May 2024.

Note 9: The employee Shu Huang has resigned on January 27, 2024.

Note 10: Employee Jie Chen has resigned on April 04, 2025.

Note 11: Employee Anh Pham has resigned on March 07, 2025.

Note 12: Employee Brandon Phan has resigned on March 12, 2024.

- (3) Information shall be furnished on the status of any private placement of employees incentive stock options in the most recent 3 fiscal years and as of the publication date of the annual report, disclosing the date on which the private placement was approved at a shareholders meeting and the amount thus approved; the basis for and reasonableness of the pricing; the manner in which the specified persons were selected (where the offerees have already been arranged, the names of the offerees and relationship between the offerees and the company shall also be described); the reasons why the private placement was necessary; the targets of the private placement, their qualifications, subscription amounts, relationship with the company, participation in the operations of the company, actual subscription price, the difference between the actual subscription price and the reference price;

the effect of the private placement on shareholders' equity; and for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of employees incentive stock options, the implementation progress of the plan, and the realization of the benefits of the plan: None.

VI. Employees Restricted New Shares

Dates of effective registration from the competent authority for all employees restricted new shares under which the vesting conditions have not been fully met; issue date; number of shares issued; number of shares still available for issuance; issue price; vesting conditions; restricted rights; custody status; measures to be taken when vesting conditions are not met; number of shares that have been redeemed or bought back; number of shares in which the restrictions on rights have been released; number of shares in which the restrictions on rights have not been released; and the ratio of the number of shares in which the restrictions on rights have not been released to the number of total issued shares and the effect on shareholders' equity: None.

VII. New shares issued for merger or acquisition: None.

VIII. Usage of Injected Capital

The Group has not been involved in mergers, acquisitions, or issuance of new shares for acquisition of other companies' shares within the past three years, nor has it issued corporate bonds; therefore, these provisions are not applicable. Regarding the Group's 2024 cash capital increase, the relevant plan contents and implementation analysis are explained as follows:

(1) Contents of Plans

In 2024, the Company issued 21,000 thousand shares for a cash capital increase. The shares were issued at NT\$21 per share for a total of NT\$441,000 thousand. After completion, it was planned to fully fund the Company's working capital.

(2) Implementation

Public offering of 21,000 thousand shares issued through cash capital increase in 2024

(1) Progress of raised funds utilization

Unit: NT\$ thousand

Plans	Implementation		As of the first quarter of 2025	Is the progress ahead or behind, the reason and the improvement plan
Enriching working capital	Amount	Estimated amount	441,000	As of the first quarter of 2025, the progress in strengthening operating capital has fallen behind schedule, mainly because research and development projects are still in discussion with the US FDA regarding clinical trial methods and standards, causing delays in clinical timelines and relatively reduced operational expenditures. All raised funds were fully utilized by the end of the first quarter of 2025.
		Actual amount	441,000	
	Execution progress (%)	Estimated amount	100.00%	
		Actual amount	100.00%	

(2) Execution benefits of raised funds

Unit: %

Item		Year	Q2 2024 (prior to the fundraising)	Q3 2024 (after the fundraising)
Solvency	Current ratio		789.71	1,130.10
	Quick ratio		596.63	937.36
Financial structure	Debt ratio		37.69	26.35
	Long-term fund to property, plant and equipment		870.28	1,304.88

Source: The Group's consolidated financial reports audited by CPAs for Q2 and Q3 2024.

The Group raised a total of NT\$441,000 thousand through this cash capital increase. Although the utilization of funds has fallen behind the planned implementation schedule, this fundraising plan has successfully supported research and development progress and company operations through the injection of stable medium to long-term funds, enhanced R&D momentum, strengthened the financial structure, increased funding stability, and improved the flexibility of fund allocation to ensure normal company operations and reduce operational risks. Therefore, the benefits of this cash capital increase have already become evident.

Four. Operation Overview

I. Business Scope

1. Scope of business affairs

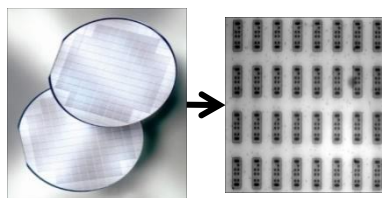
(1) Main contents of business affairs

Looking at the diagnostic reagent products in the market, most technology platforms are designed for single-target testing, unable to provide multiple and precise diagnostic results in one test. The Group's core concept is to develop a multi-testing technology platform that can provide accurate results for multiple testing targets simultaneously, significantly improving testing efficiency and offering diagnostic solutions that are precise, rapid, convenient, and cost-effective.

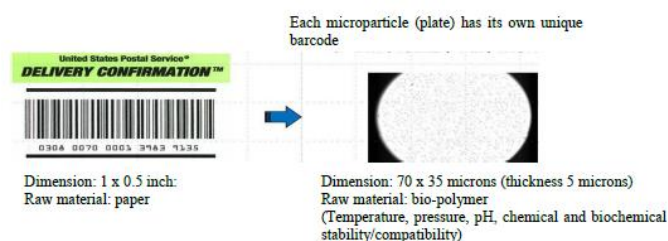
Therefore, the Group has successfully applied the digital barcode technology, commonly used in supermarkets, logistics and shopping industry, into the realm of "Digital Biotechnology." By shrinking the length and width of the barcode by about a million fold with advanced technology, we can precisely identify thousands of analytes in a single specimen.

The Group innovatively utilizes silicon wafer semiconductor manufacturing processes to mass-produce "Barcoded Magnetic Beads" (BMB), which are stored as solid micro-barcode in liquid form. Whether for reactions with biological probes or specimen testing, these barcodes can be directly mixed with samples in liquid, offering excellent stability and operational convenience.

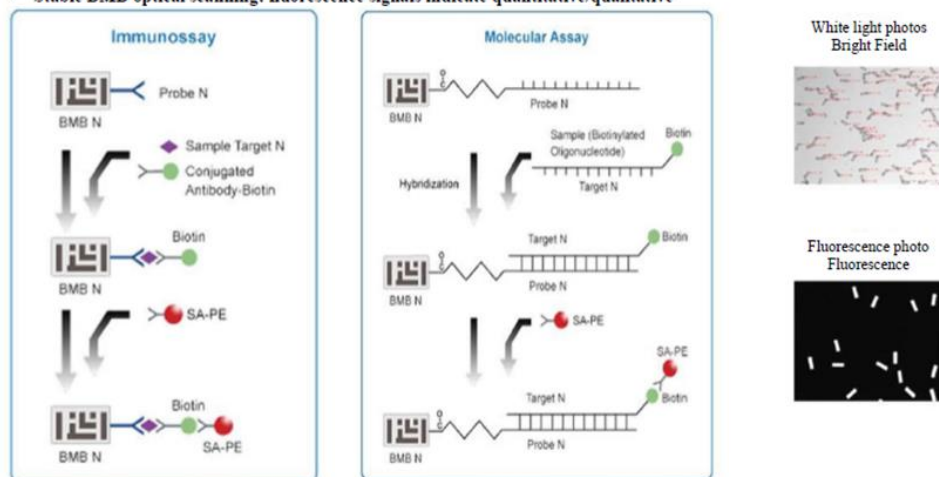
The Group's Barcoded Magnetic Beads (BMB) technology platform is able to encode 4,096 (2^{12}) numbers and chemically bond molecular probes or antibodies/antigens from various diseases onto the BMB, allowing rapid and precise analysis of single or multiple analytes. For example, we can detect thousands of bacteria, viruses, parasites, DNA and RNA from a single specimen or any of the proteins, hormones and allergens present in the specimen. If target biological molecules to be analyzed are present in the specimen, the barcodes will produce fluorescent signals. A brief description of the technical features is as follows:



- Reduce the size of digital barcodes (the barcodes commonly found in supermarkets and shipping) by 1000 times and make them on magnetic beads



- Barcodes on the magnetic beads identify specific probes
- Stable BMB optical scanning: fluorescence signals indicate quantitative/qualitative



The Group is the developer and technology proprietor of the Barcoded Magnetic Beads (BMB) assay platform, we can collaborate with international vendors through licensing. This technology platform has obtained multiple patents in the U.S. and the world, including various BMB core patents (7871770, 7858307, 8232092, 8148139 and 9255922 were approved by the United States Patent and Trademark Office; the European Union Intellectual Property Office approved the EP2342561B1; CN 102246037 B was approved by Chinese Patent). In addition, in 2023, the group applied for four Barcoded Magnetic Beads extension patents with the United States Patent and Trademark Office to strengthen the protection of our core technology.

Our corporation's critical technologies' intellectual property rights are the following four: Barcoded Magnetic Bead (BMB), Light transmitted assay bead, Biocompatible and photocurable polymer, Image Decoding and System. When combined, these patents protect our corporation's technologies and ensure their applications in various biomedical fields. Our innovative technology have been successfully licensed to many global companies for multi-field development. These well-known companies include: IDEXX Technologies GmbH, PerkinElmer (an NYSE-listed company), Diatherix Laboratories - a subsidiary of Eurofins Scientific Group (a Euronext N.V.-listed company), Molecular Device - a subsidiary of Danaher Group (a NYSE-listed company), Zhuhai Livzon Diagnostics - a subsidiary of Livzon Pharmaceutical Group (A shares that trade on SZSE and H shares that trade on the HKEX), Guangzhou Improve Medical Instruments (a ChiNext-listed company), Shanghai Kexin Biotech (a new OTC market-listed company), Genetic Analysis AS Norway, Imusyn Germany, ALPCO, Taipaike Beijing and Hardy Diagnostic Inc. We have also licensed Guoyao Group Beijing Medical Apparatus and Instruments to sell our Biocode 2500 and BMB. These international giants are expected to continue to contribute to the Group's

revenue, including sales of BMB, Optical Scanners, and licensing fees for future product sales.

In addition to licensing partners to develop diversified application areas, the Group's main focus is to develop the infectious disease molecular testing market that has grown rapidly in recent years and has a high demand for testing. Through a marketing model similar to leasing printers and selling ink gate consumables, the MDx3000 automated diagnosis system was deployed in major laboratories and hospitals to sell testing assays. Gastrointestinal tract testing, respiratory tract testing, fungus testing, STD testing, and urine testing are all multiplexed reagents that are highly demanded in the clinic. These tests are outfitted with the MDx 3000 automated diagnosis system, which includes the Polymerase chain reaction (PCR), hybridization, automated operation, and molecular image interpretation systems. The BioCode MDx 3000, developed by the Group, is one of the few products in the global clinical diagnosis market that can provide fully automated, high-throughput, and diverse testing products to large hospitals and laboratories.

In the future, the Group will also give full play to the features of the platform technology that can be expanded and applied to the development of liquid biopsies, allergy, food safety, agricultural and industrial applications, and life sciences research, etc. To become more diversified, to develop business domain and customer base in different end markets.

(2) Operating proportion of primary products

Unit: NT\$ thousand

Primary products \ Year	2022		2023		2024	
	Net revenue	Operating proportion (%)	Net revenue	Operating proportion (%)	Net revenue	Operating proportion (%)
Barcoded Magnetic Beads (BMB)	119,357	30.58	205,593	52.03	145,180	42.32
Optical Scanner	94,724	24.27	7,093	1.79	4,385	1.28
Reagent/In-vitro diagnostic assay (Panel)	147,918	37.90	144,384	36.54	147,796	43.08
Others	28,303	7.25	38,099	9.64	45,705	13.32
Total	390,302	100.00	395,169	100.00	343,066	100.00

(3) The Company's current products (services)

The Group's core business affairs are Barcoded Magnetic Beads (BMB) analysis technology platform and related products, which primarily include BMB, instruments, development, and sale of in-vitro diagnostic assays. Our BMB technology offers high precision and diverse test services for a single analysis, and significantly saves costs of in-vitro diagnostic assays. Instrument MDx 3000, our corporation's latest development, is characterized by fully-automatic, high throughput and diversified analysis

applications, easy to operate and small footprint. Coupled with our BMB and test assays, these systems form a technology platform that will satisfy the current market needs. Following is a summary description of products developed by the Group:

Product	Introduction	Application
Barcoded Magnetic Beads (BMB) (Barcoded Magnetic Beads, BMB)	The BMB technology contains 4,096 encoded barcodes. Each BMB allows binding to DNA, antibodies or antigens, and specific binding identification with target molecules.	A wide-ranging analysis platform provides detection of bacteria, viruses, parasites, hormones, allergens, DNA, RNA or proteins from a single test specimen. It can be applied to diverse disciplines such as academic research, agricultural testing, animal health testing and environmental testing.
Optical Scanner (Optical Scanner)	The Instrument is used in decoding each Barcoded Magnetic Beads and fluorescent signal. Our corporation's Instrument systems - BioCode 1000, BioCode 2500 and BioCode MDx 3000, are characterized by high sensitivity and user-friendly analysis software operation. BioCode MDx 3000, our latest instrument, is a fully-automated multivariate test system.	Provides a test analysis platform for proteins and nucleic acids.
GPP (17-Plex Gastrointestinal Pathogen Panel)	Can simultaneously test 17 types of bacteria, viruses and parasites that commonly cause diarrhea, providing diagnostic reference and medication guidelines.	Gastrointestinal infections resulting in severe diarrhea are a significant problem. The US Centers for Disease Control and Prevention (CDC) estimates that two billion cases of diarrhea occur each year, resulting in approximately 1.8 million deaths. Diarrhea is the second leading cause of death and the most common cause of malnutrition in children under the age of five. Simultaneous and rapid detection of possible infectious agents is of great help in improving the treatment outcomes of patients.
RPP (20-Plex Respiratory Pathogen Panel)	Allows rapid identification and phenotyping of common bacteria and viruses and can	The upper respiratory tract test includes 4 types of coronaviruses (229E, OC43,

	determine respiratory infection as early as possible, which lowers treatment costs.	NKU1, and NL63) in addition to influenza A and B bacteria and viruses. More than 18 million people are diagnosed with the upper respiratory tract in the United States each year, and the fatality rate is increasing year by year. In order to enable patients to detect virus and bacteria infections as soon as possible so that they can receive the best test products with corresponding effective treatments.
COVID-19 and Influenza Combo Test Assay (Cov-2 Flu Plus)	For one-time testing of COVID-19, type A influenza and its subtypes (H1, H1N1 2009pdm, H3), type B influenza and respiratory syncytial virus (RSV), and to distinguish between COVID-19 and recurrent influenza.	For the Emergency Use Authorization (EUA).
20-plexed Fungus Panel (Fungal Panel RUO)	The Fungal Panel includes test assays for lung infection, meningitis, bloodstream infection, allergy and skin infection. Fungal meningitis is most commonly caused by Cryptococcus. In the U.S., Cryptococcus infection is the 4th ranking pathogens aside from bloodstream infection. Its mortality rate is estimated between 35 and 55% and is a common type of pathogen for nosocomial infections. The Candida auris, known for its multiple drug resistance characteristic, has a mortality rate of about 30 to 60% for those infected, and is listed as one of the emergency threats by the U.S. CDC.	Commercialization in the form of RUO will begin in June 2023. Once the testing protocol is written and published by the clinical laboratory, other laboratories can import and purchase RUO reagents for testing.
STI + AMR RUO (STI+AMR RUO)	According to the WHO data, at least 0.37 billion people are infected with sexually transmitted disease (STD) every year. The risk of STD and resistance mutation among pathogens also increases in	Commercialization in the form of RUO will begin in April 2024. Once the testing protocol is written and published by the clinical laboratory, other laboratories can import and purchase RUO reagents for

	specific populations with multiple partners and group sex. Drug resistance of pathogens is considered by public health experts to be one of the major threats to the modern human society. Due to the widespread usage of anti-biotics and mutation of pathogens after multiple infections, there are more pathogens nowadays that have begun developing resistance to medication. The Company has introduced an unprecedented first-line test tool for infectious disease with the option of including drug resistance genes. This will allow more timely treatment while eliminating the overuse of antibiotics.	testing. The Company also plans to establish a B2C commercial model (direct sales to user) for these STD tests that require large amount of samples and high degree of privacy. Adopting the model developed during the Covid pandemic, many laboratories utilized a domestic sampling and shipping the samples to the laboratory approach for STD tests as well. The Company will provide the domestic sampling method and consumables with anticipation to rapidly enter this market with unmet demands.
Consumables (Consumables)	Assay buffers, DNA extraction reagents and detection buffers.	Provide higher quality analysis results for diagnostic tests.
Technical Service (Technical Service)	A fixed percentage of the system pricing is collected each year for system maintenance and the analytical instrument's service charges.	Technical support and customized product services.

Our corporation's BMB multiplex analysis technology platform has been awarded multiple patents. In addition to clinical diagnostics, it can be applied to diverse disciplines such as academic research, agricultural testing, animal health testing and environmental testing. Due to its high application values, our corporation have issued licenses to the following:

Subject	Discipline	Main field of license	Types of license
PerkinElmer Health Science Inc. (USA)	Infectious diseases - genotype analysis of Hepatitis B and C viruses	Asia	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.

Subject	Discipline	Main field of license	Types of license
DIATHERIX Laboratories, LLC/Eurofins group (U.S.)	3rd party molecular test laboratory	Global	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.
Molecular Devices Inc./Danaher group (U.S.)	Proteomics research	Global	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.
Genetic Analysis AS (Norway)	Irritable bowel diseases (IBD), Gutmicrobiota	Global	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and sale royalties.
Imusyn GmbH & Co. KG (Germany)	Organ transplant, human leukocyte antigen pairing (HLA Proteins)	Europe	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.
Improve Medical Instrumentation Co., Guangzhou Improve/Hecin Scientific. (China)	Respiratory track research, cancer research	China	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.
Shanghai Kexin Biotech Co., Ltd. (China)	Autoimmuno diseases, infectious disease test	China	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.
Zhuhai Livzon Diagnostics Inc. (China)	Autoimmuno diseases, tumor test	China	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.
IDEXX Technologies GmbH (Switzerland)	Non-human animal testing	Global	1. Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.
ALPCO	Gut microbiota and inflammation analysis	United States	1. Non-Exclusive License

Subject	Discipline	Main field of license	Types of license
			2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.
Paitaike	Development of autoimmuno and cytokine biomarkers	China	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.
Hardy Diagnostic	Food Safety Testing Methods for Molecules and Immuno Detection	United States	1. Non-Exclusive License 2. Client is responsible for the initial royalty payment, consumables fees, instrument fees and royalties from sales.

(4) Planning of new product development (service)

Product	Introduction
Urinal Track Infection (Urinal Track Infection)	Common pathogens that cause urinary tract infections include Escherichia coli, Citrobacter freundii, Acinetobacter baumannii, Proteus mirabilis, Enterococcus, Klebsiella, Enterobacter, Morganella, Mycoplasma and Chlamydia. Considering the efficiency and insurance reimbursement in the clinical practice in the U.S., a negative result of pathogens by a single rapid screening test is usually confirmed by a molecular test approach. Our product utilizes molecular testing to screen these pathogens and provides a comprehensive and accurate diagnosis of urinal tract infection. Our goal is to offer a less expensive retail price and a shorter test diagnosis/treatment process.
Resistance Markers Panel RUO (Resistance Markers Panel RUO)	Drug resistance of pathogens is considered by public health experts to be one of the major threats to the modern human society. Due to the widespread usage of anti-biotics and mutation of pathogens after multiple infections, there are more pathogens nowadays that have begun developing resistance to medication. Nowadays, the antimicrobial resistance is determined primarily by susceptibility test. This test still has a lot of shortcomings including highly manpower consuming, one single marker at a time and a wait time up to 24 hours. The product is designed to provide a molecular test option that is innovatively designed for multiple markers and generates results within hours for large laboratories and public health departments.

Product	Introduction
Vaginitis (Vaginitis)	Female vaginitis comes in many forms, including Candidiasis (yeast infection), bacterial vaginitis, viral vaginitis, trichomoniasis and non infectious vaginitis. Considering the efficiency and insurance reimbursement in the clinical practice in the U.S., a negative result of pathogens by a single rapid screening test is usually confirmed by a molecular test approach. Our product utilizes molecular testing to screen these pathogens and provides a comprehensive and accurate diagnosis of vaginitis. Our goal is to offer a less expensive retail price and a shorter test diagnosis/treatment process.
Opportunistic infection (Opportunistic Infection)	Immunosuppressed populations, such as the elderly, cancer patients, immunocompromised patients and HIV patients are more likely to be infected. For tests of common infection targets (fungus, bacteria, virus), our Company provides existing test kits that cover most of these targets. After re-grouping, we intend to introduce test kits suitable for opportunistic infections via RUO for test facilities specializing in this field.
Molecular testing with semi-automated nucleic acid extraction (Semi-Automation)	Considering laboratories' increasing demand for automation and intelligence, the Company has also begun developing semi-automated systems that combine molecular testing with nucleic acid extraction. Previously, the Company's various infectious disease testing products were based on a nucleic acid extraction preprocessing instrument and an MDx3000 molecular detection system, with manual operations connecting the workflows between these two instruments. For the next generation of products, the DNA samples obtained after nucleic acid extraction will be automatically transferred to the MDx3000 through mechanical automation, achieving "semi-automation." This will reduce manual operations and provide customers with an enhanced user experience.
120-Plex Allergy Diagnostic Panel and Automated Immunoassay System (120-Plex Allergy Diagnostic Panel and Automated Immunoassay System)	The global market of rapid immunoassay is expected to grow from 18.725 billion U.S. dollars in 2017 to 31.885 billion in 2026, a compound annual growth rate of 8.49%. The rapid assay is suitable for preliminary or emergency medical diagnosis and use by medical institutions with limited resources. Due to its convenience and rapid testing capability, it will assist in providing timely treatment. There is currently a great demand globally on preventive management, and as the awareness for early disease detection continues to increase globally, it is expected that this segment of the market will grow significantly in the future. Diseases related to allergies include asthma, rhinitis,

Product	Introduction
	angioedema, urticaria, conjunctivitis and eczema. Populations suffering from these diseases are rapidly increasing due to industrial pollution and population growth. For the asthmatic population alone, the World Health Organization forecasts that the global asthmatic population will growth to 400 million people by the year 2025. Allergies result in an increase of direct medical costs and decrease of social behavioral efficiency; the decrease in work efficiency will result in health burdens for all. Treating these kinds of diseases requires effective testing tools of allergens.
Liquid Biopsy (Liquid Biopsy)	The global market of Liquid Biopsy is also expecting growth from USD1.2 billion dollars in 2020 to USD6.8 billion dollars in 2028, a compound annual growth rate of 20%. Before 2020, the tumor liquid biopsy tests on the market were mostly developed in laboratories (LDT). However, since 2020, companies like Guardant and Foundation Medicine (acquired by Roche) have begun to develop companion diagnostics for cancer treatment drugs, which have received FDA approval in the United States. It is expected that this will stimulate more companies to increase their development and promotion efforts, accelerating the expansion of this emerging market. In addition, most products in the existing market use the next generation sequencing (NGS) as the testing platform. It takes as long as 2 weeks to sequence, and requires professional biometrics interpretation, and the cost is expensive. Therefore, the development goal of oncology liquid testing products will be to shorten the testing time, reduce the threshold for personnel, and reduce the cost through the Company's technology platform.

2. Industry Status

(1) Industry Status and Development

Our corporation provides an automated multiplex detection platform, research and development of platform applications, and development and sales of infectious disease test assays. Our technology platform aims to provide accurate real-time diagnosis and precision treatment to greatly improve the efficiency of medical analysis and reduce the costs of treatment and risks of patients. The following is an analysis on the global markets for in-vitro diagnostic products, immuno diagnosis, molecular diagnosis and infectious disease detection:

A. Status of Global In-Vitro Diagnostic Product Market

In-Vitro diagnostics, also known as IVD, are assay kits or medical instruments (like instrument system) that are used in the collection, preparation and analysis of specimens collected from the human body, which are used for disease diagnosis and other purposes (including the determination of health status). In-vitro diagnostics assays refer to any assays, calibration substances or control substances described previously. IVD is classified based on the diagnostic basics and methods used and is mainly classified as hematology diagnosis, biochemical diagnosis, urinary diagnosis, immuno diagnosis, microbial diagnosis and molecular diagnosis.

According to a 2024 analysis report by Grand View Research, the estimated value of the IVD market in 2024 is USD 108 billion. The IVD market is expected to maintain a compound annual growth rate of approximately 5.62% from 2025 to 2030, potentially reaching USD 124 billion by 2032. The main drivers promoting this market are the prevalence of chronic and infectious diseases, early screening, preventive testing, and personalized medicine.

B. Status of Global immuno Diagnosis Market

According to a report by Research and Markets, the global immunodiagnostics market is projected to grow from USD 35.8 billion in 2024 to USD 50 billion in 2029, representing a compound annual growth rate of 7.4%. The revenue of the immunoassay market is mainly based on immuno technology, products and service applications. Based on the aforementioned product types and service applications, kits and reagents of immuno assays occupied a significant market portion. As the population continues to age and chronic diseases become more prevalent, it is expected that demand for immuno assay kits and analytical technology will continue to push the market to grow. Household assay and kits for a wide range of tests will be the future development trends of the market.

Diagnosis of allergens is the key step for effective treatment. The diagnosis of allergens can identify specific factors inducing individual immuno responses, and is a process required for drug development, manufacturing and treatment. The main factors that attract the attention of the application is the high disease incidence rate of allergic diseases and the enormous accompanying financial burden, exacerbation of environmental pollution, increase in healthcare expenses and utilization of medical insurance. The market of allergen diagnostics can be divided according to products and services into test assays, instruments, and services. In the future, it is expected that the market for allergen test assays will grow at a tremendous speed, and the widespread usage and consumption of allergen test assays will continue to promote the growth of this field in the near future.

Diseases related to allergy include asthma, rhinitis, angioedema, urticaria, conjunctivitis and eczema. Populations suffering from these diseases are rapidly increasing due to industrial pollution and population growth. For the asthmatic population alone, the World Health Organization forecasts that the global asthmatic population will growth to 400 million people by the year 2025. Allergies result in an increase of direct medical costs and decrease of social behavioral efficiency; the decrease in work efficiency will result in health burdens for all. Treating these kinds of diseases requires effective testing tools of allergens. Market surveys have shown that the development niche of allergen diagnostic products lie in the increase in turn around time and laboratory automation.

In the overall analysis, the North American market remains the leading segment, followed closely by the European, Asian and other markets. Major international manufacturers of immuno assays are based in North America and Europe, such as Switzerland's Roche Diagnostics, Germany's Siemens Healthcare, Abbott Laboratories, Beckman Coulter and Ortho Clinical Diagnostics from the United States and France's bioMérieux. However, the population growth and rising awareness of health in Asia are expected to create more demands for the diagnostic market, representing a potentially significant business opportunity.

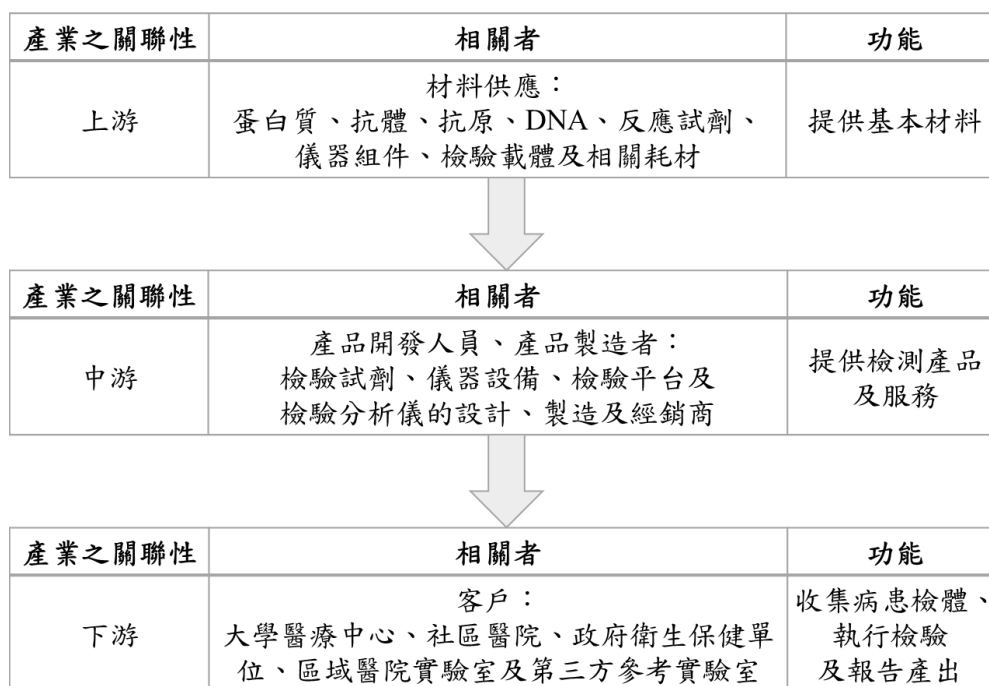
C. Status of Global Molecular Diagnosis Market

According to a research report issued by Grand View Research, the global molecular diagnostics market reached USD 25.7 billion in 2024, and is forecast to grow to USD 33 billion by 2030, with the North American market accounting for the largest share. According to the report, molecular or nuclei acid diagnosis of human diseases are now a proven, viable medical technology for diagnosis, treatment, prevention and monitoring treatment progress. MDX combines professional knowledge and technology acquired through years of diagnostic medical research and molecular genetics. Innovation in the field of molecular biology has also lead to revolutionary breakthroughs in the past few decades. Depending on the fields of applications, MDX can be categorized as infectious disease diagnosis, tumor gene mutation analysis, blood screening, microbial identification and other applications (e.g. diagnosis for cardiovascular diseases, neurological diseases, DNA fingerprinting profile, tissue classification and foodborne pathogen analysis). The convenience of molecular diagnostic allows it to occupy a significant portion of the diagnostic market for infectious diseases.

D. Analysis of Infectious disease diagnostic market

According to the Mordor Intelligence research report, the global infectious disease diagnostics market size is expected to reach US\$46.8 billion in 2025, and is estimated to grow to US\$55.5 billion by 2030. Conventional diagnostic technology that immuno diagnosis is the major part of the infectious disease market. The fastest-growing technology will be molecular diagnostic technology like nucleic acid amplification technology. Based on the applications, the infectious disease diagnostic market can be categorized as gastrointestinal tract (GPP), influenza and upper respiratory track (RPP), pneumonia, Hepatitis B, Hepatitis C, sexually transmitted disease (STD), tuberculosis (TB), Chlamydia trachomatis and Neisseria gonorrhoeae (CT/NG), Methicillin (MRSA) and others (influenza, Ebola, Typhoid fever, Malaria and Dengue fever). The growth in this category is due to the growing prevalence of infectious diseases in recent years.

(2) Correlation between the upstream, midstream and downstream industries



Manufacturers of in-vitro diagnostics assays rely on existing technologies to develop in-vitro diagnostic assays and test instruments. The upstream industries of this field are suppliers of proteins, antibodies, antigens, DNA, reaction assays, instrument components and related consumables; the midstream industries are the designers, sellers and manufacturers of test assay kits, instruments, testing platform and analyzers. The midstream industry can also be retailers who distribute products to the end customers; the downstream customers include university medical centers, community hospitals, government health organizations, regional hospital laboratories and 3rd party reference laboratories.

Our corporation's core business affairs are development, manufacture and sale of BMB, test instruments, fully-automated molecular multiplex diagnostic system, diagnostic platform, and assays. Therefore, our corporation is positioned as the midstream industry within this industry chain, and the downstream industries are our target customers.

(3) Development trends of various products

In general, in-vitro diagnostics are testing specimens collected from the human body, such as urine, blood, tissue, stool and cells, and used as a basis for disease diagnosis and verification of physiological conditions. The following is a brief description of the various development trends of in-vitro diagnostic products:

A. Biochemical diagnosis-immuno diagnosis-advancement of molecular diagnosis

A biochemical diagnosis like the diagnosis of triglyceride, blood glucose and metallic elements (sodium ions, potassium ions and magnesium ions) are some of the earliest types of in-vitro diagnostics, with more than 70 years of development culminating in a mature market. After 30 years, the diagnostic technology has

extended to the immuno diagnostic market with protein detection technology. The compound annual growth rate of the immuno diagnostic market for the past 10 years was 8.49%. From 2000, the flourishing of genomic molecular biology has resulted in the in-vitro diagnostic market's growth based on molecular genetics and molecular biotechnology. It is estimated that the molecular diagnostic market is rapidly growing at a rate of 9.23% compound annual growth rate in the recent decade and is currently the main development axis of in-vitro diagnostics.

B. Full automation

Early test platform requires manual operation and is labor-intensive, requiring technical operators with high technical proficiency and experience to effectively carry out the testing procedures. However, such highly technical proficient talents are costly to train and hard to recruit. The quality of manual operation also varies from person to person and is prone to testing errors. Thus, the tests take time and the labor-cost is intensive, often requiring prolonged testing time to verify the results.

Recently, the rising health consciousness and increasing aging population have resulted in a significant increase in specimen collection by clinical and medical laboratories. Therefore, a testing platform capable of full-automation and high-throughput testing is in urgent demand by the market and has since become a development trend; in addition, a fully automated testing platform can provide immediate, consistent and accurate test results. This excellent feature allows clinicians to arrange personalized treatment quickly and can maintain and improve the quality of medical diagnosis for customers with large-scale testing needs.

C. Multiplex testing

We have integrated molecular diagnostic technology, automated analysis technology and multiple testing platforms into a single system. It is intended to provide technology and products for markets that have not yet been satisfied and address future medical market trends.

Traditionally, a single test means that only one test can be performed from a single specimen. Because specimens are difficult to obtain, the traditional single test is less effective, giving rise to the revolutionary advancement in multiplex and all-in-one testing technology. The benefits of multiplex testing are not only limited to technological breakthroughs. They can be beneficial for instrument users and patients as well:

- (A) Clinician: able to detect the pathogenic causes of the patient early (identify whether it's a single pathogen or shared latent infection) for better and faster patient management.
- (B) Laboratory: improves laboratory efficiency, no longer requires multiple platforms for multiple tests, can effectively save on personnel costs and lower the assay costs from testing.

(C) Hospital: reduce patient isolation period, increases management efficiency and quality of the patient-doctor relationship, which lead to decreased waiting time for result report and lower operational costs of the hospital.

(D) Patient: allow for optimized therapy regimen, decreases waiting time for follow-up report and the frequency of testing at the hospital.

(4) Competition

A. Analysis of competition of multiplex testing technology

(I) Real-time polymerase chain reaction (Real-time PCR)

Real-time PCR is a testing technology that detects the amplification of nucleic acids in the PCR cycle. The strength of the emitted fluorescent signals reflects the concentrations of the nucleic acids. The Realtime PCR of multiplex detection mainly performs multiplex detection based on different fluorescent signals. Due to the limitation of the current types of fluorescence, the current multiplex detection capability of Realtime PCR can only detect 2 to 3 targets at the same time. A well-known manufacturer of medical diagnostic equipment is the Cepheid of United States (recently acquired by the Danaher Corporation).

(II) Microarray

Biological chips (microarray technology) technology has been developing for nearly 20 years. A carrier vehicle is spotted with over 10 million of microscopic spots, allowing simultaneous detection/testing of multiple types of biomarkers. Microarray technology has been successfully applied in biological science to search for new biomarkers. The main technical difficulty is inaccuracy, and accuracy is a prerequisite for clinical diagnosis. The reason for the inaccuracy is that the dripping technique is used. After dripping dry, it is difficult to have the consistency between each dot, resulting in an excessively large coefficient of variation. Its lack of flexibility, high price and lower stability (the produced batches of signals are inconsistent) hampers its market demand for in-vitro medical diagnosis. Bio-chips are mainly used in the research and application of bio-markers. Affymetrix of the U.S. is one of the well-known companies for this detection technology (recently acquired by the Thermo Fisher Corporation).

(III) Sequencing

Sequencing technology is the process of determining the sequence of nucleic acids. It is now widely implemented in scientific research, such as mapping the whole genome of humans and the detection of gene mutations in cancer patients. It can also be used in the investigation of unknown genes and biomarkers. However, single-sequencing is no longer significant once the genome has been decoded. Although it is a revolutionary technology in the field of genomic study, its time-consuming and costly nature makes it less suitable for the medical diagnostic market's routine demands.

(IV) Bead based assays

Besides our corporation, Luminex of the United States is the other company that develops a barcode-based assay test platform. However, the barcode platform of Luminex mainly uses the ratio of 2~3 kinds of fluorescent dyes as the barcode identification method. Compared to its "analog" type, there can be a maximum of 300-500 kinds of coding methods. The development technology of the Group is based on the "digital" biometric barcode. The coding method uses black and white barcodes for identification directly. Its design principle can clearly and stably identify 4,096 test marks, with a higher number of detectable targets and more accurately. In addition, the Luminex analyzer's microfluidic channels are complicated to maintain, easily blocked and increases the maintenance risks of the test organization, which in turn induces extra costs on maintenance management.

		Luminex Bead	ABC-BMB
Barcoded Magnetic Beads (BMB)	Encoding method	<u>Analog</u> Mix 2-3 types of fluorescent dye beads and based on the intensity of the emitted fluorescence.	<u>Digital</u> Barcoded Magnetic Beads (BMB), high contrast barcode (0:1) for precise identification
	Variety number	50, 100 (2 fluorescent dyes) <500 (3 fluorescent dyes)	4096
	Production	Emulsion solution, unstable barcode, light sensitive/requires protective covering, interferes with fluorescent labels	Semiconductor photoetching Permanent barcode with high stability, low-cost batch production and easy to scale production
System/operation	Maintenance	Difficult: Blockage of microfluidic channels, residual beads, require washing and cleaning after loading specimens, labor intensive	Easy: Direct optical imaging of microplate, no microfluidic channels
Automation	Convenient to use	No: Complex procedures/labor intensive/potential contamination	Yes: Easy to create workflow/integrated PCR, hybridization and testing/avoids contamination

Source: compiled by our group

B. Market competition analysis

The seven major IVD manufacturers in the world are Roche, Abbott, Siemens, Hologic, Danaher/Cepheid, Qiagen and BioMerieux. These manufacturers have high market shares in medical diagnostic assays but lack innovative technology, especially in multiplex testing. Multiplex testing is the mainstream trend of the current market. Global manufacturers that lack this type of technology risk losing in the future's highly competitive diagnostic market. As such, these manufacturers are catching up by acquiring companies with multiple diagnostic technologies. For example, BioMerieux acquired Biofire in 2014 and the procurement of Cepheid by Danaher in 2016 (up to 4 tests). Roche acquired GenMark and DiaSorin acquired Luminex in 2021. This illustrates the emphasis of global major pharmaceutical companies on multiplex testing. Presently, except for Luminex and BioMerieux, none of the seven major manufacturers have technology platforms and products for multiplex detection (more than 4 labels). Another phenomenon was observed in the U.S. market, where an overspill of test capacity from the existing test facilities caused by the COVID-19 pandemic resulted in a number of new test laboratories. With the decreasing number of COVID-19 samples, these laboratories need to seek new sources of income and therefore created a new blue sea for test demands. The more test items a company can provide, with a high throughput capacity, the more laboratory clients they will attract.

3. Technology and Research & Development Status

(1) Successfully developed technology and products in the past years

The Group completed the development of "Sexually Transmitted Disease Combined with Antimicrobial Resistance Gene Detection" diagnostic reagent in the past year, the first of its kind in the market.

We submitted applications to the U.S. FDA for the GPP "17-item Gastrointestinal Tract In Vitro Diagnostic Reagent" and MDx3000 Automated Molecular Diagnostic System, adding market authorization for the combined process with the KingFisher nucleic acid extraction pre-processing instrument. The U.S. FDA issued the market authorization on January 18, 2025.

The innovative tumor liquid biopsy detection (Liquid Biopsy) has completed the development of diagnostic reagents for eight types of tumor variant genes with corresponding treatment approaches. Initial clinical specimen testing has proven feasible, and we will continue to collect more blood samples from cancer patients for testing to further optimize these reagents while expanding the range of detectable genetic variations.

(2) Research Personnel and Education Background/Professional Experience

A. The main education background distributions of the research and development personnel in our group are as follow:

Education \ Year	End of 2022		End of 2023		End of 2024		End of March 2025	
	Number of personnel	Ratio (%)	Number of personnel	Ratio (%)	Number of personnel	Ratio (%)	Number of personnel	Ratio (%)
Ph.D. Degree	9	34.61	9	34.61	9	34.62	9	32.14
Masters Degree	5	19.23	6	23.08	6	23.08	8	28.57
University and College Degree	11	42.31	10	38.46	10	38.46	10	35.72
Others	1	3.85	1	3.85	1	3.84	1	3.57
Total	26	100.00	26	100.00	26	100.00	28	100.00

B. The education backgrounds and professional experiences of the research and development personnel in our group are as follows:

Name	Position	Highest education/Years of Professional Experience	Expertise	Main education backgrounds and experience
Winston Z. Ho	President and Founder/Chief Technology Officer	Ph.D./ 34 years	Optoelectronics, biochemistry, physical chemistry	Bachelor of Chemistry, National Chung Hsing University Arizona State University Master's Degree in Biochemistry and Ph. D. Degree in Physical Chemistry

				<p>Columbia University in New York City</p> <p>Postdoctoral research fellow - high speed optics</p> <p>Maxwell Sensors, Inc. Founder / CEO</p> <p>Director of smart optical system and sensor</p> <p>Physical Optics Corp.</p> <p>Director, Biomedical Sciences</p> <p>US-NIH Grant review committee</p> <p>Research Scientist - Nonlinear Photonics,</p> <p>University of Arizona College of Optical Sciences</p> <p>52 publications and 15 authorized patents</p>
Gerald Kowalski (Note 1)	Operating Vice President	Bachelor's Degree/ 34 years	Software engineering, team building and all stages of software projects	<p>Michigan Technological University</p> <p>Bachelor of Electrical and Computer Engineering</p> <p>BECKMAN COULTER INC</p> <p>Leader of Software Team</p> <p>BAXTER International Inc.</p> <p>Senior Software Engineer</p>
Jung-Ren Hou	Senior Scientist	Ph.D./ 28 years	Polymer chemistry, organic chemistry, surface chemistry	<p>Bachelor's Degree and Master's Degree in Chemistry, National Taiwan University</p> <p>Ph.D., New York Institute of Technology</p> <p>Postdoctoral Researcher, City University of New York</p>
Gao Chen	Senior Director, Product Manufacturing Division	Ph.D./ 30 years	immuno testing, oncology, biochemistry, bio-engineering, molecular biology	<p>Ph.D., Gembloux Agro-Bio Tech, Belgium</p> <p>Bachelor's degree, Gembloux Agro-Bio, Belgium</p>
Anh Pham (Note 2)	Senior Scientist	Ph.D./ 22 years	Microbiology, biochemistry, infectious disease	<p>Ph.D., Walden University</p> <p>Bachelor's degree, UCLA</p> <p>Research scientist, Quest Diagnostics</p> <p>Molecular Diagnostics, Focus Diagnostics</p>
Elisabeth Laderman	Chief of Scientist (R&D Supervisor)	Ph.D./ 25 years	Biochemistry, Biology	<p>Ph.D. in Biochemistry, California State University, Los Angeles</p> <p>HYCOR Biomedical, LLC. Chief Scientific Officer</p> <p>Vice President of Product Development, Biomerica, Inc.</p>

Note 1 : Managerial officer Gerald Kowalski retired on January 10, 2025.

Note 2: Managerial officer Anh Pham has resigned on March 07, 2025.

(3) Annual budget devoted to research and development for the past 5 years

Unit: NT\$ thousand; %

Year Item	2020	2021	2022	2023	2024
R&D expenses	197,005	205,854	238,370	246,005	272,615
Total operating income	299,015	319,962	390,302	395,169	343,066
R&D expenses as a percentage of operating income	65.88	64.34	61.07	62.25	79.46

Source: Audited consolidated financial statements of the Group.

(4) Successfully developed technology or products

A. Barcoded Magnetic Beads (BMB)

The Group has successfully developed and commercialized Barcoded Magnetic Beads (BMB). Based on the time of development, the products include 32 Plex (5-digit, (25)), 128 Plex (7-digit, (27)), and 4,096 Plex (12-digit, (212)) of BMBs. While the dimension of the products in this series are largely identical, the encoding mode of the BMB has been changed from 1-dimensional encoding to 2-dimensional encoding. This unique encoding method allows 4,096 barcodes or simultaneous detection of 4,096 targets. The 4,096 barcodes are sufficient for use in clinical diagnostic applications of immuno or molecular detection.

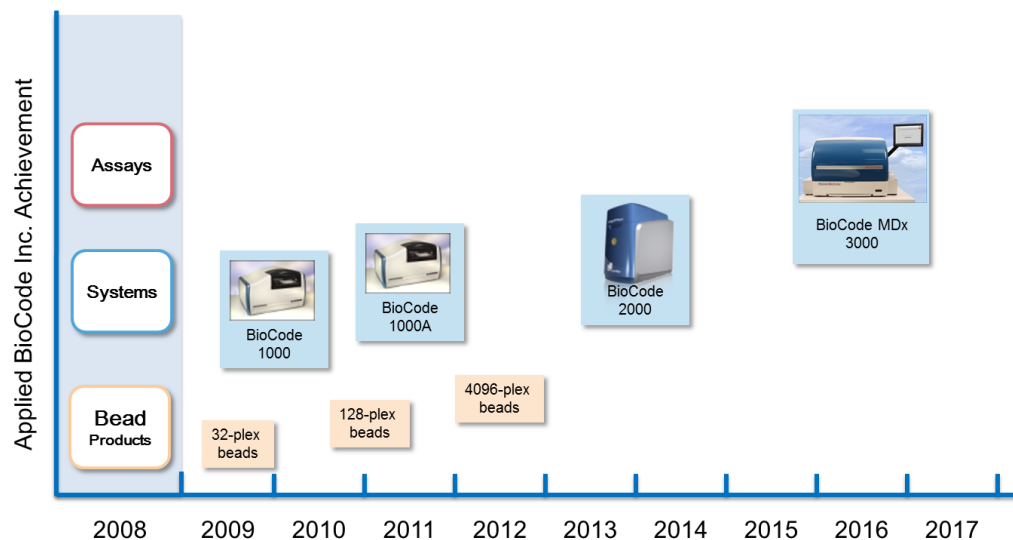
B. Instrument- Optical Scanner

The Group has successfully developed and commercialized automated analyzers, which include the Biocode 1000 and 2500. The products in this series can automatically read BMBs, analyze fluorescence signals, and use them as the basis of quantification/qualification interpretation. The instruments include light sources, scanners, optical filters and optical detectors. The 2500 (II) is a smaller analyzer that uses LED as a high-power light source, which saves on costs and can be integrated with a mechanical fluid system.

C. Instrument-Automatic Analyzer

MDx 3000 is a user-friendly automated system that integrates fluid processing and optical detection systems into a single unit. The user places the 96-well PCR plate into the system, which will then automatically carry out all operations and produce a final test results report. MDx 3000 is an automated multiplex diagnostic system. It is easy to operate and integrates molecular test steps including PCR amplification, cross-linking, cleaning, automatic interpretation and testing. It can be used with our molecular diagnostic reagent kits to provide diverse, high throughput molecular diagnostic result.

Development progress of instruments



Source: compiled by our group

D. In-vitro diagnostics assays (multiplex panels)

The Group has received a 510(k) approval from the USFDA on September 29, 2018 for the “17-Plex Gastrointestinal Pathogen Panel” and the automated diagnostic system MDx3000, and a 510(k) clearance for “20-Plex Upper Respiratory Tract Pathogen Panel” on December 24, 2019. We have also received an EUA from the USFDA for coronavirus test panels on June 16, 2020; an EUA from the USFDA for a pooling test for coronavirus on December 8, 2020; and an EUA from the USFDA for Cov-2 Flu Plus on December 16, 2021; Fungal RUO has been developed, and the LDT protocol has been written by John Hopkins University, Bayler Hospital and other well-known medical centers and introduced into the fungal diagnostic laboratory. The STI+AMR RUO (Sexually Transmitted Infection + Antimicrobial Resistance Research Use Only) detection kit has completed development, with the initial goal of establishing collaboration with the CDC (Centers for Disease Control and Prevention) in the United States. Therefore, the Group has achieved sales and commercialization results of MDx 3000, a fully automated multiplexed testing system for diarrhea, respiratory tract, COVID-19, fungus, sexually transmitted infection and other assays.

4. Short and Long-term business development plans

(1) Short-term business development plans

A. Sales and service teams have been established in the five major U.S. regions. Through recruiting excellent sales talent and providing timely technical services, business development initiatives are beginning to show results. The top 1st, 2nd, 3rd, and 6th largest laboratory groups in the United States have entered the contracting and validation evaluation phase, and we will continue to develop relationships with the top 600 hospitals and large laboratory customers across the United States.

B. Improve collaborative ties with licensed organizations and accelerate the development cycles.

(2) Long-term business development plans

- A. Continue developing more infectious disease test kits and move towards commercialization step by step. The Group's core competitiveness is multiplex testing, high throughput and automation. We will go a step further to target the ability to test antimicrobial resistance markers as our future core development. The clinical trials and evidence collection of products are planned depending on the Company's resources and market feedback, aiming to become the best partner of large hospitals and large testing laboratories in the diversified diagnosis of infectious diseases.
- B. Expand to other test assays such as cancer, allergens, genetic mutations, cytokines, and food tests.
- C. Development plan for test instruments, including the additional functions of pre-test sample preparation and extraction, and semi-quantitative tests for the automated diagnostic system MDx3000. We also plan to develop automated immuno diagnostic analyzer and real-time analyzer (Point of Care Testing, POCT) and expand application markets.

II. Industry, Supply and Sales Overview

1. Market Analysis

(1) Main Locations of Product Sales and Service Provisions

Unit: NT\$ thousand; %

Year		2022		2023		2024	
Location		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Domestic sales		362,955	92.99	357,381	90.44	286,001	83.37
International sales	Europe	215	0.06	-	-	-	-
	Asia	27,132	6.95	37,788	9.56	57,065	16.63
	Others	-	-	-	-	-	-
	Total	27,347	7.01	37,788	9.56	57,065	16.63
Total		390,302	100.00	395,169	100.00	343,066	100.00

Note: domestic sales refers to sales in the United States.

The Group's revenue sources are mainly from BMBs, instruments, in-vitro diagnostics assays, licensing and sales of parts and components. Major markets of sales include the United States, Europe and Asia.

According to our corporation's business development plans, we will focus on assay sales and we will initially focus on the North American markets. Up to the date of publication of the annual report, the Group has successfully commercialized the "17-Plex Gastrointestinal Pathogen Panel", "20-Plex Upper Respiratory Tract Pathogen Panel", coronavirus tests and Fungal RUO in large hospitals and third party laboratories in the United States.

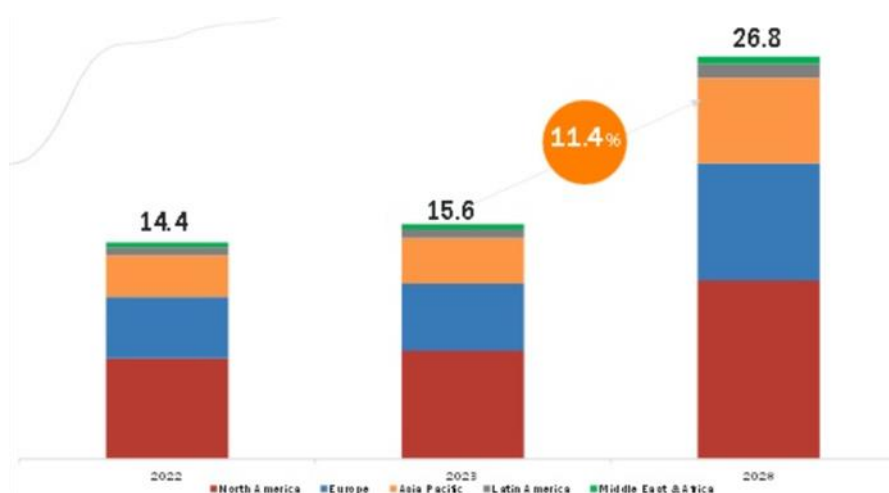
(2) Market shares

The main revenue of 2024 was from the sales of barcoded magnetic beads (BMB) and optical scanners to our authorized clients, income from the royalty fee, as well as the sales revenue from in-vitro diagnostics assays to U.S. laboratories. As the products derived from the commercialized barcoded magnetic beads (BMB) technology purchased by individual authorized client are only part of a product pipeline, more test targets and results are available with the multiplex test platform, which will bring more benefits to our clients. It is anticipated that our clients will depend more heavily on our technology in the future. Overall, more products are still undergoing the commercialization stage. Hence, we are unable to analyze the market share for these products at the time of the publication of the annual report.

(3) Future market supply and demand status and opportunities of growth

According to the research report issued by Marketsandmarkets, the global market for molecular diagnostics reached US\$15.6 billion in 2023, and the market is expected to grow at a compound annual growth rate of 11.4% to US\$26.8 billion in 2028, with the North American market accounting for the largest share. The growth of the market for molecular diagnostics is mainly driven by the prevalence of infectious diseases and cancer, as well as the increase in funds for research and development of molecular diagnostics.

Molecular diagnostics market forecast in 2023



Source: Marketsandmarkets

The multiplex automated molecular diagnostic system provided by our corporation is easy to use, fully-automated, high-throughput, and allows highly varied testings in a small product footprint, which will satisfy the current market needs. In the current molecular diagnostic market, many diversified but low-throughput systems are targeted toward smaller hospitals and clinics; however, as the demand for specimen testing is high in larger hospitals and medical laboratories, products with high-throughput testings are usually favored such as conventional diagnostic instruments from manufacturers like Roche. Although these conventional diagnostic instruments are high-throughput, they could not conduct multiple tests in a single pass and requires more time, money, and

manual labors to provide patients with diagnostic reference and medication guidelines. For clinicians, it is expected that the demand for multiple and high-throughput testing will continue to grow.

Our corporation has selected assays of infectious diseases as self-developed products because infectious diseases have clear diagnostic needs and are covered by insurance subsidies. The following is a brief description of the current market status:

A. GPP “17-Plex Gastrointestinal Pathogen Panel”

Enteritis is a serious global infectious disease. According to a report from the U.S. Centers for Disease Control and Prevention (CDC-Global Diarrhea Burden), 1 out of 9 children deaths worldwide is due to diarrheal disease. Diarrhea is the second leading cause of death for children under 5 years of age. It is estimated that there are 2 billion diarrhea cases every year, resulting in about 1.8 million deaths. Diarrhea cases are the second leading cause of death and the leading cause of malnutrition in children under five. Because the diarrhea symptoms are very similar, doctors often cannot distinguish whether the diarrhea is caused by viruses, bacteria or parasites, which makes treatment difficult, therefore necessitating accurate detection of pathogenic sources to act as a diagnostic basis. According to the research report issued by Global Market Insights, the GI testing market was about US\$600 million in 2022, and is expected to reach over US\$1.2 billion by the end of 2032.

B. RPP “20-Plex Respiratory Infection Panel”

Upper respiratory tract symptoms are the most common infectious disease. Allows rapid identification and phenotyping of clinically common bacteria and viruses and can determine respiratory infection as early as possible, which lowers treatment costs. If respiratory diseases are not monitored immediately and effectively, they can often cause large-scale infections, leading to issues like deaths and potential drug abuse. Respiratory pathogens, especially those found in children, the elderly and patients with weakened immuno systems, include the following: viruses (H1, H1N12009, H3 subtype), influenza B virus, respiratory syncytial virus (type A and B), para-influenza virus (type 1, type 2, type 3, type 4), human metapneumo virus (Type A and B), rhinovirus, enterovirus, coronavirus (OC43, HKU1, NL63, 229E), adenovirus, Mycoplasma pneumoniae, Chlamydia pneumoniae, and Bacillus pertussis. According to the research report issued by Allied Market Research, the market scale of the global respiratory pathogen detection kits was about US\$2.2 billion in 2021, and is expected to grow at a compound annual growth rate of 5.5%, and will reach US\$3.7 billion in 2031.

C. Series of diagnostic reagents related to COVID-19 (SARS-Cov-2, Cov-Flu-PLUS)

Since 2019, the spread of COVID-19 has hit countries hard around the world, and

the situation is still relatively serious as of now. However, with countries starting to administer vaccines as a means to recover the economy, testing at the same time continues to reach its peak to. By making such effort, it ensures the effectiveness of the vaccination so that people will be able to travel and carry on with their day-to-day life. Our Group has received a U.S. FDA license for and commercialized the coronavirus test panels (including pooling) and Cov-2 Flu Plus.

D. Fungal-Analyte Specific Reagent (Fungal ASR)

Symptoms of fungal infections include pneumonia, meningitis, blood infection, allergy and skin infection. Among these, *Cryptococcus* is the most commonly observed fungus in fungal meningitis. *Candida auris* is the 4th ranking pathogens aside from bloodstream infection. Its mortality rate is estimated between 35 and 55% and is a common type of pathogen for nosocomial infections. The *Candida auris*, known for its multiple drug resistance characteristic, has a mortality rate of about 30 to 60% for those infected, and is listed as one of the emergency threats by the U.S. CDC. This fungal test panel includes: (A) fungus (*Aspergillus* spp. (including *Aspergillus fumigatus*, *Aspergillus flavus*, *Aspergillus niger*, *Aspergillus terreus*), *Mucor* (including *Mucor indicus*), *Rhizopus* (including *Rhizopus microspores*, *Rhizopus oligosporus*), *Cunninghamella bertholletiae*, *Fusarium oxysporum*, *Fusarium solani*, *Scedosporium apiospermum*, *Scedosporium prolificans*)), (B) Yeasts (such as *Candida* (including *Candida albicans*, *Candida glabrata*, *Candida krusei*, *Candida parapsilosis*, *Candida tropicalis*, *candida auris*), *Cryptococcus neoformans*). According to the research report issued by Future Market Insights, it is estimated that the application market of fungal testing will be US\$1.72 billion in 2023, which will grow exponentially and will reach more than US\$4.504 billion in 2033.

E. 20-plex Fungal Panel RUO

Based on the market information stated above for fungal-analyte specific reagents, the Fungal Panel RUO is designed specifically to target pneumonia, blood infection and skin infection. For our clients, it is easier to introduce than ASR. Once the product has been validated by LDT, the test result can be used as diagnostic reference.

F. STI + AMR RUO

According to the WHO data, at least 0.37 billion people are infected with sexually transmitted disease (STD) every year. The risk of STD and resistance mutation among pathogens also increases in specific populations with multiple partners and group sex. Drug resistance of pathogens is considered by public health experts to be one of the major threats to the modern human society. Due to the widespread usage of anti-biotics and mutation of pathogens after multiple infections, there are more pathogens nowadays that have begun developing resistance to medication. According to a 2019 report by the U.S. CDC, about 2 million people in the U.S. were diagnosed with drug-

resistant pathogens annually, resulting in about 35,000 deaths per year. As the drug resistance of pathogens can be determined by their special genetic fragments- the drug-resistance markers-, additional screening of bacterial drug-resistance when detecting these pathogens of sexually transmitted disease can be a very useful information for clinical diagnosis. Resistant gonorrhea is considered the most refractory sexually transmitted threat by the public health community. In most clinical practices, the first step is to screen the sexually transmitted infections and followed by a genetic analysis of drug resistance. Our goal is to introduce a first-line test tool for infectious disease with the option of including drug resistance genes. This will allow more timely treatment while eliminating the overuse of antibiotics. According to a research report issued by MarketsandMarkets in July 2023, the global market for infectious disease molecular testing is estimated to be US\$1.7 billion in 2023, and is expected to grow at a compound annual growth rate of 8.6%, reaching US\$2.7 billion in 2028.

G. Prosthetic Joint Infection RUO

With the prolonging of life expectancy, joint replacement has become more common in an aging society. The WHO estimated in 2014 that the prevalence of artificial hip and knee joints in the global population between 60 years old and the average life expectancy was 10% in male and 18% in female. Both the joint replacement surgery and the prolonged abrasion from before and after the surgery can cause inflammation that becomes a lesion for prosthetic joint infection. According to the US NIH investigation, the rate of prosthetic joint infection after a total hip and total knee joint replacement is 3% to 2%, respectively. The massive potential market for prosthetic joint replacement will create a huge demand for infection tests. According to the research report issued by DelveInsight, the estimated market value of artificial joint infection testing is US\$58 million, of which the United States is the largest market.

H. AMR Panel RUO

Drug resistance of pathogens is considered by public health experts to be one of the major threats to the modern human society. Due to the widespread usage of antibiotics and mutation of pathogens after multiple infections, there are more pathogens nowadays that have begun developing resistance to medication. Nowadays, the antimicrobial resistance is determined primarily by susceptibility test. This test still has a lot of shortcomings including highly manpower consuming, one single marker at a time and a wait time up to 24 hours. According to a research report by MarketsandMarkets in February 2023, the global market for antimicrobial resistance testing was estimated to be approximately US\$3.6 billion in 2022. The market is projected to grow at a compound annual growth rate (CAGR) of 5.5%, reaching US\$4.7 billion by 2027.

I. Urinal Track Infection

Urinary tract infection (UTI) is a common indication of community and nosocomial infection. According to the report from the National Institutes of Health, the total expenses related to the medical care of UTI is estimated to be about 3.5 billion USD. The severity of infection may be increased significantly with complications like urinary stones, insertion of urethral catheters, and patients who have undergone urinary surgery. Common pathogens that can cause urinary tract infections include *Escherichia coli*, *Citrobacter freundii*, *Acinetobacter baumannii*, *Proteus mirabilis*, *Enterococcus*, *Klebsiella*, *Enterobacter*, *Morganella*, *Mycoplasma* and *Chlamydia*. According to the research report issued by Persistence Market Research, the global UTI testing market is expected to grow from US\$598 million in 2023 to US\$905.1 million by the end of 2030 at a compound annual growth rate of 6.1%.

J. Vaginosis

Female vaginitis comes in many forms, including Candidiasis (yeast infection), bacterial vaginitis, viral vaginitis, trichomoniasis and non infectious vaginitis. Considering the efficiency and insurance reimbursement in the clinical practice in the U.S., a negative result of pathogens by a single rapid screening test is usually confirmed by a molecular test approach. The prolonged diagnosis and treatment time often causes inconvenience and health deterioration in women's life. As a result, there is still a high unmet demand for an insurance-covered, comprehensive molecular testing that shortens the time to diagnosis. According to the research report issued by Transparency Market Research, the total market for vaginitis infection testing of all types is about US\$1.7 billion in 2021, and the market is expected to grow at a compound annual growth rate of 9.5%, and will reach US\$4.1 billion in 2031.

K. Opportunistic Infection

Immunosuppressed populations, such as the elderly, cancer patients and immunocompromised patients, HIV patients are more prone to opportunistic infections. Infection-causing pathogens including *Aspergillus* spp., *Fusarium* spp., *Mucor* spp., *Rhizopus* spp. and *Cryptococcus* spp., are all covered in our existing test kits. After re-grouping, we plan to introduce test kits for opportunistic infections via RUO for test facilities specializing in this field.

L. 120-Plex Allergy Diagnostic Panel and Automated Immunoassay System

The Group intends to develop 120-Plex Allergy Diagnostic Panels and Automated Immunoassay Systems in the future mainly to target diseases related to allergies, including asthma, rhinitis, angioedema, urticaria, conjunctivitis and eczema. Populations suffering from these diseases are rapidly increasing due to industrial pollution and population growth. For the asthmatic population alone, the World Health Organization forecasts that the global asthmatic population will growth to 400 million people by the year 2025. Allergies result in an increase of direct medical costs and

decrease of social behavioral efficiency; the decrease in work efficiency will result in health burdens for all. Treating these kinds of diseases requires effective testing tools of allergens.

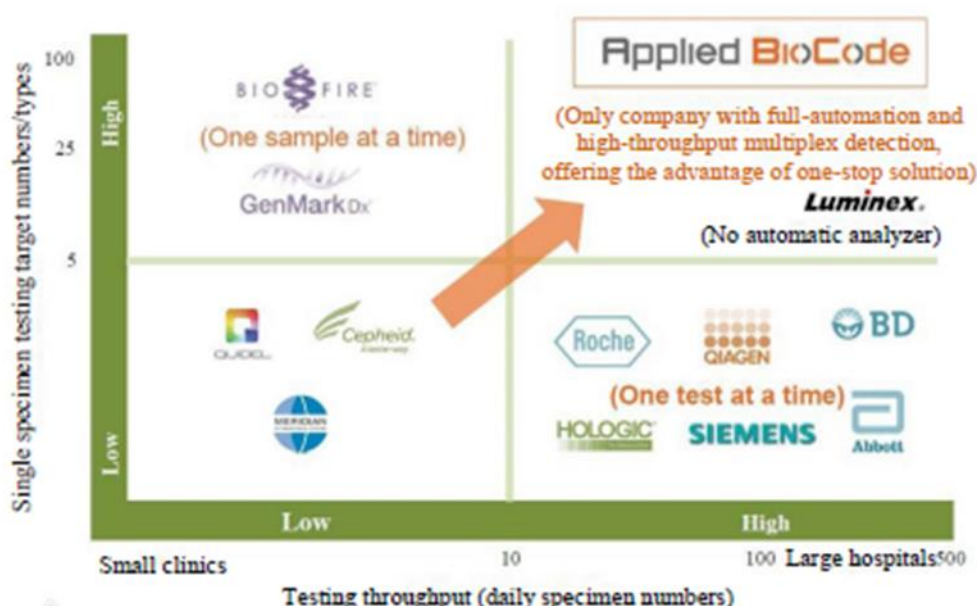
M. Liquid Biopsy

Testing circulating tumor DNA (ct-DNA) to determine the incidence of tumor formation or treatment efficacy is a novel molecular test application. According to a report by Global Market Insights, the production value for this application reached US\$1.2 billion dollars in 2020. However, it is estimated that the annual growth rate will achieve 29.7% in 2027, while the market scale will exceed US\$10 billion. The convenience created by the transformation of sample collection from tissue biopsy to blood collection for cancer detection and reduced invasiveness, along with the drug development by several immunotherapy and cell therapy companies that target the association between specific ct-DNA and effective treatment, implied that liquid biopsy is likely to contain the key messages to changing how we fight cancer. A companion diagnostics company, Guardant Health, recently approved by the U.S. FDA reached a market value of USD6 billion dollars in 2021. Another company approved by the FDA, Foundation Medicine, was purchased by Roche Diagnostic in 2018 for USD2.4 billion dollars. Most of these types of index corporations use genetic sequencing as a platform for tumor DNA analysis, which is time consuming and requires bioinformatic service to translate the data for interpretation. In line with the diverse test features offered by the Barcoded Magnetic Beads, our Company hopes to isolate multiple types of ct-DNAs for PCR test, hoping to reduce the test time and lower the cost of testing. This concept is currently undergoing feasibility testing.

(4) Competitive niche

A. High-throughput, high efficiency, automation

BMB can be used together with the instruments developed by our corporation for analysis. The MDx 3000 is a fully automated multiplex detection system that is easy to operate and integrated many molecular detection steps such as PCR amplification, hybridization, washing and automated reading and interpretation. Up to 4,096 tests can be performed on a single specimen, and up to 188 specimens (8 hours) can be operated and analyzed simultaneously. Compared to the market competitors like Roche and Luminex, while their products also have a high-throughput capability, Roche's offering does not have multiplex detection capability, and neither Roche nor Luminex has full automation built in their systems. Comparing the xMAP instrument of Luminex where each step must be manually completed, our MDx 3000 can reduce the total operation time to 3.5 hours. In addition, full automation can reduce manual operation errors and labor costs, demonstrating the competitive advantages of our corporation's technology platform.



Source: compiled by our group

B. High yield and good stability

BMBs are produced with semiconductor manufacturing technology. As the semiconductor industry has rapidly advanced in the past decades, this production technology's stability is very high and much more stable than other market competitors that offer fluorescent-labeled analog multiplex detection systems. In addition, the fluorescent beads of Luminex are photosensitive and must be stored in darkness. Otherwise, the fluorescent dye will lose its color intensity. The Luminex fluorescent beads are also difficult to produce and can be affected by different barcode reading rates between different batches.

C. Cost advantages

Since the production of Barcoded Magnetic Beads (BMB) is based on a semiconductor manufacturing process that can scale to mass production, the production costs of BMB are competitively advantageous compared to the multiplex detection system of Luminex's fluorescent beads.

D. Proprietary technology and patent protection

Our corporation has previously obtained exclusive, irrevocable and permanent licensing from Maxwell Sensors for our core intellectual property rights, excluding the application in the same fields under our corporation by Maxwell Sensors and third parties. We also have the right to re-authorize applications by third parties. Such core intellectual property rights have been transferred and provided to our corporation. The Group is the developer and technology proprietor of the Barcoded Magnetic Beads (BMB) assay platform, we can collaborate with international vendors through licensing. This technology platform has obtained multiple patents in the U.S. and the world, including various BMB core patents (7,871,770, 7,858,307, 8,232,092, 8,148,139 and 9,255,922 are approved by the United States Patent and Trademark Office; the European Union Intellectual Property Office approves EP2342561B1; CN 102246037 B is approved by Chinese Patent). Our corporation's critical technologies' intellectual property rights are the following four: Barcoded Magnetic Beads (BMB), Light transmitted assay bead, Biocompatible and photocurable polymer, Image Decoding and System. When combined, these patents protect our corporation's technologies and ensure their applications in various biomedical fields. In 2012, we will apply for four patents for extended Barcoded Magnetic Beads from the U.S. Patent and Trademark Office, in order to better protect our group's core technologies.

Patent Number	Patent name	Country of Application	Date of Approval
7,871,770	Barcoded Magnetic Beads Structure and Materials Barcoded Magnetic Bead Manufacturing and Structure	United States	2011/01/18
7,858,307	Barcoded Polymer Beads	United States	2010/12/28
8,232,092	Apparatus and Method for Analyzing Digital Magnetic Beads Barcoded Magnetic Bead Optical Scanner	United States	2012/07/31
8,148,139	Manufacturing and structure of Barcoded Polymer Beads	United States	2012/04/03
CN 102246037 B	Bio-compatible Polymer Materials for Barcode Magnetic Beads	China	2014/05/21
9,255,922	Biocompatible and photocurable Polymers	United States	2016/02/09
EP2342561B1	Biocompatible and photocurable Polymers	Europe	2019/06/26

Patent Number	Patent name	Country of Application	Date of Approval
PCT/US08/08529	Apparatus and Method for Digital Magnetic Beads Analysis	PCT	—
PCT/US09/60043	Biocompatible and Photocurable Polymers	PCT	—
US20240253055A1	Integrated Magnetic Bead Assay Processing Method and Apparatus	United States	—
WO2024/163657A1	Integrated Magnetic Bead Assay Processing Method and Apparatus Barcoded Magnetic Bead Instrument	PCT	—
US2024/046198	Process for High Performance Barcoded Magnetic beads High-Performance Barcoded Magnetic Beads	PCT	—
WO2025/024151A1	Method for Dynamic Range Expansion for Multiplex Assays	PCT	—
US20250034629	Method for Dynamic Range Expansion for Multiplex Assays	United States	—

Source: compiled by our group

(5) Advantages and Disadvantages of Development Prospective and Corresponding Measures

A. Advantages

(A) Technology platform that meets the market trend

As the world's population structure continues the aging trend and the concepts of preventive medicine gain maturity, governments of various countries began to value healthcare and the population's welfare. The improvement of personal economic status and changing healthcare concepts have resulted in continuous expansion and growth of the global healthcare markets. In recent years, the biotechnology industry has paid much attention to precision healthcare and personalized medicine. It is expected that in-vitro diagnostics, such as molecular and immuno diagnosis, will become a popular development field. The multiplex diagnostic technology platform of our corporation can satisfy the three market trends simultaneously: 1. Multiple testing, 2. High throughput, and 3. automated operation. In response to the rapid growth of the personalized medicine and precision medical markets, our corporation's testing platform has high compatibility and expandability, making it easy to incorporate new diagnostic targets into our products. Additionally, in response to the multiplex testing market's highly variable demands, our BMB technology platform has good flexibility on diagnostic expansion, allowing rapid inclusion of new biomarkers.

(B) International Brand and Proprietary Technology

The Group is the developer and technology proprietor of the Barcoded Magnetic Beads (BMB) assay platform. This technology platform is protected by various international patents. Through licensing to international vendors, we collect pre-payments and royalties to the licensees and engage in sales of BMBs to licensees, generating technology royalty and revenue for our corporation.

(C) Application in Diverse Disciplines

The scope of application of our corporation's technology platform covers wide market applications like clinical diagnosis, academic research, agriculture testing, animal health testing and environmental testing, in addition to our core diagnostic applications in immuno and nucleic acid analysis. Our BMB technology has been successfully licensed to various international vendors for use as a development platform for various diagnostic products, demonstrating the recognition received for our platform's application value.

B. Disadvantages and corresponding measures

- (A) Existing market competitors: BMB is an innovative technology platform. The existing competitors in the market of multiplex diagnostic can present a threat to the future market share expansion of the BMB technology platform. A major competitor of similar characteristics to our platform is the xMAP system of Luminex, which has been successfully implemented in hospital markets. Compared to our BMB technology platform, Luminex has the advantage of technology and brand familiarity. Other competitors on the market: vendors like Biofire and Genmark provide single-use cassette type operation platforms (one specimen per cassette). Although the volume of specimens is lower, they are nevertheless potential competitors of our corporation.

Corresponding measures

- a. Each step of the Luminex xMAP operation requires manual input, which is time-consuming and challenging to control the quality of results. Our corporation's MDx 3000 is a fully automated operation platform, which reduces labor costs and can decrease total operation time to 3.5 hours. It also has the advantages of easy operation, prevention of DNA contamination, and ease of maintenance and repair. The Group will continue to promote our products through authoritative seminars in the field of clinical diagnosis, publication in international journals, and participation in international conventions so that we can increase our brand visibility and emphasize our unique automation advantages.
- b. Compared to Biofire and Genmark, whose products do not possess high-throughput capacity, our products are positioned toward high test volume users such as major hospitals, which allows our products to compete for different market objectives. Our corporation's high-throughput feature allows our product to reduce personnel operation time, a shorter testing cycle, and lower costs per diagnosis.

(B) Costs invested during the research and development phase: The Group was founded fairly recently, and being a biotechnology and medical research and development company, it takes a long time for products to go on sale, as the process requires multiple verifications and clinical trials. If there is no fixed revenue or continuous injection of external funding, it is difficult for us to support the research expenses, and failure of product development will also impact the Group's financial affairs. Therefore, sound financial planning is of paramount importance to the Group's operations.

Corresponding measures

- a. The BMB technology platform can be applied in a wide range of fields. Our BMB technology has been successfully licensed out to various international vendors for research and development in clinical diagnosis and animal health testing. We collect royalty fees from licensees, which, along with BMBs or instruments' sales, have brought in revenue streams for our corporation.
- b. Considering the definitive diagnosis and insurance coverage for infectious disease, the Group persisted in the self-development, production and sales of products for infectious disease and have successfully obtained market approval and achieved commercialization for these products. We will further expand our sales channels and collaboration with international companies with the hope of rapidly expanding our market share.
- c. Utilize capital market fundraising opportunities to increase diversified outlets for financing.

2. Key usage and production processes of main products

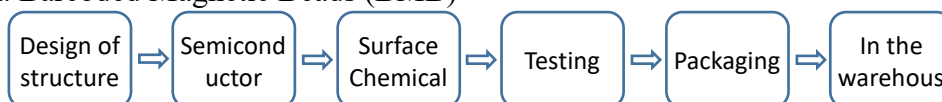
(1) Key usage of main products

The BMB technology platform developed by the Group can be applied to nucleic acid and immuno testing principles. Therefore, it can be applied to a wide range of markets, such as clinical diagnosis, technology research, agriculture, animal health, food industry and environment testing. Following is a brief description of the main products developed or currently in development by the Group, and their key usage:

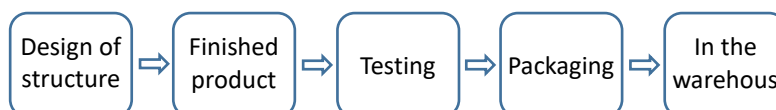
Product name	Key usage
Barcoded Magnetic Beads (BMB) (Barcoded Magnetic Beads, BMB)	BMB can encode up to 4,096 unique numbers and bind with DNA, antibodies, or antigens for specific binding and identification of target compounds. It can be used as a carrier for in-vitro diagnostic assays and can be applied to the diverse fields of clinical diagnostic, agriculture and animal health.
Optical Scanner (Optical Scanner)	A testing instrument that complements the Barcoded Magnetic Beads (BMB) acts as a diagnostic and analysis platform for proteins and nucleic acids. Our BC2500 is an analytical instrument designed for sale to authorized customers. The Biocode MDx 3000 is targeted to hospitals and third party laboratory clients, and has the advantages of fully automated molecular assays, high-throughput, highly diverse testing, ease of operation and small product footprint. Our Group is currently developing automated testing instrument for immunoassay.
Reagent/In-vitro diagnostic assay (Panel) (Reagent)	Diagnostic panel reagents based on BMB technology comprise mainly of molecular and immunoassay products. Panels are divided based on different indications and test targets. Medical personnel can generate important clinical diagnosis basis by following the instructions and operate the tests. Our philosophy is to develop multiple in-vitro diagnostics assays panels for the same testing instrument, which maximizes the testing efficiency for the customer and increases the number of items available.

(2) Manufacturing process of primary products

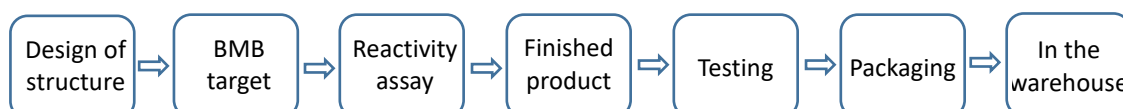
A. Barcoded Magnetic Beads (BMB)



B. Instrument- Optical Scanner



C. Reagent



3. Supply of primary raw materials

Primary products	Primary raw materials	Primary country of origin	Supply situation
Barcoded Magnetic Beads (BMB)	Wafer fabrication	Taiwan	Adequate
Optical Scanner	System manufacturing	Taiwan/China	Adequate
Reagent/In-vitro diagnostic assay (Panel)	Chemical raw materials	United States	Adequate

4. Significant changes in primary products or gross margin in divisions for the most recent 2 fiscal years

(1) Comparative analysis of changes in the gross margin of primary products for the most recent 2 fiscal years

Unit: NT\$ thousand

Item \ Products	Barcoded Magnetic Beads (BMB)		Optical Scanner		Reagent	
	2023	2024	2023	2024	2023	2024
Net sales	205,593	145,180	7,093	4,385	144,384	147,796
Gross profit	148,763	81,468	2,050	1,467	90,741	85,996
Gross margin (%)	72.36	56.1	28.90	33.4	62.85	58.2
Change in gross margin (%)	16.94	(22.47)	(29.02)	(15.57)	(8.23)	(7.4)

(2) Description of the change in the gross margin of 20% or more:

The decrease in gross profit margin of Barcoded Magnetic Beads in 2024 was due to customer Company I placing large orders for Barcoded Magnetic Beads at the end of 2023 to maintain safety inventory levels, which significantly reduced orders in 2024, resulting in a decline in the company's gross profit margin. However, after a one-year absorption period, it is expected that Company I will increase order volume starting from the first quarter of 2025, which should restore the gross profit margin to normal levels

5. List of main purchasing and selling customers

(1) The names of the suppliers who have accounted for more than 10% of the total purchase amount in any of the most recent 2 fiscal years, and the amount and proportion of the purchase amount, and explain the reasons for such increase or decrease.

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	As a percentage of the total net annual purchase (%)	Relationship with the issuer	Name	Amount	As a percentage of the total net annual purchase (%)	Relationship with the issuer

1	Company P	31,002	21.35	None	Company S	31,204	34.92	None
2	Company A	22,976	15.82	None	Company P	14,344	16.05	None
3	Company S	19,786	13.62	None	Company W	14,249	15.95	None
4	Company W	18,683	12.86	None	Company A	12,832	14.36	None
5	Company C	15,426	10.62	None	Others	16,733	18.72	—
6	Others	37,356	25.73	—				—
Net purchase		145,229	100.00	—	Net purchase	89,362	100.00	—

Due to the increase in demand for various multiplexed molecular testing assays in 2023, the Group purchased reagent compounds (such as enzyme and buffer) from Company P, and also purchased silicon wafers from Company A to ensure BMB and various multiplexed testing assays. These companies have become the main suppliers of the Group in 2024. However, in order to meet the future market deployment and clinical trial needs, the Company continues to purchase parts and components for optical instruments and in-vitro diagnostics assay and testing instruments, so that Company S, Company W and Company C still account for a certain percentage of suppliers.

- (2) The names of the customers who have accounted for more than 10% of the total sales amount in any of the most recent 2 fiscal years, and the amount and proportion of the sales amount, and explain the reasons for increase or decrease

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	As a percentage of the annual total sales (%)	Relationship with the issuer	Name	Amount	As a percentage of the annual total sales (%)	Relationship with the issuer
1	Company I	199,232	50.42	None	Company I	122,858	35.81	None
2	Company Q	92,514	23.41	None	Company Q	79,616	23.21	None
3	Others	103,423	26.17	-	Company L	56,803	16.56	None
4	-	-	-	-	Others	83,789	24.42	-
-	-	-	-	-	-	-	-	-
-	Total sales	395,169	100.00	-	Total sales	343,066	100.00	-

Benefited from the technology licensing customer Company I and L's successful commercialization of multiplexed serum and fecal test reagents for cats and dogs, the number of Barcoded Magnetic Beads (BMB) purchased from me continues to increase. In addition, Company Q continued to purchase from me testing reagents for GI, respiratory, COVID-19, and COVID-19 combined with influenza testing, and these customers have become the main customers since 2024.

III. Number of Employees of past two years

1. Number of workers in the most recent 2 fiscal years and as of the publication date of the annual report

Year Item		End of 2023	End of 2024	End of March 2025
Number of employees	Management personnel	18	13	12
	Research and technology personnel	49	50	52
	Other employees	16	19	19
	Total	83	82	83
Average age		43.0	42.6	42.6
Average length of service		4.42	4.59	4.54
Education distribution ratio	Ph.D. Degree	16%	15%	13%
	Masters Degree	14%	13%	15%
	University and College Degree	65%	65%	65%
	Senior high school	5%	7%	7%
	Below high school	-	-	-

2. The employment turnover and movement of managerial officers, and technology and research and development personnel, and other employees

Year Item		2023		2024		As of the end of March 2025	
		Number of personnel	Ratio (%)	Number of personnel	Ratio (%)	Number of personnel	Ratio (%)
Separated employees	Managerial officer	3	18.75	4	21.05	1	50.00
	Research and technology personnel	6	37.50	9	47.37	1	50.00
	Other employees	7	43.75	6	31.58	0	0.00
	Total (A)	16	100.00	19	100.00	2	100.00
Number of active employees at the end of the period (B)		83		82		83	
Turnover rate (%)=A/(A+B)		16.16		18.81		2.35	

Note: Separation rate = separated employees / number of active employees at the end of the period+separated employees).

IV. Environmental Expenditure

- Companies are required by law to apply for permits for pollution facility installation or emissions, pay pollution prevention and control fees, or establish dedicated environmental personnel. A description of the application, payment, or establishment situation: the Group's subsidiary ABC-US employs qualified institutions to recycle wastewater on a regular basis, in accordance with the Department of Public Health and the Santa Fe Springs Fire Department. The hired institution reports to the competent authority, which issues

a limited number of licenses for medical waste production and waste generation each year. In addition, the sub-subsidiary ABC-TW applied for an environmental facility review. Upon review, the Environmental Protection Bureau found that the air pollution is not an industry that should be applied for, and the noise only needs to comply with the noise control. Waste water is taken into the public sewer to prevent water pollution. The industrial waste hands-free waste cleanup plan is not a business responsible for announcing wastes that should be recycled; so far there is no need to apply for a pollution facility installation permit, pollution discharge permit, pollution prevention and control fees should be paid, or the establishment of a dedicated environmental protection unit.

2. Set forth the group's investment in the major anti-pollution facilities, the use purpose of such facilities, and the possible effects to be produced: The Group has not been required to install environmental pollution prevention equipment as required by law.
3. Describe the process undertaken by the group on environmental pollution improvement for the most recent 2 fiscal years and up to the prospectus publication date. If there had been any pollution dispute, its handling process should also be described: The Group has not been penalized by environmental protection authorities on environmental pollution matters or had any pollution dispute.
4. Any losses suffered by the Group in the last fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: In the past two years and as of the printing date of this annual report, there were no losses as a result of environmental pollution (including and violation of environmental protection laws and regulations as a result of environmental audits).
5. Explain the current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the group, as well as the projected major environment-related capital expenses to be made for the coming 2 fiscal years: As the Group has not been involved in environmental pollution incidents, there is no impact of significant impact on the Group's profits, competitive position and capital expenditures.

V. Employer-Employee Relation

- (I) The Company's various policies including employee safety and working environment protection, welfare measures, continuing training, training, retirement systems and their implementation, as well as agreements between labor and management and various employee rights protection measures

1. Employee safety and working environment protection

The Group has set up an occupational safety and health management department in accordance with the law, and has defined the procedures for "work environment control and employee health" in the quality management system. The implementation steps include ensuring employee health, environmental cleanliness and pollution control, environmental control, and abnormal condition identification and recording. The specific identification and recording matters and the monitoring frequency include but are not limited to: Office area cleaning (weekly), manufacturing area environmental cleaning and recording (daily), site control (electronic access), personnel safety protection (active detection at any time as required by the company), temperature control records (daily), safety protection equipment inspection (monthly), and employee safety training (once a year). Based on the significance of the situation, the Company will make reports from time to time or at regular management review meetings. The monitoring records for 2024 showed no employee or workplace hazards as confirmed at regular management review meetings.

2. Employee benefits

Not only does ABC-KY's primary place of business, Applied Biocode, Inc., handles the employee's benefits in accordance with applicable regulations of the Social Security Program Rules and Labor Law, Medical Insurance, Dental Insurance and Worker's Compensation Insurance and retirement Plan-401K are also provided, ensuring employees' related benefits. Employees of ABC-TW are also covered by Labor insurance and National Health Insurance as required by the Taiwan government, protecting employees' rights and interests. So far, incidents that affected the rights and interests of employees have not occurred.

3. Employee education and training

- (1) Newcomers

On the first day of employment, an introduction to the Company's work rules, environment, supervisors and colleagues is explained to newcomers by HR personnel.

- (2) On-the-job training

In an effort to accommodate the organization's goals and manpower development to improve

the quality of personnel, after approval, professional capability and work efficiency, employees are offered a variety of professional and technical training courses according to different functions and business needs. e-Learning and book clubs are also promoted in the Company to encourage the employee to share and exchange their knowledge to enhance their academic skills to help achieve their work tasks. Moreover, we provide convenient and diverse learning outlets and opportunities by cultivating talented professional and technical individuals.

4. Retirement system and implementation status

ABC-KY makes contributions to labor pensions according to local laws and regulations so that employees can concentrate on their work without worries. In accordance with Federal Insurance Contribution Act (FICA), Applied Biocode, Inc.'s primary place of business currently contributes 12.4% of the employee's monthly salaries to the Social Security Tax (shared by both the employer and employee at 6.2%) and 2.9% to the Medicare's Hospital Tax (shared by both the employer and employee at 1.45%). After employees retire, they will be entitled to social security benefits, including pension, disability benefits and federal hospital/medical insurance, etc. Applied Biocode, Inc. also offers a pension system (Retirement Plan -401K), allowing employees to contribute 1%-20% of their monthly salary to their retirement account. Employees are free to choose to join the investment plans launched by financial institutions selected by the Company. The amount contributed by the employee can be deducted from the reported income until retirement, when tax will be imposed. On the other hand, ABC-TW contributes labor pension funds to a dedicated account of the Bureau of Labor Insurance required by the Taiwan government. Pension funds are provided to retired employees in accordance with the retirement plan.

5. Agreements between labor and management and various employee rights protection measures

The Group has formulated working rules in accordance with laws and regulations to clearly regulate labor conditions to protect the rights and interests of employees, allowing their rights and interests to be handled fairly and reasonably. Up to now, incidents that would damage the rights and interests of employees have not occurred.

- (II) Any losses suffered by the Company in the last fiscal year and up to the annual report publication date due to labor-capital disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: We have always regarded our employees as the most precious assets, and the relationship between labor and capital has been harmonious, hence, there have not been any major disputes.

VI. Information and Technology Security Management:

- (I) Clear description of the information security risk management framework, information security policies and concrete management approaches, and investment of resources in information and technology security management

1. Information security risk management framework

The Group has set up an Information Management Department, which is responsible for the overall planning of information security matters encompassing the formulation of internal information security policies, planning and execution of information security operations, and raising of information security awareness among staff members.

The Audit Room is the supervisory unit responsible for the supervision of information security implementation status. It conducts annual audits to ensure that information security policies are properly enforced.

2. Information security policies and concrete management approaches

All staff members of the Group have the duty and obligation to comply with information security regulations and maintain information security inside the Company. The Information Management Department conducts regular reviews of information security measures, adds phishing email reporting mechanisms and strengthens firewalls and network controls. In addition, security-related training and education is provided from time to time to ensure that no confidential information is leaked.

3. Resources input to information and technology security management

Despite the fact that the Group has adopted comprehensive information security protection measures, and has hired external information security consultants to regularly review the information security protection measures. Network attacks of any form still cannot be completely ruled out. With a view to minimizing the damage caused by potential network attacks on the Group's business operations, information security insurance has been effective to protect the Group's operations and safeguard shareholder rights and interests.

- (II) The Company is required to disclose losses sustained due to information security deficiencies in the most recent year until the annual report's publication date, in addition to estimated amounts and response measures currently in place or expected to occur in the future. Where reasonable estimates are impossible, reasons shall be specified: The Group has established an information security framework and is committed to strengthening the information security awareness of its employees. No information security-related material losses occurred in the reporting period.

VII. Important Agreements

Agreement Nature	Party concerned	Contract start/end date	Main content	Restricted Terms and Conditions
Development Agreement	Accel Biotech, Inc.,	March 15, 2013	Entered into an agreement with Accel Biotech, Inc. for product development and design services.	None
Technology License Agreement	PerkinElmer, Health Sciences, Inc.	December 28, 2014	PerkinElmer was licensed to purchase ABC-KY's BMB technology, assays and instruments for product development. It was also responsible for commercializing the systems and providing them to customers of vitro diagnostic laboratories in specific fields.	None
OEM agreement	Asia Pacific Microsystems, Inc.	July 07, 2016	ABC-KY entered into an OEM agreement with Asia Pacific Microsystems, Inc. for the manufacturing of products.	None
OEM agreement	CrystalVue Medical Corporation	March 15, 2017	ABC-KY entered into an OEM agreement with CrystalVue Medical Corporation.	None
Non-Exclusive Licensing and Supply Agreement	Zhuhai Livzon Diagnostics Inc. (Zhuhai Livzon Pharmaceutical Group)	July 04, 2017 - July 3, 2027	Zhuhai Livzon Diagnostics Inc. was licensed to purchase ABC-KY's BMB technology, assays and instruments for product development. It was also responsible for commercializing the systems and providing them to customers of vitro diagnostic laboratories in specific fields.	None
Technology Licensing and Supply Agreement	IDEXX Technologies GmbH	October 10, 2017 - December 31 2036	BMB and multiplex immunoassay are sold exclusively to IDEXX Technologies GmbH in the non-human health field, and IDEXX Technologies GmbH agrees to a minimum annual purchase volume.	None
OEM agreement	Suzhou Sym-Bio Lifescience Co., Ltd.(Subsidiary of Perkin Elmer)	November 30, 2017	ABC-KY entered into an OEM agreement with Perkin Elmer.	None
Non-Exclusive License Agreement	Accel Biotech, LLC	April 01, 2018	Attained a non-exclusive license from Accel to use its molecular diagnostic analysis equipment.	None
Plant Lease Agreement	PPF INDUSTRIAL 12016 TELEGRAPH RD, LP	September 02, 2019 - October 31, 2025	ABC-US entered into a plant lease agreement.	None

Agreement Nature	Party concerned	Contract start/end date	Main content	Restricted Terms and Conditions
Non-Exclusive Licensing and Supply Agreement	ALPCO	October 21, 2019 - October 21, 2029	ALPCO was licensed to purchase the Group's BMB technology, assays and instruments for product development. It was also responsible for commercializing the systems and providing them to customers of vitro diagnostic laboratories in specific fields.	None
Non-Exclusive Licensing and Supply Agreement	Hardy Diagnostics	August 13, 2021	Authorization of Hardy Diagnostics to utilize the Company's technologies for the development of testing products in the field of food safety	None
Licensing Agreement	Medline Industries, LP	March 27, 2023 - March 26, 2026	Authorization for sales of diagnostic analysis system and reagents signed with Medline Industries, LP.	None

Five. Analysis of Financial Position, Performance, and Risk

I. Financial Position

List the main reasons for any material change in the company's assets, liabilities, or equity during the most recent 2 fiscal years, and describe the effect thereof. Where the effect is of material significance, describe the measures to be taken in response:

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Increase (decrease) amount	Change ratio (%)
Current asset	837,361	1,104,285	266,924	32
Property, Plant and Equipment	104,785	85,637	(19,148)	(18)
Right-of-use asset	26,355	13,150	(13,205)	(50)
Intangible asset	6,019	1,799	(4,220)	(70)
Other assets	18,687	10,031	(8,656)	(46)
Total assets	993,207	1,214,902	221,695	22
Current liabilities	101,564	129,830	28,266	28
Non-current liabilities	230,653	206,242	(24,411)	(11)
Total liabilities	332,217	336,072	3,855	1
Equity attributable to parent company owners	660,990	878,830	217,870	33
Share capital	817,684	1,027,876	210,192	26
Additional paid-in capital	43,809	272,276	228,467	522
Retained earnings (for making up losses)	(193,164)	(453,973)	(260,809)	135
Other items in shareholders' equity	(7,339)	32,649	39,988	(545)
Total shareholders' equity	660,990	878,830	217,840	33

1. The change ratio reaches over 20% and the amount of change reaching NT\$10 million or more, and the main reason and their effects are as follows:
- (1) Current assets, total assets, equity attributable to owners of the parent company, common shares, and capital surplus: These items increased significantly in 2024 due to the completion of a cash capital increase totaling NT\$441,000 thousand, which substantially raised cash, common shares, and capital surplus.
 - (2) Right-of-use assets: The decrease in right-of-use assets in 2024 as compared to 2023 is attributable to normal depreciation, and there is no significant addition or disposal of right-of-use assets in 2024.
 - (3) Current liabilities: Current liabilities at the end of 2024 increased compared to the end of 2023, primarily due to higher other payables balance at the end of 2024, resulting from rising salary levels and estimated compensation related to a single litigation case.
 - (4) Retained earnings (loss to be made up): The increase in retained earnings (loss to be made up) at the end of 2024 compared to the end of 2023 was mainly attributable to the loss in 2024, which was entirely from the net loss in 2024.
 - (5) Other shareholders' equity: The significant increase in other shareholders' equity items at the end of 2024 compared to the end of 2023 can mainly be attributed to the weak US dollar resulting in exchange differences

Item \ Year	2023	2024	Difference	
			Increase (decrease) amount	Change ratio (%)
in the translation of foreign financial statements.				
2. Measures to be taken in response:				
In summary, the higher change in the ABC-KY’s balance sheet accounts at the end of 2024 compared to 2023 was primarily due to the operating losses; therefore measures to be taken in response are as follows:				
(1) Expand market sales				
In addition to the licensed customers I and L companies, who have already demonstrated strong demand for our Barcoded Magnetic Beads in the first quarter of 2025, the Group has also achieved significant results in developing IVD customers. The 1st, 2nd, 3rd, and 6th largest laboratories in the United States have all become our customers, which will generate stable growth in the Group's revenue starting from the second half of 2025, and will significantly improve the Group's profitability.				
(2) Continuous development of new products				
The Group continues to develop reagent products such as those for urinary tract infections, antimicrobial resistance targets, optimization of certain fungal targets, and automated molecular diagnostic instruments combined with extraction equipment. The diversification of products will help with customer development to increase the Group's future revenue.				

II. Financial Performance

- (I) List the main reasons for any material change in operating revenues, operating income, or income before tax during the most recent 2 fiscal years, provide a sales volume forecast and the basis therefore, and describe the effect upon the company's financial operations as well as measures to be taken in response:

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Increase (decrease) amount	Change ratio (%)
Net sales	395,169	343,066	52,103	(13)
Operating costs	(126,430)	(139,068)	(12,638)	10
Gross profit	268,739	203,998	(64,741)	(24)
Operating expenses	(455,441)	(481,910)	(26,469)	6
Net operating income (loss)	(186,702)	(277,912)	(91,210)	49
Non-operating income (expense)	23,261	17,131	(6,130)	(26)
Profit (losses) before tax	(163,441)	(260,781)	(97,340)	60
Income tax (expense)	(758)	(26)	732	(97)
Current net income (loss)	(164,199)	(260,807)	(96,608)	59
Other comprehensive income (loss) recognized in the current period	3,539	39,988	36,449	1030
Current total comprehensive loss	(160,660)	(220,819)	(60,159)	37

Item \ Year	2023	2024	Difference	
			Increase (decrease) amount	Change ratio (%)
The change ratio reaches over 20% and the amount of change reaching NT\$10 million or more, and the main reason and their effects are as follows:				
(1) Gross profit: Gross profit decreased in line with the decline in revenue, and the decrease in gross margin in 2024 was due to changes in the product sales mix.				
(2) Operating loss, pre-tax net loss, net loss for the period, and total comprehensive loss for the period: These items were lower than in 2023 due to decreased revenue, lower gross margin (caused by changes in the product sales mix), and increased research and development expenses.				
(3) Other comprehensive net loss for the period: The increase in other comprehensive net profit (loss) in 2024 compared to 2023 was mainly attributable to the increase in cumulative translation adjustments as presented in the Group’s financial statements caused by the significant increase in the U.S. dollar exchange rate.				

- (II) Provide a sales volume forecast and the basis, and describe the effect upon the company's financial operations as well as measures to be taken in response

As of the annual report's publication date, aside from selling BMBs and Optical Scanners, 17-Plex Gastrointestinal Pathogen Panels, Upper Respiratory Pathogen Panel (RPP), and Sars-CoV-2 (including Pooling Testing) products, we have received EUA from the FDA in the US for Covid Flu Plus in December 2021 and have concluded a distribution contract with Hardy Diagnostic Inc. for the US market. The Group's expected sales volume is based on the market forecast of major customers, past product sales status, customers' annual procurement plans, licensed customers' agreement, business plans of licensed customers, new customer development and business growth of existing customers. At the same time, to be able to set a shipping goal, the Group also takes into account factors such as the material condition of primary raw materials and the production capacity and delivery time of suppliers. Not only does the Group adopt its original business model of licensing its patented platforms and technologies to a number of strategic customers in various industries and regions, it is at the same time adding new diagnostic panels for the Group to sell so that products and customers are more diverse in the future. Therefore, there should be no material adverse effect on the future financial development of the Group.

- (III) Describe the effect upon the company's financial operations as well as measures to be taken in response.

The Group has a robust financial structure and continues to deepen its operational management and adopts reasonable control of costs for future business growth needs.

III. Cash Flow

- (I) Describe and analyze any cash flow changes in the most recent 2 fiscal years

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
	Amount	Amount	Increase	Change ratio

			(decrease) amount	(%)
Net cash (outflow) from operating activities	(205,085)	(207,736)	(2,654)	1.3
Net cash inflow (outflow) from investing activities	(198,016)	(59,091)	138,925	(70.2)
Net cash inflow (outflow) from financing activities	(15,701)	424,398	440,099	2,703
Analysis of changes in cash flows:				
1. Business activities: Net cash outflows from business activities in 2024 are comparable to 2020, exhibiting only minor changes caused by daily business activities.				
2. Investing Activities: The net cash outflow from investment activities in 2024 decreased significantly compared to 2023, mainly because funds were partially transferred to time deposits in 2023. After redemption in 2024, some funds continued to be deposited, resulting in lower cash outflow from investment activities.				
3. Financing Activities: The net cash inflow from financing activities in 2024 increased substantially due to the completion of a cash capital increase totaling NT\$441,000 thousand.				

(II) Measures to be taken in response to illiquidity:

In 2024, the Group increased revenue from a number of multiplex panels. However, given that the sales volume of each product segment has not grown enough to support the Group's operating expenses, we will dedicate ourselves to the sales expansion of each product segment and the development of new products. In the future, we will also build up our working capital by improving our revenue and profitability.

(III) Analysis of cash liquidity in the coming year (2025)

Unit: NT\$ thousand

Beginning cash balance (1)	Estimated full-year net cash flows from operating activities (2)	Estimated full-year net cash flows from investing activities (3)	Estimated full-year net cash flows from financing activities (4)	Expected cash surplus (deficit) (1)+(2)+(3)+(4)	Expected remedies for cash deficits	
					Investment plan	Financing plan
605,958	(253,440)	125,765	—	478,283	—	—

Cash flow analysis for the coming year

A. Operating activities: The Group's 2025 operating activities are expected to include primarily the sales of in-vitro diagnostics assay and RUO products: gastrointestinal panels, respiratory pathway panels, Sars-CoV-2, Covid Flu Plus and fungal panels, sales of BMBs and instruments to licensed customers as well as technology license royalty income. We will also carry on with research and development activities, including the development of urinary tract transmitted diseases and drug-resistant products and 2nd generation of the automation of immunology product testing devices. The increase in sales and customer service teams will be the main content of cash outflow from operating activities.

B. Investing Activities: The Group anticipates that some time deposits will mature in 2025.

C. Financing Activities: The Group has no fundraising plans for 2025.

IV. Impact to Finance and Business from Major Capital Expenditure on financial business

The Group's cash outflow from the acquisition of property, plant and equipment in 2024 was NT\$7,379 thousand, mainly attributable to the acquisition of leasehold improvements and occasional equipment. Therefore, there should be no material adverse effect on the Group's financial position due to the increase in capital expenditure.

V. Investment Policies of last fiscal year, causes of profit or loss, improvement plan and upcoming year's investment plans

(I) Investment policy for the most recent fiscal year:

The Group's current investment policy is to invest in targets related to the development of the industry; the Company is not engaged in investments in other industries.

(II) The main reasons for the profits or losses on investment and improvement plans:

The Group's investee company ABC-US reported an operating loss in 2024, primarily because it was still focused on developing next-generation products and has not yet become profitable. Apart from BMBs, instruments and a number of multiplex panels, the Group already launched RUO for fungal panels and RUO for sexually transmitted disease multiplex panels (RUO) in 2024. Therefore, it is expected that the Group's revenue or profitability will improve in the future with the investee companies' commitment to developing products for the market.

(III) Investment plans for the coming year:

The Group is focusing on the development of urinary tract antimicrobial resistance molecular detection reagent products, the integration of King Fisher extraction equipment into our fully automated optical analysis device, optimization research for fungal detection reagents, and application to the US FDA for the integration of Biocode 3000 automated molecular detection system with Thermo Fisher-King Fisher DNA extraction system for upper respiratory pathogen (RPP) testing.

VI. Risk Management and Assessment

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

1. Interest rate change

The Group's interest income totaled NT\$23,961 thousand and NT\$27,629 thousand in 2023 and 2024, respectively, representing a net loss before tax of 14.66% and 10.59%. The interest expenses for 2023 and 2024 were NT\$2,166 thousand and NT\$1,427 thousand, respectively, representing 1.33% and 0.55% of net loss before tax, respectively, which does not have significant impact on the Group. The Group maintains a sound relationship with banks, and its financial personnel keeps a close eye on changes in market interest rates. In the future, if there are significant changes in interest rates upon borrowing from banks, the Group will take corresponding measures so as to reduce the impact on the Group's profit and loss.

2. Exchange rate change

The functional currencies of the Group's daily operations are U.S. dollars and New Taiwan dollars. Given that the main operating place of business is in the U.S, the U.S. dollars are currently used as the main currency for purchasing and selling, so the impact of foreign

exchange gains and losses is limited. The currency position in the accounts related to contract negotiations or transaction payments is considered to reduce the risk arising from exchange rate changes. Additionally, the Group's financial personnel keep track of the movement of major currencies and changes of global noneconomic factors to control and adjust the positions of each currency in a timely manner to minimize the impact of exchange rate changes.

3. Inflation

The Group's payment terms for purchasing and selling have not been too long so far, and given that the Group monitors the price changes for raw materials or parts and components and have always kept a sound relationship with suppliers and customers, the significant impact of short-term price fluctuations on operations is avoided. In the future, the Group will continue to pay close attention to the impact of inflation and maintain a good cooperative relationship with its counterparties to reduce the impact of inflation on the Group.

(II) Main reasons and corresponding future measures of policies for engaging in highly risky and highly leveraged investments, lending funds to others, endorsements and guarantees and derivatives transactions:

As of the annual report's publication date, the Group has not been engaged in highly risky, highly leveraged investments or derivatives transactions. The Group has formulated the "Procedures for Acquisition or Disposal of Assets," the "Operational Procedures for Loaning Funds to Others," and the "Procedures for Endorsements/Guarantees" which have all been approved by shareholders meetings. The Group handles related matters in accordance with these measures.

(III) Future R&D projects and estimated R&D budget:

The Group continues to invest in R&D resources to improve the efficiency of its diverse testing systems, optical analysis equipment, and the development of diagnostic reagents. It has also begun research and development on targeted infectious diseases, urinary tract infections, vaginal infections, and multi-test reagent products that incorporate drug resistance. R&D expenses are expected to be allocated item by item based on the progress of each product, including R&D technical personnel salaries, experiment materials, equipment, and clinical trial expenses, in order to continuously improve the Group's competitive advantage.

(IV) Impact on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The Company is registered in the Cayman Islands, its principal place of business is the U.S. The main economic activity of the Cayman Islands is financial services, while the U.S. is one of the world's major economies with stable economic development and political environment. The Group abides by domestic and international important policies and laws when conducting businesses. In the most recent fiscal year and as of the publication date of the annual report, there were no material events affecting the Group's financial operations due to changes in important policies and laws from the aforementioned regions. Meanwhile, the Group pays close attention to domestic and international policy trends and regulatory changes. Lawyers, accountants and other professional sectors are consulted where there are changes in order to respond to the market while adopting suitable countermeasures in a timely manner.

- (V) Impact on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:

The Group monitors the impact of technological and industrial changes on the Company closely while paying close attention to the development of multiplex diagnostic testing technology and the biotechnology and medical industry dynamics. By grasping the R&D progress of products and adjusting the allocation of resources, the impact of technological and industrial changes in the future will be minimized.

- (VI) Impact on the company's crisis management of changes in the company's corporate image, and corresponding measures to be taken in response

Since the establishment, the Group adheres to the corporate spirit of integrity and sustainable management. The Group does not cease to strengthen the corporate management and improve operational efficiency, striving to maintain its good corporate image and sound and harmonious industrial relations so as to attract more talented people to make a difference in the Company. To date, no incidents have happened that would affect the Company's corporate image, and there are no plans for corporate image changes.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and corresponding measures being or to be taken

As of the publication date of the annual report, the Group has no M&R plans. If there is a plan in the future to carry out such operation, the Group will handle related matters in accordance with the local laws and regulations as well as the applicable measures formulated by the Group to ensure the Group's interests and shareholders' equity.

- (VIII) Expected benefits and possible risks associated with any plant expansion, and corresponding measures being or to be taken

As of the publication date of the annual report, the Group has no plant expansion plans.

- (IX) Risks associated with any consolidation of sales or purchasing operations, and corresponding measures being or to be taken

In 2023 and 2024, the Group's purchases from its largest supplier accounted for approximately 21.35% and 34.92% of total purchases, respectively. The higher percentage of purchases from the largest supplier in 2024 was mainly due to the Company preparing more MDx3000 reagents for vendor testing and use as the commercialization process advanced, which led to our instrument manufacturing contractor (Company S) becoming the largest supplier. However, in 2024, due to the increase in demand for various multiplexed testing reagents, the Group will purchase more Enzymes and buffers used in PCR from Company P. The Group maintains an excellent partnership with its suppliers and carries out price comparisons and raw material quality analyses of each supplier. It is expected that as assays are added to sales and overall revenue increases, and become more scalable, there will be a second or third source of supply for the purchase of each raw material, thereby reducing the proportion of purchases from a single supplier.

In addition, the Group's largest customer accounted for 50.42% and 35.81% of net revenue in 2024 and 2023, respectively, showing a decrease in sales concentration. By 2024, the

Group expects to continuously have more customers for multiplexed molecular detection reagents. The increase in IVD product lines for infectious disease diagnosis is helpful for market promotion. At the same time, the Group is working with new Gradually increase the sales scale and reduce the proportion of sales to a single customer.

(X) Information and technology security risks and response measures

The Company and its subsidiaries constantly monitor technology changes and industry developments affecting their business areas. Dedicated information security personnel are responsible for the installation of information security equipment and administration of training to reinforce information security concepts of our staff members. As of the annual report's publication date, no information security threats have occurred in the Group.

(XI) Impact 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 corresponding measures being or to be taken: None.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Impact upon and risk to the company associated with any change in governance personnel or top management, and corresponding measures being or to be taken: As of the publication date of the annual report, there was no change in the the Group's operating right.

(XIV) Other important risks and corresponding measures

1. Risks of the protection of shareholders' equity

As the Company Law of the Cayman Islands is very different from the Company Act in Taiwan, the Group has amended the "Articles of Association" in accordance with the "Checklist for Protection of Shareholders' Interests in the Countries of Registration of Foreign Issuers" promulgated by Taiwan Stock Exchange (TWSE). However, in the matter of company operations, there are many differences between these 2 countries, resulting in investors' inability to apply the legal protection of Taiwan's Company Act to the Cayman Islands where they invest in. Investors must thoroughly understand the laws and regulations regarding investing in the Cayman Islands and seek advice from experts to get hold of the differences regarding the protection of shareholders' equity.

2. Risks in relation to the statements made in the annual report

(1) Facts and statistics

Information and statistics in this annual report were obtained from various statistical publications. However, such information obtained may be inaccurate, incomplete or not up-to-date. The Company makes no declaration as to the truth or accuracy of such statements, and investors should not be overly dependent on such information when making their investment judgments.

(2) Forward-looking statements and risks and uncertainties contained in this annual report

This annual report contains certain forward-looking statements and information about the Company and its subsidiaries, such statements and information are based on the beliefs and assumptions of the Company's management and information currently held. Words including "anticipate," "believe," "can," "expect," "future," "intend," "may," "must," "plan," "estimate," "seek," "should," "will," "maybe," "hope" and words of similar meaning contained in this annual report refer to forward-looking statements when used concerning the Company or the Company's management. Such statements reflect the company management's current views regarding future events, operations, liquidity, and sources of funds; certain viewpoints may not be realized or may be subject to change. These statements may be affected by certain risks, uncertainties and assumptions, including other risks stated in this annual report. Investors are cautioned that reliance on any forward-looking statement involves known and unknown risks and uncertainties; these risks and uncertainties faced by the Company may affect the accuracy of forward-looking statements.

The Group does not update the forward-looking statements in this annual report nor does it make amendments to reflect future events or information. Based on these risks and other risks, uncertainties, and assumptions, this annual report's forward-looking statements and circumstances may not occur in an anticipated manner or may not even occur at all, and investors should not rely on any forward-looking statements.

3. Cash dividend distribution and taxation

The Company Applied BioCode Corporation was organized under the law of the Cayman Islands. Upon the restructuring of its organizational and investment structure, the shares of Applied BioCode, Inc. were acquired through a share swap among all shareholders. As a result, the Company's shareholder structure is the same as the original U.S. enterprise Applied BioCode, Inc. prior to the restructuring. Based on the U.S. federal income tax regulations, the Company is deemed a U.S. corporation and should file federal income tax returns according to the federal income tax policy. In the event of the Company distributing cash dividends to non-U.S. shareholders in the future, the Company should pay tax as a U.S. Company and file U.S. corporate income tax returns. For example: when the Company distributes cash dividends to non-U.S. shareholders, it generally requires to withhold 30% tax on behalf of the non-U.S. shareholders, which is one of the investment risks for investors.

4. Overall economic, political and economic environment, foreign exchange, and legal risks

Because the Company is domiciled in the Cayman Islands and its principal place of business is in the U.S, the overall economic and political environment changes and fluctuations in foreign exchange rates between the Cayman Islands and the U.S. affect the Group's operating condition.

5. The Company is a holding company. It depends on its subsidiaries' performances and their ability to distribute dividends while being restricted to their payment of dividends and the transfer of funds.

The Company is a holding company incorporated in the Cayman Islands; it has no commercial operations and revenue sources, and its source of profit mainly depends on its operating subsidiaries. The Group's subsidiary in the U.S. is the Group's vital source of operating income. Therefore, the Group's cash dividend distribution is

affected by the subsidiary's cash dividend distribution or the retention of surplus.

Moreover, the subsidiary's cash dividend distribution is subject to restrictions of the laws of dividends, revenue remittance, cash transfer and foreign exchange controls in the countries in which they are paid. The payment is also affected by the foreign exchange rates, which the Group has no control over.

The Group's subsidiaries are separate and independent corporations. In the event of bankruptcy, insolvency, restructuring, liquidation or asset realization of a subsidiary, assets acquired by the Group or the order of distribution will be inferior to the subsidiary's creditors, including the subsidiary's trading partners.

The distribution of the Group's dividends or other benefits is handled in accordance with applicable regulations. It is advised that investors should understand the taxation policy of the investment in the holding company and seek advice from experts.

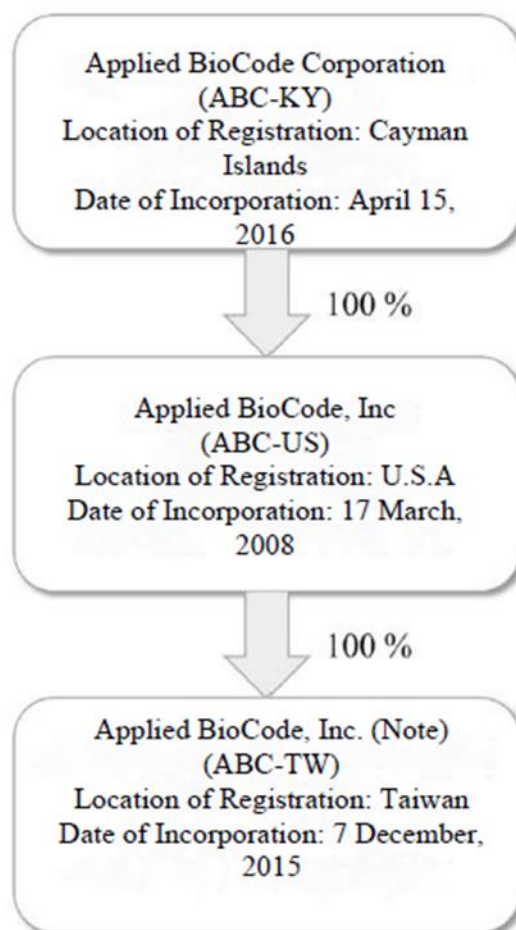
6. Please refer to pages 104-108 regarding the favorable and unfavorable factors concerning the Group's future development and their corresponding measures for other important risks and corresponding measures about the Group's operations. However, such corresponding measures may not be fully enforced due to force majeure and other factors. Their related risks may still affect the Group's business, operating results and financial condition.

VII. Other important disclosures: None.

Six. Special disclosures

I. Information of Affiliates

(I) Organizational table of affiliated enterprises



(II) Basic information of affiliated enterprises

December 31, 2024; NT\$ thousand				
Company name	Date of incorporation	Address	Paid-in Capital	Primary business or Production
Applied BioCode Corporation	2016/04/15	Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands	1,027,876	Researching and developing multiplex diagnostic platform technologies and development, production and sales of testing instruments, magnetic beads and assays
Applied BioCode, Inc.	2008/03/17	12130 Mora Drive, Unit 2, Santa Fe Springs, CA 90670	1,980,941	R&D, production, sales and leasing of platform technologies and products including BMB, assay and instruments and products for in-vitro diagnostics assays (multiplex panels).
ABC-TW	2015/12/07	6F, No. 1, Lane 28, Xingzhong	103,000	R&D, production, and

		Road, Neihs District, Taipei City		sales of platform technologies and products including BMB, assay and instruments and products for in-vitro diagnostics assays (multiplex panels).
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(III) Information on the same shareholders who are presumed to have a relationship of control and subordination: None.

(IV) The industries covered by the business operated by the overall affiliated enterprises: The main businesses of the overall affiliated enterprises of the Group's investment include researching and developing multiplex diagnostic platform technologies and development, production and sales of testing instruments, magnetic beads and panels.

(V) Information on directors, supervisors and presidents of affiliated enterprises

Company name	Position	Name or representative	Number of shares held(capital contribution)	Percentage of shares held(capital contribution)
Applied BioCode, Inc.	President / Director	Winston Z. Ho	-	-
	Director	George J. Lee	-	-
	Director	Benjamin Jen	-	-
ABC-TW	Director	George J. Lee	-	-
	Director	Winston Z. Ho	-	-
	Director	Benjamin Jen	-	-
	Supervisor	Ang-Hsuan Wu	-	-

(VI) Operational overview of affiliated enterprises

December 31, 2024; NT\$ thousand

Company name	Capital	Total asset value	Total liabilities	Net worth	Net sales	Operating (loss) income	Current profit and loss (post tax)	Earnings per share (NT\$) (post tax)
Applied BioCode, Inc.	1,980,941	734,265	374,529	359,736	344,389	(244,846)	(244,846)	(5.19)
ABC-TW	103,000	64,021	6,662	57,359	54,129	13,257	13,257	1.29

(VII) For consolidated financial statements of affiliated enterprises: Please refer to the financial reports available on the Market Observation Post System.

(VIII) Consolidated business reports of affiliated enterprises: The Group is not a subordinate company as stipulated in the chapter regarding affiliated enterprises in the Company Act. It is therefore not applicable.

II. Issuance of Securities through Private Placement in the most recent fiscal year and up to publication date of the annual report: None.

III. Other Required Amended Explanation

(I) Internal control system implementation status

1. The CPA's recommendations for improving the internal control in the most recent 3 fiscal years

Year	recommendations by the CPAs	Improvement situation
2022	None	None
2023	None	None

2024	None	None
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2. Major flaws discovered through internal auditing in the most recent 3 fiscal years: There are no major flaws so far.
 3. Internal control statement: Please refer to page 63.
 4. Where the company has retained CPAs to exclusively review its internal control systems, the prospectus shall set forth the reason for doing so, the CPAs' review opinions, measures the company has taken for improvement, and the condition of improvement on lacking items: In the opinion of the CPAs of PwC Taiwan, the Group maintained, in all material respects, effective internal controls over external financial reporting and assets safeguard, based on the criteria of effective internal controls set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies".
- (II) An explanation of any material differences from the rules of Taiwan in relation to the protection of shareholders' equity.

Explanation of any material differences from the rules of Taiwan in relation to the protection of shareholders' equity.

The Group has amended the "Articles of Incorporation" regarding important matters of the protection of shareholders' equity in accordance with the "Checklist of Shareholders' Equity Protection and Interests in the Country of Registration of Foreign Issuers" ("Checklist of Shareholders' Equity Protection") promulgated by Taiwan Stock Exchange (TWSE). However, certain important measures of the protection of shareholders' equity are not applicable under the Cayman Islands laws and are therefore not amended in the Company's Articles of Incorporation. Differences between the Articles of Incorporation and the important matters of shareholders' equity protection are as follows:

Important matters regarding the protection of shareholders' equity	Regulations of the Articles of Association and reasons for differences
1. Physical shareholder meetings shall be held within the territory of the Republic of China. If a shareholders meeting is convened physically outside of Taiwan, it shall be resolved by the Board meeting or shareholders meeting and gain permission from the competent authorities. It shall then be reported to the TWSE for approval within 2 days after the permission is gained by the competent authorities.	1. In terms of convening shareholders meeting by shareholders physically, given the fact that the Company Law of the Cayman Islands does not have special provisions governing the convening of shareholders meetings physically; therefore, Article 19.6 of the Company's Articles of Association does not stipulate that the shareholders shall report to the competent authorities for approval prior to convening an extraordinarily shareholders meeting by themselves.
2. Any or a plural number of shareholder(s) of a company which has (have) continuously held 3% or more of the total number of outstanding shares for a period of one year or a	2. Furthermore, if shareholders wish to convene a shareholders meeting physically outside of Taiwan, it is stipulated in Article 19.6 of the Company's Articles of Association that it is required that the meeting must obtain permission from the TWSE or the TPEX in advance. Given that a special shareholders meeting does not require permission from the local authority of the Cayman Islands, the requirements in the "Checklist of Shareholders' Equity Protection" - "report to the TWSE for approval within two days after shareholders obtain approval from the competent authority for the convening of the meeting" do not apply. This part should have no material impact on the rights of Taiwanese shareholders.

Important matters regarding the protection of shareholders' equity	Regulations of the Articles of Association and reasons for differences
<p>longer time may, by filing a written proposal setting forth therein the subjects for discussion and the reasons, request the board of directors to call a special meeting of shareholders. If the board of directors fails to give a notice for convening a special meeting of shareholders within 15 days after the filing of the request under the preceding Paragraph, the proposing shareholder(s) may, after obtaining approval from the competent authority, convene a special meeting of shareholders on his/their own.</p>	
<p>1. When convening shareholder meetings, the Company shall list electronic transmission as one of the methods for exercising the voting power.</p> <p>2. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. But to have waived his/her rights concerning the extraordinary motions and amendments to original proposals of that meeting;</p>	<p>In terms of exercising shareholder voting rights by correspondence or electronic means, the Company Law of the Cayman Islands does not mention whether a shareholder exercising his/her voting rights by correspondence or electronic means is deemed to have attended the meeting in person, and lawyers of Cayman Islands have not discovered related cases. To make other arrangements, Article 25.4 of the Company's Articles of Association stipulates that "a shareholder exercising his/her voting at a shareholders meeting by correspondence or electronic means is deemed to have appointed the chair of the meeting as its proxy. His/her voting rights must be exercised as instructed by correspondence or electronic documents. The meeting chair may not exercise his/her voting rights on behalf of the shareholder in matters not mentioned or set out in correspondence or electronic means, and/or amendments to the original motion proposed at the shareholders' meeting. To avoid doubts, such shareholder who exercises his/her voting rights through such means shall be deemed to have waived his/her rights concerning the extraordinary motions and amendments to original proposals of that meeting." The voting rights of the chair acting as a proxy at the shareholders' meeting may not exceed 3% of the total voting rights of the issued shares as stipulated in Article 26.3 of the Company's Articles of Association.</p>
<p>For the following resolutions involving significant</p>	<p>1. In terms of the resolution method at a shareholders meeting - in addition to the ordinary resolutions and major resolutions under</p>

Important matters regarding the protection of shareholders' equity	Regulations of the Articles of Association and reasons for differences
<p>shareholders' interests, they shall be approved by a majority vote at a meeting of shareholders attended by shareholders representing two-thirds or more of the total number of the issued shares of the company. In the event the total number of shares represented by the shareholders present at a shareholders' meeting is less than the percentage of the total shareholdings required in the preceding Paragraph, the resolution may be adopted by two-thirds of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.</p> <p>1. Enter into, amend, or terminate any contract for lease of the company's business in whole, or entrusted business, or regular joint operation with others; transfer the whole or any essential part of its business or assets; or accept the transfer of another whole business or assets, which has great bearing on the business operation of the company.</p> <p>2. Change in the Articles of Association</p> <p>3. Changes in the Articles of Association that damage preferred shareholders' rights shall be subject to resolution at the special shareholders' meeting.</p> <p>4. Dividends and bonuses in whole or in part distributed in</p>	<p>Taiwan's laws, "Special Resolution" under the Company Law of the Cayman Islands is stipulated in Article 1.1 of the Company's Articles of Association. It refers to a resolution passed at the Company's shareholders meeting who have voting rights either attended in person or by a power of attorney, or by a proxy legally authorized by a corporate shareholder or non-natural person. After calculating the number of voting rights of each shareholder, the resolution shall be approved by at least two-thirds of the voting rights of all attending shareholders.</p> <p>2. In accordance with the Company Law of the Cayman Islands, the following matters shall be resolved by special resolution:</p> <p>(1) Change in the Articles of Association</p> <p>In accordance with the Cayman Islands laws, making changes in the Articles of Association must be performed through a special resolution. Therefore, Article 12.1 of the Company's Articles of Association regarding the resolution threshold of changing the Articles of Association has not been changed to a major resolution as required by the "Checklist of Shareholders' Equity Protection" under Taiwan's laws. Furthermore, according to Article 13 of the Articles of Incorporation, if any amendment or alteration to the Articles of Incorporation would prejudice the preferential rights of any class of shares, such amendment or alteration shall be passed by a Special Resolution and shall also be passed by a Special Resolution at a separate meeting of the holders of the shares of such affected class.</p> <p>(2) Dissolution</p> <p>Under the Cayman Islands laws, if a company resolves to voluntarily liquidate and dissolve because it is unable to pay its debts as they fall due, the dissolution shall be resolved by the shareholders' meeting. However, suppose a company resolves to voluntarily liquidate and dissolve for reasons other than those mentioned above. In that case, the dissolution shall be made through a special resolution as required by the Company Law of the Cayman Islands. Hence, Article 12.4 of the Company's Articles of Association (a) "the resolution threshold for voluntary liquidation and dissolution of the Company for the reason the Company is unable to pay its debts as they fall due" has not been changed to a major resolution as required by the "Checklist of Shareholders' Equity Protection" under</p>

Important matters regarding the protection of shareholders' equity	Regulations of the Articles of Association and reasons for differences
<p>the form of new shares to be issued</p> <p>5. A resolution for dissolution, consolidation or merger, or split-up of a company</p> <p>6. Share conversion</p>	<p>Taiwan's laws.</p> <p>(3) Merger</p> <p>As there are mandatory provisions of the Company Law of the Cayman Islands regarding the voting manner of "Merger as defined by the laws of the Cayman Islands," Article 12.3 of the Company's Articles of Association (b) provides "Merger" (except for any Merger which falls within the definition of "merger and/or consolidation" under the Company Law of the Cayman Islands that requires only a special resolution) that shall be approved by a major resolution.</p> <p>3. The difference between the above matters and the Checklist of Shareholders' Equity Protection is important motions regarding the protection of shareholders' equity should be resolved by a major resolution and special resolution, respectively, in the Company's Articles of Association. As these differences arise due to the laws of the Cayman Islands, the Company's Articles of Associations clearly stipulate major resolutions and special resolutions for the protection of important matters regarding shareholders' equity. Therefore, the effect on the shareholders' equity shall be limited.</p>
<p>1. Supervisors of a company shall be elected by the meeting of shareholders. Among them, at least one supervisor shall have a domicile within the territory of Taiwan.</p> <p>2. The term of office of a supervisor shall not exceed three years, but he/she may be eligible for re-election.</p> <p>3. In case all supervisors of a company are discharged, the board of directors shall, within 60 days, convene a special meeting of shareholders to elect new supervisors.</p> <p>4. Supervisors shall supervise the execution of business operations of the company, and may at any time or from time to time investigate the business</p>	<p>The Company Law of the Cayman Islands does not have the concept of "supervisor." Issuing companies set up Audit Committees and there are no supervisors. Therefore, there are no provisions with regards to supervisors in the Articles of Association.</p>

Important matters regarding the protection of shareholders' equity	Regulations of the Articles of Association and reasons for differences
<p>and financial conditions of the company, inspect, transcribe or make copies of the accounting books and documents, and request the board of directors or Managerial officer to make reports thereon.</p> <p>5. Supervisors shall audit the various statements and records prepared for submission to the shareholders' meeting by the board of directors, and shall make a report of their findings and opinions at the meeting of shareholders.</p> <p>6. Supervisors may appoint a practicing lawyer on behalf of the Company and a certified public account to conduct the review matters.</p> <p>7. Supervisors of a company may attend the meeting of the board of directors to express their opinions. In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of the laws, regulations, the Articles of Association or the resolutions of the shareholders' meeting, the supervisors shall forthwith advise, by a notice, to the board of directors or the director, as the case may be, to cease such act.</p> <p>8. Supervisor may each exercise the supervision power individually.</p> <p>9. A supervisor shall not be concurrently a director, a</p>	

Important matters regarding the protection of shareholders' equity	Regulations of the Articles of Association and reasons for differences
managerial officer or other staff/employee of the company.	
<p>1. Shareholder(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares of the company over six months may request in writing the supervisors of the company to institute, for the company, an action against a director of the company. The Taiwan Taipei District Court shall be the court of the first instance.</p> <p>2. If the supervisor does not institute proceedings within 30 days after the shareholder's request, the shareholder may institute proceedings on behalf of the company, and the Taiwan Taipei District Court shall be the court of the first instance.</p> <p>3. Subject to the condition that the board of directors does not institute proceedings in accordance (a); or (ii) the requested independent directors of the Audit Committee fails to institute proceedings in accordance with (b), within the permission scope of the laws of the Cayman Islands, the Taiwan Taipei District Court shall be the court of the first instance.</p> <p>However, regarding the above provisions and laws of the Cayman Islands, lawyers of the Cayman Islands have the following polite reminders:</p> <p>There are no specific provisions in the Cayman Islands' Company Law that allow minority shareholders to bring a derivative action against directors in the court.</p> <p>The Articles of Association are not a contract between the shareholders and directors; they agree between the shareholders and the company. Even though the Articles of Association allow minority shareholders to institute proceedings against directors, lawyers in the Cayman Islands suggest that such content will not bind the directors. However, under common law, all shareholders (including minority shareholders) have the right to bring derivative actions (including</p>	<p>As there is no equivalent concept of supervisor under the laws of Cayman Islands, and the company has set up an Audit Committee. Therefore, there are no provisions with regards to supervisors in the Articles of Association. However, subject to the provisions stipulated in Article 214 of Taiwan's Company Act regarding minority shareholders requesting to institute proceedings against directors, Article 48.3 of the company's Articles of Association stipulates "within the permission scope of the laws of the Cayman Islands, a shareholder who has continuously held more than one percent of the company's issued shares for 6 months or more may: (a) requesting in writing that the Board of Directors to authorize the independent directors of the Audit Committee to institute proceedings against the director on behalf of the group, and the Taiwan Taipei District Court shall be the court of the first instance; or (b) requesting in writing that independent directors of the Audit Committee to institute proceedings against the director on behalf of the group, and the Taiwan Taipei District Court shall be the court of the first instance. Within 30 days after the request is made in accordance with abovementioned (a) or (b), if (i) the independent directors of the Audit Committee authorized by the Board or the independent directors of the Audit Committee authorized by the Board fail to institute proceedings in accordance (a); or (ii) the requested independent directors of the Audit Committee fails to institute proceedings in accordance with (b), within the permission scope of the laws of the Cayman Islands, the Taiwan Taipei District Court shall be the court of the first instance.</p> <p>However, regarding the above provisions and laws of the Cayman Islands, lawyers of the Cayman Islands have the following polite reminders:</p> <p>There are no specific provisions in the Cayman Islands' Company Law that allow minority shareholders to bring a derivative action against directors in the court.</p> <p>The Articles of Association are not a contract between the shareholders and directors; they agree between the shareholders and the company. Even though the Articles of Association allow minority shareholders to institute proceedings against directors, lawyers in the Cayman Islands suggest that such content will not bind the directors. However, under common law, all shareholders (including minority shareholders) have the right to bring derivative actions (including</p>

Important matters regarding the protection of shareholders' equity	Regulations of the Articles of Association and reasons for differences
	<p>actions against directors) regardless of their shareholding ratio or their period of ownership. Once shareholders have instituted proceedings, the court in the Cayman Islands will determine whether they may proceed with the litigation. In other words, although the Articles of Association stipulate that a minority shareholder (or shareholders with the required shareholding ratio or period of ownership) may institute proceedings against the director on behalf of the Company, the court in the Cayman Islands holds the ultimate right to determine whether or not the litigation shall continue. According to relevant judgments rendered by the Grand Court of the Cayman Islands, when determining whether to approve the continuation of derivative actions, the Cayman Islands courts apply the criterion of whether the court believes and accepts that the plaintiff's claims on behalf of the company are prima facie substantial, that the alleged wrongdoing was committed by those who control the company, and that such controllers can prevent the company from bringing an action against them. The court in the Cayman Islands will determine a case based on facts (although the court may refer to provisions of the company's Articles of Association, it is not a decisive factor).</p> <p>According to the Cayman Islands law, the Board of Directors shall make decisions on behalf of the company as a whole (not as individual directors). The board of directors should authorize one of the directors on behalf of the company to institute proceedings against other directors as prescribed in the company's Articles of Association.</p> <p>The Company Law of the Cayman Islands does not provide the right for shareholders to request the directors to convene a board meeting to resolve specific matters. However, the Cayman Islands' Company Law does not prohibit a company from formulating provisions regarding board meeting procedures in its Articles of Association (including the requirements for the convening of the board meeting).</p>
<p>1. The directors of a company shall have the loyalty and shall exercise the due care of a good administrator in conducting the company's business operation; and if he/she has acted contrary to this provision, shall be liable for the damages to be sustained by the company there-from. If the act is carried out by the</p>	<p>Although it is stipulated in Article 48.4 of the Company's Articles of Association that "Under the circumstances that do not affect and do not violate the principles of the common law of the Cayman Islands and general directors' duties to the company and shareholders under the law, directors shall faithfully execute the company's business and perform the duty of care of a good manager. If a director causes damage to the Company, he/she shall be liable to the maximum extent permitted by the law. If a director obtains benefits for himself/herself or others due to a violation of carrying out the act mentioned above, the company shall take all appropriate actions and</p>

Important matters regarding the protection of shareholders' equity	Regulations of the Articles of Association and reasons for differences
<p>director or by others, the meeting of shareholders may, by a resolution, consider the earnings in such an act as earnings of the company.</p> <p>2. If the director of a company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he/she shall be liable, jointly and severally, for the damage to such other person.</p> <p>3. Managerial officers and supervisors shall be liable for the same damages as the company's directors when executing duties within their scope.</p>	<p>steps to the maximum extent permitted by the law and consider such earnings of the Company. If a director violates the law or order during executing his/her duties that result in the Company becoming liable to any person for any compensation or damages, the director shall be jointly and severally responsible with the company for any compensation or damage caused to the company. If for any reason the director is not jointly and severally liable with the company, the director shall reimburse the company for any loss suffered by the company due to his/her breach of duty. When a managerial officer carries out company duties, he/she shall bear the same liability for damages as the company's directors.”</p> <p>However, regarding the above provisions and laws of the Cayman Islands, lawyers of the Cayman Islands have the following polite reminders:</p> <p>In general, under the Cayman Islands law, managerial officers or supervisors do not bear the same responsibilities to the company or shareholders as a director of the company. However, if a managerial officer or supervisor is authorized to carry out duties on behalf of a senior executive, he/she will have the same obligations as a director of the company. To avoid confusion, Cayman Islands companies generally define the duties and obligations of a managerial officer and supervisor to the company and its shareholders in their service contracts.</p> <p>The same is true for the Articles of Association acting as an agreement between shareholders and the company. As managerial officers or supervisors are not a party to the Articles of Association, and therefore, all rights of damages and compensation upon a violation of a managerial officer or supervisor shall be regulated in the service contract.</p> <p>Under the law of the Cayman Islands, the Articles of Association are an agreement between shareholders and the company, and directors (as a director of the company) are not a party to the Articles of Association. Lawyers of the Cayman Islands suggest that Articles of Association do not bind the directors. If the company intends to give contractual effect to directors with applicable provisions, lawyers of the Cayman Islands believe that relevant rights should be enclosed in the individual director's contract, such as a service contract.</p>

- IV. If any of the situations listed in Article 36, paragraph 2 subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or up to publication of the annual report: None.

瑞磁生物科技集團股份有限公司

Applied BioCode Corporation

董事長：李 家 榮

