

Stock Code: 4106

2024 Annual Report

Wellell Inc.

Website for the Annual Report of the Company: Market Observation Post
System<http://mops.twse.com.tw/>

Prepared by Wellell Inc.

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I. Names, Titles, Contact Numbers, and Emails of Spokesperson and Acting Spokesperson:

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Title: Chairman

Tel: (02)2268-5568

Email: daniel.lee@wellell.com

Names, Titles, Contact Numbers of Acting Spokesperson:

Name: Chen, Shi-He

Title: Assistant Vice President of Finance and Accounting Division

Tel: (02)2268-5568

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II. Addresses and Telephone Numbers of the Headquarters, Branches, and Factories:

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III. Contact Information of the Institution for Stock Transfer:

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Website: www.masterlink.com.tw

Tel: (02)2768-6668

IV. Contact Information of Financial Statement Auditors in the Latest Year:

Name: Kou, Hui-Zhi; Chen, Bei-Qi

CPA Firm: KPMG Taiwan

Address: 68F, No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City

Website: www.kpmg.com.tw

Tel: (02)8101-6666

V. Overseas Listings and Access to the Listing Information: None.

VI. Company Website: <https://tw.wellell.com/zh-tw>

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Chapter I Letter to Shareholders

Dear Shareholders,

Thank all shareholders for your long-term support to the Company. The following is a report on the Business Results for 2024 and the Business Plan for 2025.

I. 2024 Business Results

The following is a summary of Wellell's business performance in 2024 and outlook for future operations:

(I) Implementation results of the business plan

The year 2024 was a year full of challenges, and in the overall environment, Europe faced post-COVID challenges such as the demand for medical materials has slowed down, inflation has led to the exclusion of government medical expenditures, and the contraction of the Chinese economy has led to active price cutting competition among mainland manufacturers overseas; Internally, there was a transitional period of brand transformation, which resulted in a decline in our revenue in 2024 compared to 2023. However, 2024 was also a year of continuous growth and transformation within the Company. We have completed over 90% of the global product brand transformation, which was the last mile of brand re-engineering in 2022; we started importing smart manufacturing systems to improve operational efficiency and lay the foundation for future development.

(II) Budget execution: The Company is not required to announce financial forecast for 2024, therefore, it is not applicable.

(III) Financial income, expenditure, and profitability

In 2024, the Company's consolidated revenue was NT\$2,386,654 thousand, a decrease of 9.84% from the previous year's NT\$2,647,122 thousand. The operating gross margin in 2024 was 45.04%, an increase from 2023, which was mainly due to the increase in the revenue ratio of products with high gross margins; the consolidated operating expenses were NT\$943,141 thousand, an increase of 0.1% from NT\$944,098 thousand in the previous year, which was mainly due to expense control in response to operational decline. The net income after tax attributable to the parent was NT\$115,239 thousand, a decrease of 24.27% from NT\$152,172 thousand in the previous year, and earnings per share were NT\$1.14.

In 2024, the consolidated net cash inflow from operating activities was NT\$213,234 thousand, the net cash outflow from investing activities was NT\$61,527 thousand, the

net cash outflow from financing activities was NT\$152,986 thousand, and the ending cash balance was NT\$666,440 thousand. As of the end of 2024, the total consolidated assets amounted to NT\$3,137,880 thousand and total liabilities amounted to NT\$714,229 thousand, with a debt-to-assets ratio of 22.76%, and the financial structure and solvency were stable and normal.

(IV) Research & development

In terms of product development, the Company continued to launch advanced styles of various series of products in the field of pressure ulcer prevention. Through in-depth understanding of market demand and consumer feedback, the Company improved technology and design, further optimized product functionality and comfort, and launched redesigned products such as Optima Auto Link, and Domus Edge, etc. The Company completed the product development of its high-value industrial plan Procure Auto G3 Link, which conformed to the needs of hospital channel fields, met the rental/cleaning and disinfection service requirements, and was in collaboration with KeepWell management software, achieving design upgrades, technology upgrades, material upgrades, localization, ESG, and high added value of software + hardware, etc. In the field of sleep breathing therapy, the Company has launched WiZARD 330 new mask that adopts a lightweight design, is more comfortable to wear and easy to remove with one hand. Its side frame design reduces the contact area with the cheeks, making it particularly suitable for users who frequently flip over or sleep in multiple positions, providing a wearing experience without sensation and enhancing the sleep comfort.

II. 2025 Business plan outline

(I) Business strategy:

The Company will continue to focus on the field of Patient Recovery Care (PRC), based on the needs of patient recovery care, combining with Pressure Area Care (PAC), mobility aids, patient hoists, Intermittent Pneumatic Compression (IPC), medical beds, and other products, so as to strengthen our product portfolio and provide complete solutions. The Company will lay emphasis on enhancing clinical value, selling high-end air mattresses, and exploring channel strategy partners. Meanwhile, the Company will actively promote the transformation of digital healthcare, develop smart pressure-relieving air mattresses and remote digital management platforms, improve product and service quality through smart healthcare equipment, and enhance operational efficiency through supply chain integration and digital optimization of internal processes.

(II) Expected sales volume and basis:

One of our key goals for 2025 is to increase consolidated revenue and strengthen regional product marketing capabilities. We will strengthen the international management capabilities and build an international brand of high-end medical devices through the accumulation of brand marketing power and the establishment of parent-subsidiary standards.

(III) Important production marketing policies:

1. Promote digitization and complete MES smart manufacturing project.
2. In response to changes in tariffs, improving efficiency and flexibility, and reducing costs, the Company will make integration of Tucheng Factory, Kunshan Factory, and Xinjun Manufacturing.
3. Reduce manufacturing costs of core product lines and expand revenue.
4. Segment the market and search for opportunity for ODM to explore specific market and channel business opportunities, and to improve production capacity, product design and production verification.
5. Continue to invest in clinical, research and human factors, and cooperate with KOLs and medical institutions to create product differentiation and enhance product added value, and explore Post Acute Care Channels and Hospital Channels.

III. Future Company Development Strategy

The main strategies for future development of the Company are as follows:

- (I) Wellell is promoting its brand and expanding its business globally, and is committed to sustainable development.
- (II) Focus on Patient Recovery Care to provide consumers with more complete products and services.
- (III) Cultivate long-term partnerships with brand agents to deepen market operations.
- (IV) Understand clinical needs and cooperate with KOLs to transform to value creation instead of price competition.
- (V) Optimize the Group's internal operational efficiency and establish a global benchmark to share best practices.

Since the launch of the new company brand “Wellell” in 2022, the Company has completed over 90% of global product brand conversions after three years of brand re-engineering planning. We will uphold the goal of reshaping the brand concept, combining brand vision, value proposition, and brand personality, and continuously transform into a more passionate, agile, and empathetic international brand.

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

In terms of the external competitive environment, Wellell will face more competition from Asian manufacturers in the low-end product markets, both in the wound care and respiratory therapy product fields. In the future, Wellell will turn to in-depth research on the unmet needs of users and launch differentiated, value-added high-end products.

In terms of regulatory environment, MDR has replaced the MDD as the regulation that medical device manufacturers must comply with in the medical device industry of EU. And put forward stricter requirements for technical documents, clinical evaluation, post-market tracking, and supply chain traceability. Wellell adheres to long-term business and social responsibility, strictly follows regulations, and develops new products with a cautious and proactive attitude, strengthens its operating model, and enhances the Company's efficiency.

In terms of the overall business environment, facing the chain effects of US tariff adjustments and US China trade frictions, as well as the ongoing uncertainty in the global economic and trade situation, the Company will flexibly adjust its operational strategies, properly allocate and make good use of manufacturing resources in Taiwan and China, actively seek American customers, turn crises into opportunities, and expand new business opportunities.

Chairman Lee, Yung-Chuan

Chapter II Corporate Governance Report

I. Profiles of Directors, President, Vice Presidents, Assistant Vice Presidents, and heads of various departments and branches:

(I) Director:

1. Profiles of Directors

April 26, 2025

Title	Nationality or registry	Name	Gender Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remarks
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
Chairman	R.O.C.	Yasheng Investment Development Co., Ltd.	—	June 20, 2022	3 years	September 21, 1998	10,566,760	10.47%	10,566,760	10.47%	0	0%	0	0%	Not applicable	Not applicable	None	None	None	None
		Representative: Lee, Yung-Chuan	M Age 61-70	June 20, 2022	3 years	September 21, 1998 (Note 1)	1,074,072	1.06%	1,074,072	1.06%	342,704	0.34%	0	0%	Business Manager of Comfort Orthopedic Co. Ltd. National Chengchi University, EMBA, Non-Profit Business Group	President of the Company Chairman of Yachuang Investment Development Co., Ltd. Director of Yaxin Investment Development Co., Ltd. Chairman of Yasheng Investment Development Co., Ltd. Director of Wenzhuan Investment Development Co., Ltd. Chairman (Legal Representative) of Sturdy Industrial Co., Ltd. Director of Wellell America Corp. Director of Apex Global Investment Ltd. Director of ComfortPro Investment Corp. Director of Max Delight Holding Limited Executive Director of Apex (Kunshan) Medical Corp. Executive Director of Wellell (Kunshan) Co., Ltd. Director of G Innings Medical Ltd. Director of Wellell (Thailand) Ltd. Director of Apex Medical Respiratory Ltd.	None	None	None	Note 3

Title	Nationality or registry	Name	Gender Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remarks
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
																Director of Wellell UK Limited Director of Wellell France S.A.S. Director of SLK Vertriebs GmbH Director of SLK Medical GmbH Chairman of Apex Medical Corp. Director of Wellell Germany GmbH Independent Director of Q Burger Group Co., Ltd. Director of Puren Youth Care Foundation				
Director	R.O.C.	Yasheng Investment Development Co., Ltd.	—	June 20, 2022	3 years	September 21, 1998	10,566,760	10.47%	10,566,760	10.47%	0	0%	0	0%	Not applicable	Not applicable	None	None	None	None
		Representative: Liu, Chang-Chi	M Age 61-70	June 20, 2022	3 years	June 14, 2010	174,912	0.17%	182,912	0.18%	130,662	0.12%	0	0%	Vice President of Wellell Inc. Director of Yachuang Investment Development Co., Ltd. President of Yatai Industrial Co., Ltd. Director of Huizhua Investment Development Co., Ltd. President of Chang Hua Enterprise Operation Research Association Vice Chairman (Legal Representative) of Strong Biotech Corp. EMBA, National Chung Hsing University Ph.D. in Economics, The Wang Yannan Institute for Studies in Economics, Xiamen University Adjunct Associate Professor, Executive Master of Business Administration (EMBA), National Chung Hsing University	Chairman of Yaxin Investment Development Co., Ltd. Director of Yasheng Investment Development Co., Ltd. Chairman of Acemaker Technology Services & Products Corp. Chairman of Huaren Investment Development Co., Ltd. Supervisor of Eversun Science and Technology Co., Ltd. Chairman (Legal Representative) of Strong Biotech Corp. Director of Shengda Construction Co., Ltd. Supervisor of Medifun Corporation Adjunct Professor, Academy of Circular Economy, National Chung Hsing University Consultant of Topkey Foundation Supervisor of Welfare Organization for the Elderly, Taiwan, R.O.C.	None	None	None	None

Title	Nationality or registry	Name	Gender Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remarks
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
Director	R.O.C.	CDIB Advantage Venture Capital Investment Limited Partnership	—	June 20, 2022	3 years	June 18, 2019	11,526,000	11.42%	11,526,000	11.42%	0	0%	0	0%	Director of Xiamen University Taiwan Alumni Association Executive Supervisor, National Chung Hsing University Business Administration Department Alumni Association	Vice Chairman of Xiamen University Taiwan Alumni Association Consultant of National Chung Hsing University Alumni Association				
		Representative: Wei, Hong-Zheng	M Age 51-60	June 21, 2022	3 years	June 18, 2019	0	0%	0	0%	0	0%	0	0%	Representative of the corporate director of Sino-American Silicon Products Inc. Representative of the corporate director of Solartech Energy Corp. Independent Director of Superior Plating Technology Co., Ltd. Independent Director of Liyu Technology Co., Ltd. CAPTEC PARTNER Management Corp. Assistant Vice President	Independent Director of AmTRAN Technology Co., Ltd.				
															Master of Business and Management, National Chiao Tung University					
Director	R.O.C.	National Development Fund, Executive Yuan	—	June 20, 2022	3 years	June 18, 2019	6,000,000	5.94%	6,000,000	5.94%	0	0%	0	0%	Not applicable	Not applicable				
		Representative: He, Qi-Gong	M Age 61-70	June 20, 2022	3 years	December 16, 2020	0	0%	0	0%	0	0%	0	0%	Undersecretary of Administration, Ministry of Health and Welfare, Executive Yuan Director of Department of Health, Kaohsiung City Government Associate Professor, Institute of Occupational Safety	Professor of Department of Public Health, Kaohsiung Medical University Director of the Research Center for Medical Technology and Policy at Kaohsiung Medical University Director of TaiGen Biopharmaceuticals Holdings Limited (Representative of				

Title	Nationality or registry	Name	Gender Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remarks
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
															and Health, Kaohsiung Medical University President of Taiwan Environmental and Occupational Medicine Association Director of Labor Safety and Health Office, Kaohsiung Medical University Chung-Ho Memorial Hospital Director of Department of Community Medicine and Department of Occupational and Environmental Medicine, Kaohsiung Medical University Chung-Ho Memorial Hospital Director of Department of Occupational and Environmental Medicine, Kaohsiung Medical University Chung-Ho Memorial Hospital Director of Department of Community Medicine, Kaohsiung Medical University Chung-Ho Memorial Hospital	National Development Fund, Executive Yuan) Director of Center for Occupational Accident Prevention and Rehabilitation (COAPRE)				
															Institute of Public Health, National Taiwan University (College of Medicine)		None	None	None	None
Independent Director	R.O.C.	Lin, Wan-Ying	F Age 61-70	June 20, 2022	3 years	June 10, 2008	0	0%	0	0%	0	0%	0	0%	Associate Professor, Department of Accounting, National Chengchi University Independent Director, Member of Audit Committee and Remuneration Committee of Taiwan Pelican Express Co., Ltd.	Adjunct Associate Professor, Department of Accounting, National Chengchi University Independent Director, Member of Audit Committee and Remuneration Committee of Crystalvue Medical Corporation Independent Director, Member of Audit Committee and Remuneration Committee	None	None	None	None

Title	Nationality or registry	Name	Gender Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remarks
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
															Ph.D. in Accounting, Boston University, USA	of Lien Chang Electronic Enterprise Co., LTD. Independent Director, Member of Audit Committee and Remuneration Committee of Information Technology Total Services Co., LTD.				
Independent Director	R.O.C.	Wang, Wei	M Age 61-70	June 20, 2022	3 years	June 19, 2012	0	0%	0	0%	0	0%	0	0%	President of Crystalvue Medical Corporation Supervisor of Avalue Technology Incorporation Ph.D. in Electrical Engineering, University of Colorado, USA	Director of Crystalvue Medical Corporation Director of Avalue Technology Incorporation Director of KOGE Micro Tech Co., Ltd. Independent Director of PlayNitride Display Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Wang, Guo-Cheng	M Age 61-70	June 20, 2022	3 years	June 18, 2013	0	0%	0	0%	0	0%	0	0%	Chairman of Les enphants Co., Ltd. Director of Les Champions Co., Ltd. Member of Remuneration Committee of ACES Electronics Co., Ltd. Director of Genius Toy Taiwan Co., Ltd. Supervisor of Genetics Generation Advancement Corp. Institute of Business Administration, National Taiwan University	Independent Director and Member of Audit Committee of HannStar Board Corporation Independent Director, Member of the Audit and Risk Committee, Member of the Remuneration Committee and Member of the Company Nomination Committee of Hon Hai Precision Industry Co., Ltd. Independent Director, Member of Audit Committee and Remuneration Committee of Luo Lih-Fen Holding Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Lin, Tian-Fa	M Age 71-80	June 20, 2022	3 years	June 14, 2007 (Note 2)	6,000	0.00%	6,000	0.00%	12,000	0.01%	0	0%	Responsible person of Hemu Investment & Development Co., Ltd. Vice Chairman of Dynamic Medical Technologies Inc. President of Dynamic Medical Technologies Inc. School of Pharmacy, Kaohsiung Medical University	Responsible person of Hemu Investment & Development Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Lee, Hsiung-Ching	M Age 61-70	June 20, 2022	3 years	June 18, 2019	0	0%	0	0%	0	0%	0	0%	Chairman of Jiu Zhen Nan Foods Co., Ltd. Representative of the corporate director of Logah Technology Corporation	Chairman of Jiu Zhen Nan Foods Co., Ltd. Responsible person of Yongxingheng Investment Co., Ltd.	None	None	None	None

Title	Nationality or registry	Name	Gender	Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remarks
								Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
																Executive Master of Business Administration (EMBA), School of Business, Sun Yat-sen University					

Note 1: Mr. Lee, Yung-Chuan n was first elected as the Chairman on September 21, 1998 and resigned on April 27, 2004. He was re-elected as the Chairman on June 21, 2016 and has been serving as the Chairman up to now.

Note 2: Mr. Lin, Tian-Fa was first elected as the Supervisor on June 14, 2007, and was elected as an independent director at the shareholders' meeting on June 18, 2013 and resigned on August 8, 2013, and then was re-elected as an independent director on June 21, 2016.

Note 3: Where the Chairman and the president or person of an equivalent position (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors with a majority of directors not being employees or managers, etc.) shall be given: the Chairman also serves as the President of the Company to enhance operational efficiency and decision execution. The Chairman has been closely communicating with the directors on the recent operating status, plans and policies of the Company to implement corporate governance. At present, the Company has taken following specific measures:

- (1) The current five independent directors are specialized in the fields of finance and accounting, marketing, and technology industries respectively to effectively perform their supervisory functions.
- (2) Arrange all directors to attend professional courses organized by external institutions every year in order to effectively perform their functions.
- (3) The Company has established the Remuneration Committee and Audit Committee, and the independent directors can fully discuss and make recommendations to the Board of Directors for its reference in each functional committee, in order to enhance the operational effectiveness of the Board
- (4) More than half of the board members are not employees or managers

2. Major shareholders of Corporate Shareholders

Name of Corporate Shareholders (Note 1)	Major shareholders of the Corporate Shareholders (Note 2)
Yasheng Investment Development Co., Ltd.	Wenzhuan Investment Development Co., Ltd. (44.56%); Huaren Investment Development Co., Ltd. (26.60%); Lee, Pi-Kai (10%); Lee, Yung-Chuan (8.33%); Wu, Li-Hui (3.25%); Li, Zhao-Yi (7.25%)
CDIB Advantage Venture Capital Investment Limited Partnership	CDIB Venture Capital Corporation (24.58%); Mega International Commercial Bank Co., Ltd. (23.13%); Yuanta Life Insurance Co., Ltd. (11.01%); China Life Insurance Company Limited (7.71%); Guoheng Investment Development Co., Ltd. (4.40%); GlobalWafers Co., Ltd. (3.85%); Win Semiconductors Cayman Islands Co., Ltd. (3.30%); Tong Hsing Food Ind. Corp. (2.20%); Sunplus Venture Capital Co., Ltd. (2.20%); Zhang, Bo-Min (2.20%); Li, Cai-Qiu (2.20%); Mercuries Life Insurance Co., Ltd. (1.54%); ACES Electronics Co., Ltd. (1.54%) (According to the data as of April 2021)
National Development Fund, Executive Yuan	Government of the Republic of China (100%)

Note 1: If a director or supervisor is a representative of corporate shareholder, the name of the corporate shareholder should be filled in.

Note 2: Please fill in the names of the major shareholders (the top ten shareholders in terms of shareholding ratio) of the corporate shareholder and their shareholding ratios.

Note 3: If the corporate shareholder is not a corporate organization, the above-mentioned shareholder name and shareholding ratio that should be disclosed shall be the name of the capital contributor or donor (please refer to the announcement of the Judicial Yuan) and the percentage of capital contribution or donation; if the donor is deceased, add "Died".

3. Major shareholders of the Company's major corporate shareholders

Name of juristic person (Note 1)	Major Shareholders of juristic person (Note 2)
Huaren Investment Development Co., Ltd.	Liu, Chang-Chi (46.10%); Teng, Pei-Lan (29.26%); Liu, Zhao-Wei (24.64%)
Wenzhuan Investment Development Co., Ltd.	Wu, Li-Hui (31.00%); Lee, Yung-Chuan (25.00%); Lee, Pi-Kai (22.00%); Li, Zhao-Yi (22.00%)
CDIB Venture Capital Corporation	CDIB Capital Group (100%)
Mega International Commercial Bank Co., Ltd.	Mega Financial Holding Company Ltd. (100%)
Yuanta Life Insurance Co., Ltd.	Yuanta Financial Holding Co., Ltd. (100%)
KGI Life Insurance Co., Ltd. (Former China Life Insurance Company Limited)	China Development Financial Holding Co., Ltd. (100%) (According to the data in the 2023 Annual Report)
Guoheng Investment Development Co., Ltd.	Grand Pacific Petrochemical Corporation (81.6%); Videoland Inc. (18.4%) (According to the data in the 2022 Annual Report)
GlobalWafers Co., Ltd.	Sino-American Silicon Products Inc. (46.64%), Cathay Life Insurance Co., Ltd. (2.98%), Yuanta Taiwan Value High Dividend ETF Investment custodied by Taiwan Hua Nan Bank (1.90%), Capital World Growth Income Fund Investment Account custodied by JPMorganChase Bank, N.A., Taipei Branch (1.67%), Fubon Life Insurance Co., Ltd. (1.55%), Capital Gain Builder Investment Account custodied by JPMorganChase Bank, N.A., Taipei Branch (1.54%), Global Balance Fund Investment Account of American Funds custodied by JPMorganChase Bank, N.A., Taipei Branch (1.48%), Nan Shan Life Insurance Co., Ltd.(1.27%), Singapore Government - GOS - EFM C custodied by Citibank (1.15%), Citi Global Markets - Asia Pacific Integrated Equity Finance custodied by Citibank (0.99%) (According to the data in the 2023 Annual Report)
Win Semiconductors Cayman Islands Co., Ltd.	Cathay Life Insurance Company Limited (5.35%); Investment Account of Avago Technologies International Marketing Private Limited Company custodied by CTBC Bank (4.72%); Tianhe Industrial Co., Ltd. (4.21%); Chen, Jin-Cai (3.01%); New Labor Pension Fund (2.10%); Ye, Guo-Yi (1.90%); Employee Shareholding Association Trust Property Account of Win Semiconductors Cayman Islands Co., Ltd. custodied by CTBC Bank (1.85%); Ye, Li-Quan (1.81%); Ye, Li-Cheng (1.81%);

Name of juristic person (Note 1)	Major Shareholders of juristic person (Note 2)
	Nan Shan Life Insurance Co., Ltd. (1.58%) (According to the data in the 2023 Annual Report)
Tong Hsing Food Ind. Corp.	Yang, Hui-Jie (4.38%); Yang, Zhi-Hong (0.25%); Huang, Yin-Zhong (9.27%); Huang, Ji-Tang (0.90%); Yang, An-Zhuo (7.50%); Yang, Yi-Wen (7.50%); Yang, Jia-Yu (7.25%); Yang, Nian-Hua (7.23%); Yang, Pei-Zhen (4.26%); Xu, Zhong-Mei (1.10%) (According to the data as of April 2020)
Sunplus Venture Capital Co., Ltd.	Sunplus Technology Co., Ltd. (100%)
Mercuries Life Insurance Co., Ltd.	Mercuries & Associates Holding, Ltd. (32.21%), Prosper Asia Investment Limited (4.99%), Shanglin Investment Co., Ltd. (3.72%), Xu, Chang-Hui (0.02%), Shuren Investment Co., Ltd. (3.70%), Mercuries Fu Bao Co., Ltd. (2.72%), Wang, Xian-Chang (0.02%), Mercuries & Associates Holding, Ltd. (1.69%), Chen, Xiang-Fen (0.02%), Advanced Starlight Advanced Total International Stock Index custodied by JPMorgan Chase Bank (0.85%), Li, Jian-Xiong (0.74%), Vanguard Emerging Markets Stock Index Fund Account custodied by JPMorgan Chase Bank (0.64%), Investment Account of Yafe Ltd. custodied by First Bank (0.61%) (According to the data in the 2022 Annual Report)
ACES Electronics Co., Ltd.	Yuan, Wan-Ding (6.59%), Keyan Investment Co., Ltd. (4.68%), Xu, Chang-Fei (4.56%), Investment Account of Albula Investment Fund Limited custodied by Deutsche Bank (4.43%), Weiji Investment Co., Ltd.(4.15%), Yuan, Xiang-Feng (2.75%), First Securities (Hong Kong) Agent Investment Special Account custodied by Citibank (2.69%), Helu Investment Co., Ltd. (1.82%), Liao, Ming-Shan (1.54%), Yuan, Zhen-Ting (1.16%) (According to the data in the 2023 Annual Report)

Note 1: If a major shareholder of corporate shareholder is a juristic person, the name of the juristic person should be filled in.

Note 2: Please fill in the names of the major shareholders (the top ten shareholders in terms of shareholding ratio) of the juristic person and their shareholding ratios.

Note 3: If the corporate shareholder is not a corporate organization, the above-mentioned shareholder name and shareholding ratio that should be disclosed shall be the name of the capital contributor or donor (please refer to the announcement of the Judicial Yuan) and the percentage of capital contribution or donation; if the donor is deceased, add "Died".

4. Disclosure of professional qualification of the directors and independence of directors:

<div>Qualification</div> <div>Name</div>	Professional qualification and experience	Compliance of independence of Independent Directors	Number of positions as an Independent Director in other public listed companies
Director: Lee, Yung-Chuan	For professional qualifications and experience of directors, please refer to the “Profiles of Directors” (Pages 5-10) in this annual report.	Not applicable	1
Director: Liu, Chang-Chi			0
Director: Wei, Hong-Zheng			1
Director: He, Qi-Gong			0
Independent director: Lin, Wan-Ying	All directors do not meet any descriptions stated in Article 30 of the Company Act, please refer to Note 1	All independent directors meet the following conditions: 1. Comply with Article 14-2 of the Securities and Exchange Act and the relevant provisions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission, please refer to Note 3	3
Independent director: Wang, Wei	For members of the Audit Committee with accounting or financial expertise, please refer to Note 2	2. The independent directors (or in the names of others), spouses and minor children do not hold any shares of the Company 3. No remuneration received by provision of business, legal, financial, accounting and other services for the Company or its affiliated companies in the last two years	1
Independent director: Wang, Guo-Cheng			3
Independent director: Lin, Tian-Fa			0
Independent director: Lee, Hsiung-Ching			0

Note 1: Article 30 of the Company Act: A person shall not act as a manager if any of the following circumstances occurs to that person, and shall be dismissed if that person has been appointed as a manager:

1. He/she has committed a crime stipulated in the Regulations on Organized Crime Prevention Act, and has been confirmed by a guilty verdict, which has not yet been executed or fully executed, or has been fully executed, probation expired or pardoned for less than five years.
2. He/she has committed a crime of fraud, breach of trust, or embezzlement that has been confirmed by a sentence of imprisonment for a term of one year or more, which has not yet been executed or fully executed, or has been fully executed, probation expired or pardoned for less than two years.
3. He/she has committed a crime stipulated in the Regulations on Anti-Corruption Act, and has been confirmed by a guilty verdict, which has not yet been executed or fully executed, or has been fully executed, probation expired or pardoned for less than two years.
4. He/she has been declared bankrupt or the liquidation procedure has started according to court ruling, with his/her rights un-restored.
5. The notes are dishonored, which has not yet expired.
6. Incapacity or limited capacity.
7. He/she is subject to aid declaration, which has not yet been revoked

Note 2: In the Company's Audit Committee, Lin, Wan-Ying, an independent director, has the accounting expertise. Please refer to Page 8 in this annual report for the relevant industry experience of independent directors.

Note 3: 1. Not a government, juridical person or its representative as defined in Article 27 of the Company Act.

2. Holding position as an Independent Director in less than three public listed companies.
3. There is no any of the following circumstances during the two years before the election and during the term of office:
 - (1) Employed by the Company or any of its affiliated companies.
 - (2) Directors and supervisors of the Company or any of its affiliated companies.
 - (3) The person, spouse, minor children, or natural person shareholders who hold more than 1% of the Company's total issued shares or the top ten shareholders in the name of others.
 - (4) A manager of (1) or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of (2) or (3).
 - (5) A director, supervisor or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company or ranks as one of its top five shareholders or was appointed pursuant to Article 27 of the Company Act.
 - (6) A director, supervisor, or employee of another company where a majority of the Company's directorships or voting shares and those of another company are controlled by the same person.
 - (7) The same person as the Company's Chairman, President or person with equivalent position or the director (managing director), supervisor or employee of company or institution of the spouse thereof.
 - (8) A director (council member), supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.
 - (9) A professional individual who, or an owner, partner, director (council member), supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the last two years has received cumulative compensation exceeding NT\$500 thousand, or a spouse thereof. This shall not apply to those who serve as members of the Company's Remuneration Committee.

5. Diversity and independence of the board of directors:

(1) Board diversity:

- The Company has specified the diversity policy for the composition of the Board of Directors in the Corporate Governance Best Practice Principles, and has set and implemented specific management objectives in accordance with the policy. In order to achieve the Company's desired objectives, the Board of Directors should possess the following capabilities: operational judgment capabilities, accounting and financial analysis capabilities, business management capabilities, crisis management capabilities, industry knowledge, international market outlook, leadership and decision-making skills.
- The Company's Board of Directors shall be accountable to the shareholders' meeting for its operations. The practices and arrangements of the corporate governance system shall ensure that the Board of Directors shall exercise its authority in accordance with the laws, the Articles of Incorporation, or the resolutions of the shareholders' meetings. The Board of Directors should consider diversity in its membership, and an appropriate diversity policy should be formulated based on its operations, operation type, and development needs, which should include but not be limited to the following two major standard aspects:
 - A Basic conditions and values: gender, age, nationality, culture, etc. The proportion of female directors should reach one-third of the number of directors.
 - B Profession knowledge and skills: background (e.g. law, accounting, industry, finance, marketing or technology), profession skills, industry experience, etc.
- The implementation of the Board diversity policy is shown in the following table:
 - A The Company's current Board of Directors consists of nine directors, including five independent directors and four non-independent directors.
 - B Director Lee, Yung-Chuan, Director Liu, Chang-Chi, Independent Director Wang, Wei, and Independent Director Lin Tian-Fa have experience in the biotechnology and medical industry and specialize in leadership, operational decision making and operation management; Independent Director Wang, Guo-Cheng has experience in manufacturing, brand marketing and establishing overseas offices; Independent Director Lin,

Wan-Ying has professional abilities in accounting and financial analysis and is familiar with relevant laws and regulations; Director Wei, Hong-Zheng, representative of CDIB Advantage Venture Capital Investment Limited Partnership, has experience in industry, investment, mergers and acquisitions; Independent Director Lee, Hsiung-Ching has extensive experience in brand marketing channels; Director He, Qi-Gong, representative of the National Development Fund, Executive Yuan, is also a professor in the Department of Public Health at Kaohsiung Medical University and the Director of the Department of Community Medicine at Chung-Ho Memorial Hospital, and has extensive medical and academic experience.

- C The Company attaches importance to gender equality in the composition of the Board of Directors and aims to increase the number of female directors to more than one-third (i.e. 33%). Currently, the Board of Directors consists of 8 (89%) male members and 1 (11%) female member. We will strive to increase the number of female directors in the future to achieve our goal.

Diversity core item	Basic compose											Industry Experience		Professional Ability					
	Title	Nationality	Gender	Current positions in our company	Age				Independent Director terms and seniority			Biotech and Medicine	Manufacturing and Brand Channels	Investment and M&A	Accounting	Finance	Industry	Marketing	Technology
					41 to 50	51 to 60	61 to 70	> 70	Less than 3 years	3 - 9 years	More than 9 Years								
Name of director																			
Lee, Yung-Chuan	Director	R.O.C.	M	None	-	-	✓	-	-	-	-	✓	✓	-	-	✓	✓	✓	✓
Liu, Chang-Chi	Director	R.O.C.	M	None	-	-	✓	-	-	-	-	✓	✓	-	-	✓	✓	✓	✓
Wei, Hong-Zheng	Director	R.O.C.	M	None	-	✓	-	-	-	-	-	-	-	✓	-	✓	✓	-	-
He, Qi-Gong	Director	R.O.C.	M	None	-	-	✓	-	-	-	-	✓	-	-	-	-	✓	-	-
Lin, Wan-Ying	Independent Director	R.O.C.	F	None	-	-	✓	-	-	-	✓	-	-	-	✓	✓	-	-	-
Wang, Wei	Independent Director	R.O.C.	M	None	-	-	✓	-	-	-	✓	✓	✓	-	-	✓	✓	✓	✓
Wang, Guo-Cheng	Independent Director	R.O.C.	M	None	-	-	✓	-	-	-	✓	-	✓	-	-	✓	✓	✓	✓
Lin, Tian-Fa	Independent Director	R.O.C.	M	None	-	-	-	✓	-	-	✓ Note	✓	✓	-	-	✓	✓	✓	✓
Lee, Hsiung-Ching	Independent Director	R.O.C.	M	None	-	-	✓	-	-	✓	-	-	✓	-	-	-	-	✓	-

Note: Mr. Lin, Tian-Fa was first elected as the Supervisor on June 14, 2007, and was elected as an independent director at the shareholders' meeting on June 18, 2013 and resigned on August 8, 2013, and then was re-elected as an independent director on June 21, 2016.

- (2) Independence of the Board of Directors: Currently, the Company has five independent directors, accounting for 56% of the total number of directors. In accordance with the independence requirements of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, the Company has obtained written statements and other supporting documents from each independent director, confirming that the independent directors and their relatives within the scope specified by the laws are independent of the Company. The Board of Directors as a whole meets the requirements of Paragraph 3, Article 26-3 of the Securities and Exchange Act, and all directors are not related to each other as spouses or relatives within the second degree of kinship. Therefore, the Company believes that the Board of Directors meets the independence requirements.

(II) President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches

December 31, 2025

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives within the second degree of kinship acting as managers			Remarks
					Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
Chairman-cum-President	R.O.C.	Lee, Yung-Chuan	M	August 9, 2021	1,074,072	1.06%	342,704	0.33%	0	0%	Business Manager of Comfort Orthopedic Co. Ltd.	Chairman of Yachuang Investment Development Co., Ltd. Director of Yaxin Investment Development Co., Ltd. Chairman of Yasheng Investment Development Co., Ltd. Director of Wenzhuan Investment Development Co., Ltd. Chairman (Legal Representative) of Sturdy Industrial Co., Ltd. Director of Wellell America Corp. Director of Apex Global Investment Ltd. Director of ComfortPro Investment Corp. Director of Max Delight Holding Limited Executive Director of Apex (Kunshan) Medical Corp. Executive Director of Wellell (Kunshan) Co., Ltd. Director of G Innings Medical Ltd.	Vice President	Lee, Pi-Kai	Father and son	Note 1
											National Chengchi University, EMBA, Non-Profit Business Group					

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives within the second degree of kinship acting as managers			Remarks
					Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
												Director of Wellell (Thailand) Ltd. Director of Apex Medical Respiratory Ltd. Director of Wellell UK Limited Director of Wellell France S.A.S. Director of SLK Vertriebs GmbH Director of SLK Medical GmbH Chairman of Apex Medical Corp. Director of Wellell Germany GmbH Independent Director of Q Burger Group Co., Ltd. Director of Puren Youth Care Foundation				
Senior Vice President	R.O.C.	Cui, Yi-De	M	January 1, 2023	153,110	0.02%	25,731	0%	0	0%	President of Sturdy Industrial Co., Ltd.	Chairman of Wellell Taiwan Corp.	None	None	None	None
											On-the-job Master's Degree Course, College of Business Administration, Chang Gung University					
Vice President	R.O.C.	Lee, Pi-Kai	M	March 1, 2024	820,530	0.81%	2,000	0%	0	0%	Founder of STUDIO 88 DESIGN CORP.	Vice President of the Company	Chairman-cum-President	Lee, Yung-Chuan	Father and son	Note 2

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives within the second degree of kinship acting as managers			Remarks
					Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relation	
											Dell Alienware Corp. Product Designer	Director of Wellell America Corp.				
											Department of Industrial Design, Academy of Art University					
Vice President	R.O.C.	Cai, Jia-Sheng	M	November 11, 2022	0	0%	0	0%	0	0%	Assistant Vice President of YFY Inc.	None	None	None	None	Note 3
											Executive Master of Business Administration, National Chengchi University Institute of Industrial Education, National Taiwan Normal University					
Financial supervisor and corporate governance officer	R.O.C.	Chen, Shi-He	M	March 24, 2015	0	0%	0	0%	0	0%	Auditing Manager of Acer Incorporated	None	None	None	None	None
											Institute of Business Administration, National Central University					

Note 1: Where the chairman and the president or person of an equivalent position (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors with a majority of directors not being employees or managers, etc.) shall be given: Please refer to Note 3 (Page 10) of the attached “Information on Directors and Supervisors” for details.

Note 2: Lee, Pi-Kai , Vice President, took office on March 1, 2024.

Note 3: Cai, Jia-Sheng, Vice President, resigned on August 16, 2024.

Note 4: Cui, Yi-De, Vice President, resigned on February 28, 2025.

(III) Remuneration payment to directors, president, and vice president in the latest year:

1. Remuneration for directors and independent directors

December 31, 2024; Unit: NT\$ thousand

Title	Name	Remuneration to directors								Ratio of total compensation (A+B+C+D) to net profit after tax		Relevant remuneration received by directors who are also employees								Ratio of total and compensation (A+B+C+D+E +F+G) to net profit after tax		Remuneration received from the invested companies other than the subsidiaries and the parent company
		Remuneration (A)		Pension (B)		Remuneration to Directors (C) (Note 1)		Business Execution Expenses (D) (Note 2)				Salary, bonus and special allowances, etc. (E)		Pension (F)		Remuneration to employees (G)						
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report		The Company	All companies shown in the financial report			
Director	Yasheng Investment Development Co., Ltd. Representative: Lee, Yung-Chuan	3,500	3,500	0	0	2,333	2,333	444	456	6,277 5.45%	6,289 5.46%	1,536	1,536	0	0	773	0	773	0	8,587 7.45%	8,599 7.46%	None
Director	Yasheng Investment Development Co., Ltd. Representative: Liu, Chang-Chi																					
Director	CDIB Advantage Venture Capital Investment Limited Partnership Representative: Wei, Hong-Zheng																					
Director	National Development Fund, Executive Yuan Representative: He, Qi-Gong																					
Independent Director	Lin, Wan-Ying																					
Independent Director	Wang, Wei																					
Independent Director	Wang, Guo-Cheng																					
Independent Director	Lin, Tian-Fa																					
Independent Director	Lee, Hsiung-Ching																					

Title	Name	Remuneration to directors						Ratio of total compensation (A+B+C+D) to net profit after tax		Relevant remuneration received by directors who are also employees						Ratio of total and compensation (A+B+C+D+E +F+G) to net profit after tax		Remuneration received from the invested companies other than the subsidiaries and the parent company		
		Remuneration (A)		Pension (B)		Remuneration to Directors (C) (Note 1)				Business Execution Expenses (D) (Note 2)		Salary, bonus and special allowances, etc. (E)		Pension (F)					Remuneration to employees (G)	
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report			The Company	All companies shown in the financial report
														Cash amount	Stock amount	Cash amount	Stock amount			
1.	Please describe the remuneration policy, system, standard and structure of independent directors, and describe the linkage to the remuneration amount according to the responsibilities, risks, time, and other factors: The Rules for Performance Evaluation of Board of Directors is the basis for evaluation. In addition to the operating results, the contribution of the directors to the Company is also considered to give a reasonable remuneration. The reasonableness of the related compensation is reviewed by the Compensation Committee and the Board of Directors, with regular assessments of the actual business situation and timely reviews of the remuneration system in response to changes in relevant regulations.																			
2.	In addition to the disclosures in the above table, remuneration received by the Company’s directors who provided services (such as consultant serving as the parent Company/ all companies in the financial report/ investee businesses non-employees, etc.) in the latest year: None.																			

Note 1: The amount of directors' remuneration proposed to be distributed in 2024 as approved by the Board of Directors in 2025 should be filled in, which is calculated based on the actual distribution proportion of directors' remuneration last year.

Note 2: The amount of compensation paid to drivers by all companies in the consolidated financial statements of the Company was NT\$615 thousand.

Remuneration Bracket Table

Range of Remuneration for each director of the Company	Name of director			
	Total of the aforementioned 4 items (A+B+C+D)		Total of the aforementioned 7 items (A+B+C+D+E+F+G)	
	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report
Less than NT\$1,000,000	General Director: Representative of Yasheng Investment Development Co., Ltd.: Liu, Chang-Chi Representative of CDIB Advantage Venture Capital Investment Limited Partnership: Wei, Hong-Zheng Representative of National Development Fund, Executive Yuan: He, Qi-Gong Independent Directors: Lin, Wan-Ying; Wang, Wei; Wang, Guo-Cheng; Lin, Tian-Fa; Lee, Hsiung-Ching	General Director: Representative of Yasheng Investment Development Co., Ltd.: Liu, Chang-Chi Representative of CDIB Advantage Venture Capital Investment Limited Partnership: Wei, Hong-Zheng Representative of National Development Fund, Executive Yuan: He, Qi-Gong Independent Directors: Lin, Wan-Ying; Wang, Wei; Wang, Guo-Cheng; Lin, Tian-Fa; Lee, Hsiung-Ching	General Director: Representative of Yasheng Investment Development Co., Ltd.: Liu, Chang-Chi Representative of CDIB Advantage Venture Capital Investment Limited Partnership: Wei, Hong-Zheng Representative of National Development Fund, Executive Yuan: He, Qi-Gong Independent Directors: Lin, Wan-Ying; Wang, Wei; Wang, Guo-Cheng; Lin, Tian-Fa; Lee, Hsiung-Ching	General Director: Representative of Yasheng Investment Development Co., Ltd.: Liu, Chang-Chi Representative of CDIB Advantage Venture Capital Investment Limited Partnership: Wei, Hong-Zheng Representative of National Development Fund, Executive Yuan: He, Qi-Gong Independent Directors: Lin, Wan-Ying; Wang, Wei; Wang, Guo-Cheng; Lin, Tian-Fa; Lee, Hsiung-Ching
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	—	—	—	—
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	—	—	—	—
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	General Director: Representative of Yasheng Investment Development Co., Ltd.: Lee, Yung-Chuan	General Director: Representative of Yasheng Investment Development Co., Ltd.: Lee, Yung-Chuan	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	—	—	General Director: Representative of Yasheng Investment Development Co., Ltd.: Lee, Yung-Chuan	General Director: Representative of Yasheng Investment Development Co., Ltd.: Lee, Yung-Chuan
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	—	—	—	—
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	9	9	9	9

2. Supervisors' remuneration: The Company has established an audit committee consisting of five independent directors to replace the duties of supervisors, therefore, it is not applicable.

3. Remuneration to the President and Vice Presidents :

December 31, 2024; Unit: NT\$ thousand

Title	Name (Note 1)	Salary (A)		Pension (B)		Bonuses and allowances etc. (C)		Remuneration to employees (D) (Note 1)				Ratio of total compensation (A+B+C+D) to net profit after tax (%)		Remuneration received from the invested companies other than the subsidiaries and the
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report		The Company	All companies shown in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Lee, Yung-Chuan	6,515	6,515	0	0	2,408	2,408	3,944	0	3,944	0	12,867 11.17%	12,867 11.17%	None
Senior Vice President	Cui, Yi-De													
Vice President	Cai, Jia-Sheng (Note 2)													
Vice President	Lee, Pi-Kai (Note 3)													

Note 1: The Board of Directors of the Company approved the proposed remuneration to employees of NT\$10,369 thousand in 2024. Up to the publication date of the annual report, the list of the current employee remuneration distribution has not yet been determined. Therefore, the proposed distribution amounts for this year are calculated based on the actual distribution ratio of last year.

Note 2: Cai, Jia-Sheng, Vice President, resigned on August 16, 2024.

Note 3: Lee, Pi-Kai, Vice President, took office on March 1, 2024.

Remuneration Bracket Table

The brackets of remunerations to all Presidents and Vice Presidents of the Company	Names of the Presidents and the Vice Presidents	
	The Company	All companies shown in the financial report
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Lee, Yung-Chuan; Cai, Jia-Sheng	Lee, Yung-Chuan; Cai, Jia-Sheng
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Lee, Pi-Kai	Lee, Pi-Kai
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Cui, Yi-De	Cui, Yi-De
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)		
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	4	4

4. Name of the managers received remuneration and the distribution of remuneration:
December 31, 2024; Unit: NT\$ thousand

	Title	Name	Stock amount (Note 1)	Cash amount (Note 1)	Total	As a percentage of net profit after tax (%)
Manager	President	Lee, Yung-Chuan	0	2,224	2,224	2.86%
	Senior Vice President	Cui, Yi-De				
	Vice President	Cai, Jia-Sheng (Note 2)				
	Financial supervisor and chief accounting officer	Chen, Shi-He				
	Vice President	Lee, Pi-Kai				

Note 1: Up to the publication date of the annual report, the list of the current employee remuneration distribution has not yet been determined, so the proposed distribution amounts for this year are calculated based on the actual distribution ratio of last year.

Note 2: Cai, Jia-Sheng, Vice President, resigned on August 16, 2024; Lee, Pi-Kai, Vice President, took office on March 1, 2024.

(IV) Separately compare and describe the ratio of the remunerations paid by the Company and all companies in the financial statements to the Company's directors, President and Vice Presidents to the net profit after tax of the parent company only financial statements for the last two years, the policy, standard and combination of the remuneration, and the procedure for formulating the remuneration and its correlation with business performance and future risks:

1. Analysis of the total remuneration paid to the Company's directors, the President, and Vice Presidents by the Company and all companies in the consolidated financial statements as a percentage of the net profit after tax in the parent company only financial statements for the last two years:

Title	The total remuneration paid to the Company's directors, the President, and Vice Presidents as a percentage of the net profit after tax in the parent company only financial statements for 2024		The total remuneration paid to the Company's directors, the President, and Vice Presidents as a percentage of the net profit after tax in the parent company only financial statements for 2023	
	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report
Director	16.61%	16.62%	13.43%	13.43%
President and Vice President				

2. Remuneration policies, standards, and packages, the procedure and determining remuneration, and its linkage to operating performance and future risk exposure

- (1) Remuneration policies, standards, and packages

In accordance with Article 20-1 of the Company's Articles of Incorporation, if the Company makes a profit in a fiscal year, it shall set aside 5% to 15% of the profit as employees' remuneration and not more than 2% as directors' remuneration, which shall be reviewed by the Remuneration Committee and then submitted to the Board of Directors for discussion and approval before distribution, and shall be reported to the Annual Shareholders' Meeting.

- A. Directors Remuneration Distribution Policy

In addition to considering the operational efficiency, contribution, and tenure of the Company, the remuneration ratio is calculated by taking into account the occurrence of moral hazard incidents or other events that have a negative impact on the Company's image and goodwill, so as to give a reasonable remuneration. The reasonableness of the relevant remuneration is reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed timely by regular review of the actual operating conditions and changes in relevant laws and regulations.

- B. Managers Remuneration Distribution Policy

The remuneration ratio is calculated and a reasonable remuneration is given by taking into account the salary level of the position in the industry, the overall performance of the Company and the occurrence of moral hazard incidents or other events that have a negative impact on the Company's image and goodwill, as well as the achievement rate of the individual's performance and his or her contribution to the Company's performance. The relevant remuneration has been considered and approved by the Remuneration Committee of the Company.

- (2) Procedure for determining remuneration: The remuneration is determined in accordance with the Company's Articles of Incorporation and the Performance Evaluation Method.
 - (3) Correlation between business performance and future risks: The Company's remuneration policy takes into account the Company's financial position and operating results for the current year and future capital requirements, as well as the evaluation of future risks in order to minimize the possibility of risk occurrence and balance sustainable management and risk control. The Company formulates and regularly reviews the policies, systems, standards and structure of performance and remuneration of directors and managers. The Company formulates and regularly reviews the policies, systems, standards and structure of performance and remuneration.

II. Corporate governance

(I) The state of operations of the Board of Directors

The state of operations of the Board of Directors

The Board of Directors convened 5 meetings in 2024 and the participation of the directors are shown below:

Title	Name	Actual attendance	Proxy attendance	Actual attendance (%)	Remarks
Chairman	Yasheng Investment Development Co., Ltd. Representative: Lee, Yung-Chuan	5	0	100%	Re-elected on June 20, 2022
Director	Yasheng Investment Development Co., Ltd. Representative: Liu, Chang-Chi	5	0	100%	Re-elected on June 20, 2022
Director	CDIB Advantage Venture Capital Investment Limited Partnership Representative: Wei, Hong-Zheng	5	0	100%	Re-elected on June 20, 2022
Director	National Development Fund, Executive Yuan Representative: He, Qi-Gong	5	0	100%	Re-elected on June 20, 2022
Independent Director	Lin, Wan-Ying	5	0	100%	Re-elected on June 20, 2022
Independent Director	Wang, Wei	5	0	100%	Re-elected on June 20, 2022
Independent Director	Wang, Guo-Cheng	5	0	100%	Re-elected on June 20, 2022
Independent Director	Lin, Tian-Fa	5	0	100%	Re-elected on June 20, 2022
Independent Director	Lee, Hsiung-Ching	5	0	100%	Re-elected on June 20, 2022

Other mentionable items:

- I. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:
 - (I) Issues required under Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, and the provisions of Article 14-3 are not applicable. Please refer to the Operations of the Audit Committee for the relevant information.
 - (II) Other than the aforementioned issues, the issue objected by an independent director or where an independent director maintain a qualified opinion with record or documented declaration in a decision resolved by the Board of Directors: None.
- II. With respect to the avoidance of conflicting interest agendas, describe the names of directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None.

III. Details of the implementation of self-evaluation of the Company's Board of Directors.

Evaluation term	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year, and submitted to the Board of Director on March 13, 2025	January 1, 2024 - December 31, 2024	Performance evaluation of the Board of Directors, individual Board members and functional committees	Self-evaluation of the Board of Directors and Board members	[Performance evaluation results of the Board of Directors, individual Board members and functional committees in 2024] Note 1

IV. Targets for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g. establishing an audit committee, and improving information transparency) and the evaluation on implementation:

(I) Strengthen the functions of the Board of Directors

The Company has established the Rules of Procedure for Board of Directors Meetings, and the board meetings are all handled in accordance with the rules.

(II) Improve information transparency

The Company's financial statements are regularly audited by KPMG Taiwan, and we timely and accurately disclose all information required by laws and regulations to be disclosed, and the Company has designated dedicated personnel to be responsible for the collection and disclosure of the Company's information and established a spokesperson system to ensure that all material information is disclosed in a timely and appropriate manner.

Note 1:

[Performance evaluation results of the Board of Directors, individual Board members and functional committees in 2024]

In accordance with the Rules for Performance Evaluation of Board of Directors amended on May 5, 2021, the Company shall conduct an internal performance evaluation of the Board of Directors at least once a year. The evaluation includes self-evaluation of the Company's Board of Directors, functional committees, and individual Board members, and the evaluation results have been submitted to the Board of Directors on March 13, 2025.

In consideration of the Company's conditions and needs, the measurement items of the board performance evaluation include the following five aspects:

1. Level of participation in the Company's operations.
2. Improvement in the decision-making quality of the board of directors.
3. Board composition and structure
4. Director's election and continuing education.
5. Internal Control

The measurement items of the Board members' (self) performance evaluation include the following six aspects:

1. Director's awareness toward the Company's goals and missions.
2. Director's awareness to duties
3. Level of participation in the Company's operations.
4. Management and communication of internal relations.
5. Director's professional and continuing education
6. Internal Control

The performance evaluation questionnaires, after being collected before the end of the first quarter of the following year, will be analyzed by the organizer of the Board of Directors in accordance with the above method. The scoring standards for each evaluation item are as follows: 1: Very poor (strongly disagree); 2: Poor (disagree); 3: Moderate (average); 4: Good (agree); 5: Excellent (strongly agree). The evaluation results are summarized as follows:

(I) Self-evaluation of the Board's performance:

The performance evaluation indicators of the Board of Directors consist of 45 indicators in five aspects, and the average score of the evaluation results is 4.95 points.

1: Very poor (strongly disagree): 0 item

2: Poor (disagree): 1 item

3: Moderate (average): 1 item

4: Good (Agree): 0 item

5: Excellent (strongly agree): 43 items

1. "Poor" item upon evaluation: Attendance of directors at shareholders' meetings

The evaluation results and improvement program: The attendance rate of directors at the 2024 Annual Shareholders' Meeting was 22.22%; in order to increase the attendance rate of all directors at the Annual Shareholders' Meeting, the directors will be notified of the date of 2024 Annual Shareholders' Meeting earlier, so that the directors can schedule their attendance.

2. "Moderate" item upon evaluation: Frequency of board meetings

The evaluation results and improvement program:

The Board of Directors held 5 meetings during 2024. In the future, the number of board meetings will be increased as necessary to improve performance evaluation and corporate governance needs. The rest of the report shows that the Board of Directors has fulfilled the responsibility for guiding and supervising the Company's strategy, major business and risk management, and is able to establish a proper internal control system.

Five aspects of self-evaluation	Evaluation item	Scoring results (Mean)
Level of participation in the Company's operations.	12 items	4.75
Improvement in the decision-making quality of the board of directors.	12 items	4.83
Board composition and structure	7 items	5.00
Director's election and continuing education.	7 items	5.00
Internal Control	7 items	5.00

(II) Self-evaluation on performance by Board members:

The performance evaluation indicators of the Board members consist of 23 indicators in six aspects, and the average score is 4.95 points.

The evaluation results of each director are as follows, which show that the directors have positive comments on the operational efficiency and effectiveness of each indicator.

Six aspects of self-evaluation	Evaluation item	Scoring results (Mean)
Director's awareness toward the Company's goals and missions.	3 items	5.00
Director's awareness to duties	3 items	5.00
Level of participation in the Company's operations.	8 items	4.86
Management and communication of internal relations.	3 items	4.96
Director's professional and continuing education	3 items	4.89
Internal Control	3 items	5.00

(III) Audit Committee's self-evaluation on performance:

The performance evaluation indicators of the Audit Committee consist of 22 indicators in five aspects, and the average score of the evaluation results is 5.00 points.

In particular

1: Poor (disagree): 0 item

2: Poor (disagree): 0 item

3: Moderate (average): 0 item

4: Good (Agree): 0 item

5: Excellent (strongly agree): 22 items

The evaluation results of each director are as follows, which show that the overall operation of the Audit Committee is sound and in compliance with the requirements of corporate governance and effectively enhances the functions of the Board of Directors.

Five aspects of self-evaluation	Evaluation item	Scoring results (Mean)
Level of participation in the Company's operations.	4 items	5.00
Awareness of responsibilities of the Audit Committee	5 items	5.00
Improvement to the quality of the functional committee's decision-making	7 items	5.00
The composition and election of the Audit Committee members	3 items	5.00
Internal Control	3 items	5.00

(IV) Remuneration Committee's self-evaluation on performance:

The performance evaluation indicators of the Remuneration Committee consist of 19 indicators in five aspects, and the average score of the evaluation results is 5.00 points.

The evaluation results of each director are as follows, which show that the overall operation of the Remuneration Committee is sound and in compliance with the requirements of corporate governance and effectively enhances the functions of the Board of Directors.

Five aspects of self-evaluation	Evaluation item	Scoring results (Mean)
Level of participation in the Company's operations.	4 items	5.00
Awareness of responsibilities of the Audit Committee	5 items	5.00
Improvement to the quality of the functional committee's decision-making	7 items	5.00
The composition and election of the Remuneration Committee members	3 items	5.00

(II) Operations of the Audit Committee:

Information on the operation of the Audit Committee

The Audit Committee held 4 meetings during 2024, and the independent directors' attendance is as follows:

Title	Name	Actual attendance	Proxy attendance	Actual attendance (%)	Remarks
Independent Director	Lin, Wan-Ying	4	0	100%	Re-elected on June 20, 2022
Independent Director	Wang, Wei	4	0	100%	Re-elected on June 20, 2022
Independent Director	Wang, Guo-Cheng	4	0	100%	Re-elected on June 20, 2022
Independent Director	Lin, Tian-Fa	4	0	100%	Re-elected on June 20, 2022
Independent Director	Lee, Hsiung-Ching	4	0	100%	Re-elected on June 20, 2022
Other mentionable items:					
I. If the operations of the Audit Committee fall under any of the circumstances below, the date of the Audit Committee meeting, the term, the content of the proposal, any objection, reservation, or major suggestion made by independent directors, the committee’s resolution results, and the Company’s response to the committee’s opinions shall be specified:					
(I) Issues required under Article 14-5 of the Securities and Exchange Act:					
Date of meeting	Discussion			Objection, reservation, or major suggestion made by independent directors	Resolution results of Audit Committee and the Company’s handling of the Audit Committee’s opinion
8th meeting of the Fourth Audit Committee March 13, 2024	Proposal for 2023 Employees’ and Directors’ Remunerations Distribution			None	The members of the Audit Committee unanimously approved all motions, and the Board of Directors approved all motions according to the suggestions of
	2023 Business Report of the Company				
	“2023 Financial Statements” and “2023 Consolidated Financial Statements” of the Company				
	Proposal for the Company’s 2023 earnings distribution				
	Proposal for amendment of the Company’s “Regulations Governing Procedure for Board of Directors Meetings”				
	Matters regarding the provision of endorsements and guarantees required for the short-term financing between Wellell America Corp. and CTBC Bank				
	Statement of Internal Control System for 2023				
	Proposal to replace CPAs for the Company’s financial report				

9th meeting of the Fourth Audit Committee May 8, 2024	Proposal to appoint the Company's Chief Accounting Officer		the Audit Committee.
	Proposal to amend the Audit Committee Charter		
10th meeting of the Fourth Audit Committee August 13, 2024	Consolidated financial statements of the Company for the first half of 2024		
11th meeting of the Fourth Audit Committee November 11, 2024	Proposal to establish an internal control system for the "Management Operations of Sustainability Information" of the Company		
	The appointment and remuneration of the CPAs for 2024		
12th meeting of the Fourth Audit Committee March 13, 2025	Statement of Internal Control System for 2024		
	2024 Business Report		
	Proposal for 2024 Employees' and Directors' Remunerations Distribution		
	"2024 Financial Statements" and "2024 Consolidated Financial Statements"		
	Proposal for the 2024 earnings distribution.		
	Matters regarding the provision of endorsements and guarantees required for the short-term financing between Wellell America Corp. and CTBC Bank		
	Report that some accounts receivable in the fourth quarter of 2024 exceeded the normal credit limit and were overdue for more than three months		
13th meeting of the Fourth Audit Committee May 9, 2025	Proposal for amendment of the "Internal Control System - Salary Assignment"		
	Proposal to replace CPAs for the financial report		

(II) Except the aforementioned issue, other issue not yet resolved in the Audit Committee but has been duly resolved by two-thirds majority of the total number of director seats: None.

II. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None.

III. Facts of communications by and between independent directors and internal audit supervisors as well as CPA(s) (should include issues regarding the Company's financial conditions, facts in business operation and such key issues, the method of communications and the outcome thereof):

- (I) The audit supervisor and the CPAs may communicate directly with the independent directors as needed at ordinary times.
- (II) In addition to receiving monthly audit reports, at least once a year, the independent directors hold a separate meeting with the CPAs and the audit supervisor without the presence of the general directors and management to discuss the implementation of the audit and the CPAs' external audit opinions.

Separate communication meetings in 2024: Facts of communications by and between independent directors and the internal audit supervisors, the audit supervisor reports to the Audit Committee and the Board of Directors at least once a year on the implementation and effectiveness of the audit. The specific matters are as follows:

Convening date of Audit Committee meeting	Communication focuses	Handling or implementing results
8th meeting of the Fourth Audit Committee March 13, 2024	<ol style="list-style-type: none"> To present the results of the Group's annual internal control self-evaluation To approve the "Internal Statement" 	After consideration and approval by the Audit Committee members, it was submitted to the Board of Directors for approval.
9th meeting of the Fourth Audit Committee May 8, 2024	Report on the implementation of the audit plan and the audit deficiency arising therefrom	Presented to the Audit Committee members and Board of Directors.
10th meeting of the Fourth Audit Committee August 13, 2024	Report on the implementation of the audit plan and the audit deficiency arising therefrom	Presented to the Audit Committee members and Board of Directors.
11th meeting of the Fourth Audit Committee November 11, 2024	<ol style="list-style-type: none"> To summarize and report the annual risk assessment results To submit the "2025 Annual Audit Plan Schedule" for discussion and approval Proposal for amendment of the internal control system for the "Management Operations of Sustainability Information" 	After consideration and approval by the Audit Committee members, it was submitted to the Board of Directors for approval.

(III) Facts of communications by and between independent directors and CPA(s):

The Company's Audit Committee consists of all independent directors, and the CPAs will communicate and discuss the contents of the audited financial statements and updates of the relevant laws and regulations at least once a year. The specific matters include:

Date Nature	Attendees	Communications	Implementing results
November 11, 2024 Annual meeting of independent directors and CPAs	Independent director: Lin, Tian-Fa Independent director: Lin, Wan-Ying Independent director: Wang, Wei Independent director: Wang, Guo-Cheng Independent director: Lee, Hsiung-Ching CPA Kou, Hui-Zhi	<ol style="list-style-type: none"> The CPAs explain the annual financial report and the key audit matters Discuss important accounting standards or interpretation letters, securities regulatory laws and tax law updates 	The independent directors had no objections to the explanation of the annual financial report, key audit matters and relevant law updates, and passed them according to the proposal.

(IV) In addition to the above regular communication, the audit supervisor and the CPAs also communicate with the independent directors as needed from time to time.

IV. Summary of annual work focus of Audit Committee

The Company's Audit Committee consists of five independent directors. The Audit Committee aims to assist the Board of Directors to perform its supervision on the Company's quality and integrity in the

implementation of accounting, auditing, financial reporting processes and financial control. The Audit Committee met 4 times in 2024 and mainly considered the following matters:

- (I) Audit of financial statements
- (II) Internal control system and related policies and procedures
- (III) Handling material asset or derivative trading
- (IV) Critical capital lending, endorsement, or guarantee
- (V) Regulatory compliance
- (VI) Qualifications, independence and performance evaluation of CPAs
- (VII) Appointing or dismissing CPAs or determining their remuneration
- (VIII) Evaluate the independence of CPA firm

- Review of financial statements

The Board of Directors prepared the Company's business report, financial statements, and profit distribution proposal for the year 2024. The financial statements have been audited by KPMG Taiwan and an audit report has been issued. The above-mentioned business report, financial statements, and profit distribution proposal have been audited by this Audit Committee, with no discrepancy found.

- Evaluate the effectiveness of internal control system

The Audit Committee evaluated the effectiveness of the Company's internal control system policies and procedures (including financial, operational, risk management, information security, outsourcing, regulatory compliance and other control measures), and reviewed the Company's audit department, including risk management and regulatory compliance.

(III) The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Assessment items	Implementation status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
I. Will the company based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies set up and disclose the company’s corporate governance best-practice principles?	✓		The Company’s Board of Directors has approved the formulation of the Corporate Governance Best-Practice Principles.	None
II. Shareholding structure and shareholders’ equity (I) Will the company have the internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly? (II) Will the company possess the list of the company’s major shareholders and the list of the ultimate controllers of the major shareholders? (III) Will the company establish and implement the risk control and firewall mechanisms with the related parties? (IV) Will the company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓		(I) The Company has a spokesman and an acting spokesman to be responsible for properly handling the relevant matters. (II) The Company will upload the relevant information to the Market Observation Post System according to the specified time limits. (III) The Company complies with the relevant laws and regulations, and has established the “Regulations on Supervision and Administration of Subsidiaries”. (IV) The Company has set up regulations on prevention of insider trading to prohibit insiders from utilizing the undisclosed information to trade securities.	None
III. The constitution and obligations of the board of directors (I) Has the Board of Directors	✓		Please refer to “II. Board of Directors - Diversity and Independence of the Board of Directors” (Pages 16-18) in this annual report.	None

Assessment items	Implementation status (Note 1)			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
formulated a diversity policy and specific management objectives and implemented them accordingly?				
(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?		✓	(II) The Company has set up Remuneration Committee and Audit Committee in accordance with the law, and plans to establish other functional committees in the future according to actual operational needs.	Same as the Summary Description
(III) Does the company establish a methodology for evaluating the performance of its Board of Directors on an annual basis and reported the performance evaluation results to the Board as reference for remuneration paid to directors and their nomination for succession?	✓		The Company’s Board of Directors has approved the “Rules for Performance Evaluation of Board of Directors”, which stipulates that the Company shall conduct performance evaluation on the Board of Directors, individual Board members and functional committees (Remuneration Committee and Audit Committee) at least once a year. At the end of each year, the “Self-evaluation Questionnaire for Performance Evaluation of the Board of Directors and Functional Committees” and the “Self-evaluation Questionnaire for Board Members” are sent to all Board members to evaluate the overall operation of the Board of Directors and their own performance. Each year, the execution unit will collect information related to the operation of the Board of Directors and prepare questionnaires based on the evaluation indicators for self-evaluation by the Board members and the Board of Directors, and then the execution unit will record the evaluation results based on the score of each indicator and report the evaluation results to the Board of Directors and disclose them on the Company’s official website. The Company completed the performance evaluation of the Board of Directors, Board members, the Remuneration Committee and	None

Assessment items	Implementation status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
			<p>the Audit Committee in March 2025, and submitted the evaluation results and the directions to be continuously strengthened in 2025 to the Board of Directors on March 13, 2025.</p> <p>For the evaluation items and results of performance evaluation of the Board of Directors, the Audit Committee and the Remuneration Committee in 2024, please refer to the implementation of Board evaluation on Pages 28-35 in this annual report.</p> <p>The Company may use the evaluation results as one of the references for director nomination for reappointment and individual directors’ remuneration in the future.</p>	
(IV) Does the company regularly evaluate the independence of CPAs?	✓		<p>The Audit Committee of the Company evaluates the independence and competence of its certified public accountants (CPAs) annually. In addition to requiring the CPAs to provide a “Statement of Extraordinary Independence” and “Audit Quality Indicators (AQIs),” the Audit Committee also makes such evaluation in accordance with the standards of Note 2 and 13 items AQIs. After confirmation, the CPAs and the Company have no other financial interests or business relationships except for endorsement and financial and tax case fees. The CPAs’ family members also do not violate the independence requirements, and in reference to AQI indicator information, it is confirmed that CPAs and accounting firm have superior audit experience and professional support to the average level of the industry. The evaluation results for the most recent year have been discussed and approved by the Audit Committee on November 11, 2024, and submitted to the Board of Directors for resolution on November 11, 2024, regarding the evaluation of the independence and competence of the CPAs.</p>	None

Assessment items	Implementation status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
IV. Has the TWSE/TPEX company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders’ meetings, and preparing minutes of board meetings and shareholders’ meetings)?	✓		The Company has set up a Corporate Governance Officer. The main responsibilities of the Corporate Governance Officer are to handle affairs related to the Board of Directors and shareholders’ meetings, prepare minutes of board meetings and shareholders’ meetings, assist directors and supervisors in their assumption of duty and continuing education, provide directors and supervisors with the materials required for performance of their duties, and assist directors and supervisors with compliance. The Company has appointed an appropriate number of competent corporate governance personnel and approved the formulation of “Standard Operating Procedures for Handling Directors’ Requests” at the boarding meeting held on March 26, 2019, in order to establish good corporate governance, assist directors in performing their duties, and improve the effectiveness of the Board of Directors.	None
V. Has the company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the company’s website, and responded appropriately to the important corporate social responsibilities concerned by the stakeholders?	✓		The Company’s website has a “Corporate Social Responsibility (CSR)” section and a “Investor Relations” section as communication channels, where different departments will respond to the issues of concern to different stakeholders (including CSR). Company website: https://tw.wellell.com/zh-tw ESG section/ Stakeholder section/ Stakeholder communication results and contact information	None
VI. Has the company commissioned a professional stock service agent to handle	✓		The Company has entrusted the stock service agent of MasterLink Securities Corporation to handle the shareholders’ meeting affairs.	None

Assessment items	Implementation status (Note 1)			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
shareholders affairs?				
VII. Disclosure of information				
(I) Does the company have a website setup and the financial business and corporate governance information disclosed?	✓		(I) The Company has established both English and Chinese websites, and declares financial and business information on the Market Observation Post System in accordance with the regulations.	None
(II) Has the company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the company, substantiating the spokesman system, placing the juristic person seminar program on the company’s website, etc.)?	✓		(II) The Company has established an English website to disclose financial and business and corporate governance information, designated a responsible person for collecting and disclosing information of the Company, designated a spokesman and an acting spokesman to explain the Company’s financial and business conditions externally, and placed the Investor Conference information on the Company’s website for the reference of the investors.	None
(III) Does the company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2 and Q3 as well as status of monthly operations?		✓	(III) The Company currently reports its financial statements and monthly operations on the dates specified in the “Business Matters to be Handled by Listed Securities Issuers”; the Company has not announced and filed its annual financial reports within two months from the end of the fiscal year, nor announced before the due date.	Same as the Summary Description
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement	✓		(I) Employee rights and interests and employee care: The Company holds regular labor-management meetings so that employees’ opinions can be valued and communicated effectively. We also establish a good relationship of mutual trust and dependence with our employees through various welfare systems, including the provision of employee education and training, and the holding of various activities from time to time.	None

Assessment items	Implementation status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
standards, the execution of customer policy, the purchase of liability insurance for the company’s directors and supervisors) that are helpful in understanding the corporate governance operation of the company?			<p>(II) Investor relations: In accordance with the relevant regulations, the Company announces important information on finance, business, and insider shareholding changes on the “Market Observation Post System”, and also sets up an Investor section on the Company’s website to disclose financial and business information. The Company provides information about the shareholders’ meeting in the Shareholders section on the Company’s website for the reference of investors.</p> <p>(III) Supplier relations: The Company has established long-term and close relations with suppliers based on the win-win principle, and hopes to jointly pursue sustainable growth through mutual trust and mutual benefits.</p> <p>(IV) Rights of stakeholders: The Company lists the relevant contact information and windows on the Company’s website to protect the rights and interests of stakeholders and provide unblocked communication channels.</p> <p>(V) Continuing education of Directors: The Company has completed the continuing education of directors in 2024 as scheduled and met the requirements for the number of hours of continuing education.</p> <p>(VI) Purchase of liability insurance for directors and supervisors: liability insurance has been purchased for the directors and supervisors and key employees (the insurance period is from April 23, 2025 to April 23, 2026), and the renewal of the insurance has been reported to the Board of Directors on May 9, 2025.</p>	
IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in recent years, and propose				

Assessment items	Implementation status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary description		
the matters with priority for improvement and the respective measures (not required for those not included in the evaluated companies).					
The following improvements have been made in the corporate governance evaluation for 2025 for the items unscored in the initial evaluation on corporate governance of the Company for 2024:					
Index contents			Improvements		
Index 2.3: Is the Chairman of the Company the same person as the President or other equivalent person (Top Manager), or are they spouses or relatives within the first degree of kinship?			The Company has passed a board resolution on December 19, 2024, appointing a new President to implement the spirit of corporate governance. The Chairman and the new President shall exercise their respective functions and powers according to their respective responsibilities. The new President officially took office on January 2, 2025.		
Index 2.8: Does the company have more than half of the independent directors whose consecutive terms do not exceed three terms?			The Company will elect a new director at the Shareholders’ Meeting on June 24, 2025. The nominated candidate has been submitted to the Board of Directors and should be disclosed on the Market Observation Post System (MOPS) after the Shareholders’ Meeting.		
Priorities and measures for strengthening improvement for those not improved:					
Index contents			Priorities and measures for strengthening improvement in 2025 for those not improved in the corporate governance evaluation for 2024		
Index 4.18: Does the company disclose information on its governance, strategies, risk management, indicators, and goals related to climate related risks and opportunities in accordance with the Task Force on Climate-Related Financial Disclosure (TCFD) framework?			The Company has started to comply with TCFD to disclose climate related risks for the enterprise and include them in this year’s sustainability report.		
Index 2.22: Does the company have an Audit Committee or a Functional Committee at the board level (such as a Risk Management Committee) to oversee risk management, and establish risk management policies and procedures approved by the Board of Directors, disclosing the organizational structure, risk management procedures, and their operations, and reporting to the Board of Directors at least once a year? [For those that meet the scoring requirements of the evaluation indicators, in addition to the score			The Company has started planning and formulating relevant committee assignments		

Assessment items	Implementation status (Note 1)			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
	based on the aspects, an additional point will be added to the total score.]			

Note 1: The operating conditions, regardless of whether “Yes” or “No” is checked, should be stated in the Summary Description column.

Note 2: Evaluation report on the independence and suitability of CPAs of Wellell Inc.

1. Evaluation date: November 11, 2024

2. Evaluation content:

Evaluation aspect	Evaluation indicator	Yes	No	Description
1. Independence	1. Is the CPA firm of a certain size?	✓		KPMG is a global professional advisory services organization with 197,000 employees providing audit, tax and consulting services in 154 countries.
	2. Have the CPAs provided audit services for less than seven consecutive years?	✓		Kou, Hui-Zhi and Chen, Bei-Qi have been engaging in the audit work since the first quarter of 2024 and the first quarter of 2021 respectively, both less than seven consecutive years.
	3. Will the nature and extent of non-audit services provided by the CPAs not affect independence?	✓		The nature and extent of non-audit services provided by the CPAs do not affect independence.
	4. Are the audit fees of CPAs reasonable? Is there any contingent fee agreement?	✓		The audit fee is reasonably adjusted annually, taking into account the manpower and business volume, and there is no contingent fee agreement.
	5. Does the Company employ any CPA or auditor as senior financial supervisor or other personnel who have the authority to influence major decisions?	✓		The Company does not employ any auditor who once served in the CPA firm as senior financial supervisor or other personnel who have the authority to influence major decisions.
2. Suitability	1. Does the CPA firm have a good reputation?	✓		KPMG is a global professional advisory service organization with good reputation.
	2. Does the CPA firm have a good peer review result?	✓		The CPA firm has a good peer review result.

Evaluation aspect	Evaluation indicator	Yes	No	Description
	3. Is the CPA not subject to any lawsuit or cases of correction or investigation by the competent authorities?	✓		The CPA is not subject to any lawsuit or cases of correction or investigation by the competent authorities, and has issued a statement to the Company.
	4. Are the audit services provided by the CPAs and key management personnel of good quality?	✓		The Company believes that the quality of audit services provided by the CPAs and key management personnel is good because they have planned the audit procedures in advance to ensure that the audit work is completed on time and meets the laws and regulations.
	5. Do the CPAs regularly attend training sessions and provide the Company with real-time professional information?	✓		In addition to regularly attending seminars held by the firm or domestic academic institutions, the CPAs also provide the Company with professional information on laws and regulations and industry development trends.
	6. Do the CPAs interact well with the management and the internal audit supervisor?	✓		The CPAs have real-time and sufficient communications with the management and the internal audit supervisor on financial report preparation and corporate governance issues, and the interaction is good.

1. If “No” is checked for any of the above indicators, a detailed description of the conditions should be provided for consideration of the need to change the CPA.
2. Description:
 - (1) In accordance with the Sarbanes-Oxley Act, in order to implement the corporate governance mechanism, a company shall not engage an auditing CPA to perform non-audit services (e.g. bookkeeping or financial management services) for that company at the same time.
 - (2) In order to avoid the loss of independence of a CPA due to long-term provision of auditing service to a company and familiar with the company’s management, the Stock Exchange has clearly established a revolving door provision for the periodic (7-year) replacement of CPAs, that is, a CPA shall be replaced with another CPA before he/she has been providing audit service for the same client for 7 years.

Evaluation result: Based on the above evaluation, CPAs Kou, Hui-Zhi, and Chen, Bei-Qi meet the independence and competence of the attestation.

1. If “No” is checked for any of the above indicators, a detailed description of the conditions should be provided for consideration of the need to change the CPA.
2. Description:
 - (1) In accordance with the Sarbanes-Oxley Act, in order to implement the corporate governance mechanism, a company shall not engage an auditing CPA to perform non-audit services (e.g. bookkeeping or financial management services) for that company at the same time.
 - (2) In order to avoid the loss of independence of a CPA due to long-term provision of auditing service to a company and familiar with the company’s management, the Stock Exchange has clearly established a revolving door provision for the periodic (7-year) replacement of CPAs, that is, a CPA shall be replaced with another CPA before he/she has been providing audit service for the same client for 7 years.

(IV) If a Remuneration Committee is established, its composition and operation should be disclosed:

1. Information on the members of the Remuneration Committee

Qualification		Professional qualification and experience	Compliance of independence	Number of other public companies where the members are also the members of the Remuneration Committee of these companies.
Identity (Note 1)	Name			
Independent Director (Convener)	Wang, Guo-Cheng	Please refer to the "Profiles of Directors" (Pages 14-18) in this annual report for the professional qualifications and experience of independent directors.	All Remuneration Committee members meet the following criteria: 1. Comply with the relevant provisions of Article 14-6 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note) issued by the Financial Supervisory Commission 2. The independent directors (or in the names of others), spouses and minor children do not hold any shares of the Company 3. No remuneration received by provision of business, legal, financial, accounting and other services for the Company or its affiliated companies in the last two years	1
Independent Director	Lin, Tian-Fa			None
Independent Director	Wang, Wei			None

Note 1: None of the following circumstances occurs within two years before election and during the term of office:

1. Employed by the Company or any of its affiliated companies.
2. Directors and supervisors of the Company or any of its affiliated companies.
3. The person, spouse, minor children, or natural person shareholders who hold more than 1% of the Company's total issued shares or the top ten shareholders in the name of others.
4. A manager of (1) or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of (2) or (3).
5. A director, supervisor or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or ranks as one of its top five shareholders or appoints a representative as the director of the Company pursuant to Article 27 of the Company Act.
6. A director, supervisor, or employee of another company where a majority of the Company's directorships or

voting shares and those of another company are controlled by the same person.

7. The same person as the Company's Chairman, President or person with equivalent position or the director (managing director), supervisor or employee of company or institution of the spouse thereof.
8. A director (council member), supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.
9. A professional individual who, or an owner, partner, director (council member), supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the last two years has received cumulative compensation exceeding NT\$500 thousand, or a spouse thereof. This shall not apply to those who serve as members of the Company's Remuneration Committee.

2. Responsibility of the Remuneration Committee

The members of Remuneration Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, be accountable to the Board of Directors, and submit its recommendations for deliberation by the Board of Directors:

- (1) Formulate and regularly review the policies, systems, standards and structure of performance evaluation and remuneration of directors and managers.
- (2) Regularly evaluate and determine the remunerations of directors and managers, including cash compensation, bonuses, retirement benefits, severance payment, allowances and other substantial incentives.

3. Information on the operation of the Remuneration Committee

- (1) The Company's Remuneration Committee has three Committee members in total.
- (2) The term of office of the committee members is from June 20, 2022 through June 19, 2025. The Remuneration Committee held three meetings during 2024. The qualifications and attendance of the members are as follows:

Title	Name	Actual attendance	Proxy attendance	Actual attendance (%) (Note)	Remarks
Convener	Wang, Guo-Cheng	3	0	100%	Re-elected on June 20, 2022
Member	Lin, Tian-Fa	3	0	100%	Re-elected on June 20, 2022
Member	Wang, Wei	3	0	100%	Took office on November 4, 2022

Other mentionable items:

- I. Where the Board of Directors does not adopt or amend the proposal(s) posed by the Remuneration Committee: The Company shall expressly elaborate on the date, session while the board of directors meeting was convened, contents of the issues, outcome of decisions resolved in the Board of Directors and the Company's response to the opinions posed by the Remuneration Committee: None.

II. Where a decision resolved in the Remuneration Committee is found in contravention of rules or in qualified opinion as verified with records or documented declaration, the Company shall expressly elaborate on the date, terms of the meeting convened by the Remuneration Committee, contents of agenda, opinions of all members and acts taken in response to such opinions:

Session/ Date	Proposal content and subsequent handling	Resolution result	The Company's response to the opinions posed by the Remuneration Committee
6th meeting of the 5th Remuneration Committee March 13, 2024	<ol style="list-style-type: none"> 1. Reviewed the performance evaluation of directors and managers in 2023. 2. Reviewed the plan for allocating directors' remuneration and employees' bonus. 3. Review the salary structure of senior managers. 	<ol style="list-style-type: none"> 1. All present Committee members approved without objection. 2. All present Committee members approved without objection, which will be sent to the Audit Committee, the Board of Directors, and the Shareholders' Meeting for deliberation. 3. All present Committee members approved without objection. 	Proposed to the Board of Directors for approval by all directors present.
7th meeting of the 5th Remuneration Committee August 15, 2024	<ol style="list-style-type: none"> 1. 2023 employee bonus payment plan. 2. Annual salary adjustment explanation and planning. 	<ol style="list-style-type: none"> 1. All present Committee members approved without objection. All present Committee members approved without objection. 2. All present Committee members approved without objection. 	The proposal results will be used as the direction for the subsequent system promotion.
8th meeting of the 5th Remuneration Committee November 11, 2024	<ol style="list-style-type: none"> 1. Reviewed the year-end bonus and salary structure of senior executives in 2024. 2. Review the proposal for salary structure of the new President. 3. Reviewed the work plan of the Remuneration Committee in 2025. 	<ol style="list-style-type: none"> 1. All present Committee members approved without objection. 2. All present Committee members approved without objection, which will be sent to the Board of Directors for deliberation. 3. All present Committee members approved without objection. 	The proposal results will be used as the direction for the subsequent system promotion.

- Note: (1) If a member of the Remuneration Committee resigns before the end of the year, the date of resignation shall be indicated in the Remarks column. The actual attendance (%) is calculated with the number of meetings attended by each member divided by the number of committee meetings held during their term of office.
- (2) If there is a re-election of the Remuneration Committee before the end of the year, both the new and former members of the Remuneration Committee should be listed, and the status (former, new or re-elected) and date of re-election shall be indicated in the Remarks column. The actual attendance (%) is calculated with the number of meetings attended by each member divided by the number of committee meetings held during their term of office.

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

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
I. Does the company have a specific (or part-time) unit set up to promote the sustainable development governance framework, and the Board of Directors authorizing the management to handle matters and report the supervision results to the Board of Directors?	✓		<p>Wellell has established the “<u>Sustainable Development Best Practice Principles</u>” as the direction for the Company’s sustainable development. Meanwhile, at the end of 2023, it set up an internal Sustainability Committee, with the Chairman serving as the Chairperson and the President as the Convener. Senior executives from various departments serve as conveners of cross-departmental working groups, leading committee representatives from their respective departments. Additionally, it also establishes ESG Office as the dedicated unit to ensure the implementation of sustainable actions and measures within the Company.</p> <p>Regularly report to the Board of Directors on the plan and progress of promoting sustainable development every quarter. Four meetings were held in 2024, and the proposals included:</p> <ol style="list-style-type: none"> (1) Greenhouse gas management (2) Identification of stakeholders and major issues and corresponding measures (3) Content of the sustainability report and (4) Implementation status of sustainable development <p>The Board of Directors listens to reports every quarter, reviews the direction of sustainable development and provides suggestions, and urges the sustainable team to make adjustments when necessary.</p> <p>The Wellell Sustainable Group consists of five groups: Corporate Governance Group, Environmental Sustainability Group, Social Inclusion Group, Employee Care Group, and Co-creation Value Group. They jointly promote relevant sustainable policies and plans to respond to the United Nations Sustainable Development Goals (SDGs) and implement the Sustainable Action Plan. They are committed to creating the greatest contribution to the economy, environment, and society, implementing the Wellell’s brand spirit of “Be well live well”, respecting the value of life, and enabling people to have a healthy and comfortable life.</p>	None

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
II. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management? (Note 2)	✓		Based on the principle of materiality, the Company examines the impact of economic, environmental, and social issues on various stakeholders, conducts risk assessments and analyses, and formulates effective risk management policies and specific action plans for supervision and control. Please refer to Pages 119-122 of this annual report for details.	None
III. Environmental issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		<p>The production mode of Wellell is mainly assembly, and the required components are provided by various suppliers and then assembled into finished products on their respective production lines. The energy used in the manufacturing process is electricity, without the use of water, steam, or heat sources. Wellell formulated the “Management Measures for Tucheng Building” and makes annual inventory of greenhouse gas in accordance with ISO14064-1 standard, and establishes control operation standards for various energy management measures to track energy-saving measures and publicly disclose them in the sustainability report and the Company’s website.</p> <p>In addition, the Company’s medical products not only meet the ISO13485 certification requirements, but also pass REACH and RoHS testing standards, to comply with chemical management regulations and hazardous substance directives. Cytotoxicity, skin irritation, and sensitization tests are also conducted on leather fabrics that frequently come into contact with patients’ skin, without using harmful substances to cause environmental pollution. Meanwhile, the industry is not a high energy consuming industry, and all products and manufacturing process outputs of the Company have no risk of environmental pollution. The Company is also gradually striving towards the development of sustainable products.</p>	None

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
(II) Is the company committed to enhancing the power efficiency and using renewable materials that are with low impact on the environmental impacts?	✓		<p>Manufacturing process of products: Although Wellell is not a high energy consuming industry and its production is mainly based on assembly, it strictly complies with environmental regulations and meets requirements. All processes do not produce substances that pollute the environment. Meanwhile, the raw material suppliers of the processes are required to comply with the RoHS (Restriction of Hazardous Substances) for electronic products. At present, the Company will also gradually move its products towards the use of recyclable or biodegradable green energy products, and pay attention to material sources strength, durability, and biocompatibility to make the products more comfortable, safer, and more environmentally friendly.</p> <p>Environmental protection of physical exhibitions: Wellell participates in over 20 physical exhibitions annually. For large-scale exhibitions, the proportion of traditional wooden structures used in booth construction has been completely reduced, and recyclable materials have been used for exhibition layout. For other non-large-scale exhibitions, reusable easy pull exhibition layouts are used to reduce one-time waste; Lighting fixtures are also use LED light source. Meanwhile, the Company promotes the brand and products to customers on site, and also adopts environmentally friendly small items such as shopping bags and cups to communicate with customers, hoping to strengthen environmental awareness together with the customers, reduce waste, implement green exhibitions, and enhance the social influence of the enterprise. However, we will gradually promote the concept of sustainable or green procurement for procurements related to operational activities in order to strengthen the proportion of sustainable or green procurement.</p>	None
(III) Does the company assess the present and future potential risks and opportunities of climate change on the company and take actions to related?		✓	Please refer to the attached table “Implementation Status of Climate-related Information” or the Company’s sustainability report for details.	Same as the Summary Description

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons																					
	Yes	No	Summary description																						
(IV) Did the company produce statistics on the GHG emissions, water consumption, and total waste in the last two years? Has the company established policies for GHG reduction, water conservation, and waste management?	✓		<p>The Company completed Scope 1, Scope 2 and partial Scope 3 inventories of ISO 14064-1 in 2024.</p> <p>Greenhouse gas emissions in the last two years: (to be collected and revised)</p> <table><tr><th>Scope</th><th>2023</th><th>2024</th></tr><tr><td>1</td><td>35.6238</td><td>31.0823</td></tr><tr><td>2</td><td>861.9312</td><td>789.6840</td></tr><tr><td>3</td><td>339.2555</td><td>318.213</td></tr><tr><td>Total</td><td>1,236.8105</td><td>1,138.979</td></tr></table> <p>*Scope 3 covers transportation related products (employee commuting), and products used by the organization (upstream emissions of purchased products/fuel energy related activities/disposal of wastes generated from operations)</p> <p>Due to the fact that Wellell is mainly engaged in light assembly and the energy used in the manufacturing process is mainly electricity, therefore, the largest source of emissions is Scope 2 purchased electricity. Although energy-saving equipment was replaced in 2024, the carbon emissions decreased by 7.9% compared to the previous year mainly due to operational impacts.</p> <p>The Company will gradually carry out greenhouse gas inventory of its subsidiaries starting from 2025, and is expected to have completed all inventory items of its subsidiaries by 2026. At that time, the Company will also set reduction targets from the perspective of the group.</p> <p>Water consumption in the last two years:</p> <table><tr><th>Item</th><th>2023</th><th>2024</th></tr><tr><td>Total water consumption</td><td>7,641 m³</td><td>7,889 m³</td></tr></table> <p>In 2024, due to the earthquake damage to the air conditioning cooling tower and the damage to the water replenishment float, there was water loss, and an increase in water consumption by 3.2% compared to the previous year. Therefore, the Company will make reinforcement</p>	Scope	2023	2024	1	35.6238	31.0823	2	861.9312	789.6840	3	339.2555	318.213	Total	1,236.8105	1,138.979	Item	2023	2024	Total water consumption	7,641 m³	7,889 m³	None
Scope	2023	2024																							
1	35.6238	31.0823																							
2	861.9312	789.6840																							
3	339.2555	318.213																							
Total	1,236.8105	1,138.979																							
Item	2023	2024																							
Total water consumption	7,641 m³	7,889 m³																							

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons						
	Yes	No	Summary description							
			<p>work on the bottom of the cooling tower and update related valve components.</p> <p>Waste volume in the last two years:</p> <table><tr><td>Item</td><td>2023</td><td>2024</td></tr><tr><td>Non-hazardous wastes</td><td>66.166 metric tons</td><td>52.631 metric tons</td></tr></table> <p>The Company has no hazardous wastes. Non-hazardous wastes can be divided into two types: “waste cloth generated from manufacturing process” and “general wastes”. Regarding waste disposal, Wellell follows the waste disposal regulations to collect, classify, and store wastes, and entrusts qualified disposal companies with clearing and disposing in accordance with regulations. It also confirms the final clearance confirmation carried out by the clearing operator and the processor after receiving it; for wastes that can be recycled and reused, it entrusts qualified processors with removal and transportation.</p> <p>The Company actively reduced the waste generated during the manufacturing process in 2024, while advocating for colleagues to recycle resources internally, reducing wastes and making recycling and reusing, resulting in a total reduction of 20.46% in wastes.</p>	Item	2023	2024	Non-hazardous wastes	66.166 metric tons	52.631 metric tons	
Item	2023	2024								
Non-hazardous wastes	66.166 metric tons	52.631 metric tons								
IV. Social issues (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>The Company has formulated the “Rules of the Occupational Safety and Health Act” in accordance with the relevant laws and regulations on occupational safety and health, which has been approved by the competent authority.</p> <p>The Company is committed to building a safe and healthy working environment and complying with local laws and regulations, and supports and respects international labor and human rights norms, including the International Labor Office Tripartite Declaration of Principles and the United Nations Universal Declaration of Human Rights, etc. The Company has established safe working principles and emergency response plans, and has also established sexual harassment prevention measures in accordance with the Act of Gender Equality in Employment, as described below:</p>	None						

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
			<p>(I) Objectives</p> <ol style="list-style-type: none"> 1. To comply with domestic safety and health regulations and standards, and provide a safe working environment for employees. 2. To promote work safety and physical and mental health of employees. 3. To deepen the awareness, responsibility and commitment of all employees to safety and health. <p>(II) Human rights protection training practices</p> <ol style="list-style-type: none"> 1. Provide a complete series of occupational safety and health trainings. <ol style="list-style-type: none"> (1) Hold fire drills in April and October every year. (2) Plan one education and training lecture on human factors induced skeletal injury prevention and unlawful infringement prevention every year. (3) Plan four to six occupational safety/fire safety education courses each year. 2. Provide online courses. <ol style="list-style-type: none"> (1) The content includes: anti-sexual harassment, self-protection guide against employment discrimination, Act of Gender Equality in Employment, and fire safety promotion. 3. Provide legal compliance education in orientation training. <ol style="list-style-type: none"> (1) The content includes: occupational safety and health training, general safety and health education. <p>(III) Statistics of occupational accidents and main improvement measures in current year:</p> <ol style="list-style-type: none"> 1. There were 10 occupational accidents (involving 10 persons) reported by the parent company, mainly in-plant accidents and commuting traffic accidents, accounting for 3.8% of the total number of employees of the parent company. 2. The in-plant accidents have been improved by modifying the working methods and adding new protective measures and tools, while the commuting traffic accidents have been improved by holding 	

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
			regular occupational health and safety trainings to inform the common traffic accidents and the countermeasures.	
(II) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?	✓		<ol style="list-style-type: none"> 1. The Articles of Incorporation stipulate that if the Company makes a profit in a fiscal year, it shall set aside 5% to 15% of the profit as employees’ remuneration, which shall be distributed in shares or cash as resolved by the Board of Directors, to employees of controlling and subsidiary companies under certain conditions. 2. The Company’s remunerations to directors, managers and employees are determined based on a stable salary structure that takes into account the sustainable corporate operation and interests of shareholders, as well as variable bonuses linked with overall operational performance of the Company, job attributes and individual performance achievement status, which will be taken as an incentive factor to realize a salary package consolidating and motivating the directors, managers and employees. We will establish the relevant regulations as the basis for implementation, and review and revise them regularly according to the operating conditions in order to maintain the competitiveness of remuneration. 3. For other employee benefits, please refer to Pages 105-109 of this annual report. 	None
(III) Does the company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		<p>The Company provides a safe environment for employees and has established the Rules of the Occupational Safety and Health Act and the emergency response plan, as well as harassment prevention and control measures in accordance with the Act of Gender Equality in Employment, so that employees can work in a safe and healthy environment.</p> <p>(I) The main measures for a safe and healthy working environment are as follows:</p> <ol style="list-style-type: none"> 1. Implement environmental testing (organic solvents) 2. Electrical and mechanical protection measures <ol style="list-style-type: none"> (1) In the first half of each year, the high voltage electrical part will be inspected with power cut. In the second half of each year, the high 	None

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
			<p>voltage electrical part will be inspected by infrared thermal imaging without power cut.</p> <p>(2) Lifts (passenger and freight lifts) will be inspected regularly every year.</p> <p>(3) Fire safety (annual fire inspection in October)</p> <p>3. Barrier-free facilities</p> <p>4. Access control: 24h security guards, 24h surveillance video system, and digital access control system management.</p> <p>(II) Employee health care measures. The main measures are as follows:</p> <p>1. Provide regular employee health examinations that are better than regulations.</p> <p>2. Promote healthy life. The employees have established various clubs, and the Company provides subsidies to encourage employees to participate in various clubs and encourage the clubs to hold activities from time to time.</p> <p>3. A breastfeeding room has been set up and has been certified as an excellent breastfeeding room in New Taipei City.</p> <p>4. In addition to the statutory insurance, we also provide group insurance so that our employees can enjoy more comprehensive insurance benefits.</p> <p>5. We provide on-site services of professional doctors and nurses for consultation of employees. In 2024, there was a total of 48 on-site medical services, and a total of 71 participants using colleagues consultation.</p>	
(IV) Does the company have an effective career capacity development training program established for the employees?	✓		The Company provides effective career capacity development training programs for employees and hold professional education and training activities regularly to enhance their career capacity development.	None
(V) Does the company comply with the related laws and regulations and international standards regarding	✓		The Company strictly adheres to customer health and safety, customer privacy, marketing and labeling regulations and international standards related to our products and services, ensuring that our products comply with applicable safety standards and regulatory requirements. We establish a product compliance	None

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
the customer health and safety, customer privacy, marking communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?			<p>management mechanism that covers design, manufacturing, labeling, and after-sales service to ensure information transparency and accuracy.</p> <p>In addition, the Company has established a customer privacy protection policy to ensure the security of personal information. To safeguard the rights and interests of our customers, we have established a standard appeal handling procedure, provided multiple channels for feedback, and promised to accept and handle them promptly and properly to ensure customer satisfaction and protection of their rights and interests.</p>	
(VI) Has the company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety and health, and labor human rights? Does the company keep track on the implementation of such policies?		✓	<p>The Company has established the “Management Regulations on Purchase Operations” and “Specification for Purchase Operations” as the basis for supplier management, including the mechanism for supplier selection, criteria for supplier classification management, and standards for supplier evaluation. In addition, the Company has also established the “Supplier Social Responsibility and Business Ethics Statement”, requiring suppliers to comply with the requirements of Wellell in various aspects such as health and safety, labor and human rights, anti-discrimination, environmental protection, and business ethics, and fully comply with the laws and regulations of the country/region where they operate. At present, the Company communicates the signing contents with the main suppliers, and has signed agreements with about 19%/ 12 major suppliers. It is expected that by the end of 2025, it will have completed signing with 100% of the suppliers. Meanwhile, for new suppliers, we will require 100% of them to sign the “Supplier Social Responsibility and Business Ethics Statement”.</p>	Same as the Summary Description
V. Did the company, following internationally recognized guidelines, prepare and publish reports such as its sustainable environment report to disclose non-financial		✓	<p>The Company’s report was prepared following the GRI Standard issued by the Global Reporting Initiative, and the Health care - Guidelines for Medical Equipment and Supplies issued by the Sustainability Accounting Standards Board (SASB), but the aforementioned report has not obtained the assurance or guarantee opinion from a third-party certification body. The Company will consider whether to obtain third-party certification</p>	Same as the Summary Description

Promotion items	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
information of the company? Did the Company apply for assurance or guarantee of such reports to a third-party certification body?			<p>depending on its future operations and scale and the changes in the market.</p> <p>The Company’s report has been disclosed in the “ESG” section of the official website and the Sustainability Report has been disclosed on the Market Observation Post System in accordance with the regulations.</p>	
<p>VI. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: No major discrepancy.</p>				
<p>VII. Other important information that helps understand the implementation of sustainable development: In response to environmental protection, the Company uses e-mail instead of paper as far as possible and makes proper use of recycled paper to achieve energy-saving and carbon-reducing operations; the Company has also been participating in public welfare activities for a long time to give back to the public in a timely manner.</p> <p>(I) Love Donation: In order to reuse resources and show care for the elderly, we donated second-hand sofas to Guannenn Long Term Care Foundation, allowing available resources to be utilized again.</p> <p>(II) Blood Donation Campaign: Every year, Wellell collaborates with the Manufacturers Association in Tucheng District, New Taipei City to jointly launch a corporate blood donation campaign. The Company donated 500 gifts in 2024 to encourage employees of various enterprises in Tucheng Industrial Park to donate blood actively, give back to society together, and pass on sustainable value.</p> <p>(III) Medical and Health Education: Wellell has entered various regions of Taiwan to provide health education services to groups in need, including spinal cord injury associations, assistive device centers, college nursing students, and forum lectures, to improve the knowledge of assistive device use and prevention of compression injuries, thus hoping to help more injured and sick people embark on a journey towards healthy and self-healing. In 2024, the Company has conducted nearly 50 health education activities, reaching more than 55,000 person-times.</p>				

Note 1: If “Yes” is checked for implementation, please specify the important policies, strategies and measures adopted and their implementation. If “No” is checked, please explain the differences and reasons in the “Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons” column, and specify the future plans for relevant policies, strategies and measures. However, with regard to the Promotion Items 1 and 2, the TWSE/TPEX listed companies should describe the governance and supervisory framework for sustainable development, including but not limited to management policy, strategy and goal setting, and review measures. In addition, please describe the Company’s risk management policies or strategies on environmental, social and corporate governance issues related to its operations, and the evaluation thereof.

Note 2: The materiality principle refers to the relative importance of environmental, social and corporate governance issues on the Company’s investors and other interested parties.

Implementation status of climate-related information

Item	Implementation
<p>1. Describe the Board of Directors and management supervision and governance of climate-related risks and opportunities.</p>	<p>The Company has set up an internal Sustainability Committee, with the Chairman serving as the Chairperson and the President as the Convener. Senior executives from various departments serve as conveners of cross-departmental working groups, leading committee representatives from their respective departments. Additionally, it also establishes ESG Office as the dedicated unit to be responsible for making promotion. It has also set up five functional groups: Corporate Governance Group, Co-creation Value Group, Environmental Sustainability Group, Employee Care Group, and Social Inclusion Group. Each group evaluates the risks related to the unit based on their respective responsibilities, while climate related-issues are mainly integrated by the Environmental Sustainability Group, which evaluates the environmental aspects of the Company's activities, products, and services to manage climate change risks and opportunities. Senior managers of each department also identify, implement, and refine projects and response plans for managing climate change related risks and opportunities.</p> <p>The Sustainability Committee reports on sustainability actions and measures to the Board of Directors every quarter, and also submits an annual sustainability report to the Board of Directors for the previous year, allowing the Board of Directors to have a solid understanding of the Company's climate risk management and implementation. The Board of Directors may also provide improvement or implementation suggestions at any time to guide and supervise the Company's climate risk management situation.</p>
<p>2. Describe how the identified climate risks and opportunities impact the Company's business, strategy, and finances (short-term, medium-term, and long-term).</p>	<p>Faced with the potential operational impacts of global climate change and extreme weather events, following the guidance and suggestions of the TCFD framework, the Company has identified 14 risks and opportunities, defined short-term as 1-3 years, medium-term as 3-5 years, and long-term as 5 years or more, and evaluated the potential operational and financial impacts of these risks and opportunities on the Company, so as to plan for various actions to address climate-related risks and opportunities.</p>

Item	Implementation				
		Item	Impact time	Financial impact	Response measures
	Transformation risk	Raise greenhouse gas emission pricing	Medium	Cost increase	Total carbon emissions control
		Strengthen the obligation to report emissions	Short	Cost increase	Total carbon emissions control
		Replace existing products and services with low-carbon goods	Medium	Capital expenditure	Invest in research and development and innovation
		Raw material regions are affected by climate change	Medium	Cost increase	Pay long-term attention to the domestic and international trends of important raw materials and reduce reliance on a single supplier
		The supply chain affects the process by which the Company transforms existing products into sustainable products	Medium	Capital expenditure Decreased revenue	Choose low-carbon product suppliers and encourage them to take climate action
		The demand for green consumption market is increasing	Long	Decreased revenue	Invest in research and development and innovation
		Insufficient climate response actions have led to a decline in brand reputation	Long	Sales decrease	Actively pay attention to and respond to climate related issues,
		The attention and negative feedback from stakeholders are increasing day by day	Long	Sales decrease	strengthen corporate image, and increase customers' sense of identity
	Entity risk	Extreme weather impacts have led to a sharp increase in maintenance and operation costs or disruptions in the supply chain	Long	Decreased revenue Cost increase	Production is carried out by operating factories from different countries to mitigate the risks faced

Item	Implementation				
		The situation where employees are unable to go to work due to typhoons and heavy rain	Short	Decreased revenue Cost increase	<ul style="list-style-type: none">● Purchase energy-saving equipment● The factory power is equipped with an emergency generator system, which provides fire protection systems and important instruments and equipment for use
		The average temperature rises, and in the case of an increase in heat load, it leads to an increase in electricity consumption	Short	Decreased revenue Cost increase	
		Insufficient backup load of the municipal power supply leads to power restrictions/outages	Short	Decreased revenue Cost increase	
	Opportunity	Invest in the recycling and reusing process to improve the efficiency of resource utilization	Medium	Revenue increase Cost reduction	Invest in the research and development and innovation of green products
		The demand for green consumption market is increasing, providing low-carbon products and services	Short	Revenue increase	
3. Describe the financial impact of extreme climate events and transition actions.	<p>The financial impact of extreme climate events and transition actions have been described above item by item.</p> <p>Extreme climate events such as typhoons, floods, or extreme heat may cause damage to the Company’s physical assets, including operating bases, supply chain logistics, and inventories. Such losses may lead to increased insurance claims and facility repair costs, thus affecting the financial condition of the Company.</p> <p>Under the risk of transformation, the low-carbon economy transformation faces various challenges. The Company needs to conduct research and development and innovation on low-carbon products that meet medical safety standards. Meanwhile, the Company must cooperate and cooperate with suppliers to create a</p>				

Item	Implementation
	sustainable environment.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Wellell identifies climate risks following the TCFD framework, and the ESG Office refers to the Task Force on Climate-related Financial Disclosures (TCFD), benchmark enterprises, and sustainability reports from the healthcare industry to collect topics, and has summarized 14 climate risks and opportunities. A questionnaire is sent to the Chairman, President, and senior executives of various departments to evaluate the likelihood and impact of climate risk issues. The results are analyzed and ranked, and finally a sustainability committee meeting is convened to discuss and identify climate risks and opportunities with relevant members, and corresponding measures are formulated. Meanwhile, the identification results are included in the sustainability report, and a report is submitted to the Board of Directors at least once a year.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described.	The Company will subsequently evaluate and introduce the use of scenario analysis to implement flexible strategies in different climate scenarios.
6. If there is a transition plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	The entity and transformation risks have been identified, but indicators and targets have not yet been set.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be described.	The Company currently does not use an internal carbon pricing mechanism
8. If climate-related goals	Climate-related targets have not yet been set.

Item	Implementation
<p>are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress, and other information should be described; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve relevant goals, the source and quantity of offset carbon reduction or the quantity of Renewable Energy Certificates (RECs) should be described.</p>	
<p>9. Greenhouse gas inventory and assurance, reduction targets, strategies, and specific action plans. (Fill in 1-1 and 1-2 separately)</p>	<p>According to the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies”, the Company belongs to the applicable timeline of the third phase. However, in response to domestic and international carbon emission trends, the Company has completed greenhouse gas inventory ahead of schedule, but has not yet made assurance. The information is also disclosed in the sustainability report and MOPS. The greenhouse gas inventory of the Company in the last two years is shown in Tables 1-1 and 1-2 below.</p>

The greenhouse gas inventory and assurance status of the Company during the last two years

1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases during the last two years.

1. Inventory of the parent company only financial statements shall start from 2026.
2. Inventory of consolidated financial statements of the subsidiaries shall start from 2027.

Year	Emissions in tons (CO ₂ e)			Density in tons (CO ₂ e/turnover in NT\$ million)
	Scope 1 Direct emissions	Scope 2 Indirect emissions	Total	
2023	35.6238	861.9312	897.5550	0.8219
2024	31.0823	789.6840	820.7663	0.8873

1-2 Reduction targets, strategies, and specific action plans

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

The Company will plan and disclose reduction targets, strategies, and specific action plans in accordance with the implementation schedule of the “Sustainable Development Action Plan for TWSE/TPEX Listed Companies”. Relevant information can be found in the sustainability report.

(VI) Performance in ethical corporate management inconsistency with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”:

Assessment items	Implementation status (Note)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
<p>I. Business Integrity Policy and action plans</p> <p>(I) Has the company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?</p>	✓		<p>(I)</p> <ol style="list-style-type: none"> 1. The Company’s corporate culture core values are “Integrity, Professionalism, and Innovation”. Integrity is the top priority of the Company and is required to be observed by customers, vendors, and employees, starting with the management. 2. The Company’s Board of Directors has approved the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”, with all relevant matters handled in accordance with the Principles and Procedures. 3. The Company provides online training courses (e.g., insider trading and the Ethical Corporate Management Best Practice Principles). 4. The directors and senior management have issued a statement of compliance with the ethical corporate management policy, and the Chairman and President of the Company have signed the “Statement of Ethical Corporate Management Policy” on behalf of the directors and senior management, which is announced on the Company’s official website. 	None
<p>(II) Has the company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with</p>			<p>(II)</p> <ol style="list-style-type: none"> 1. The Company has established the “Code of Ethical Conduct for Directors and Managers”, “Procedures for Ethical Management and Guidelines for Conduct”, and 	

Assessment items	Implementation status (Note)			Deviations from “the Corporate Social Responsibility Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
<p>higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?</p> <p>(III) Has the company established in the preventive programs the operating procedures for unethical behavior prevention, penalties and grievance systems of breaching the guidelines for conduct, and implemented and periodically review them?</p>			<p>“Procedures for Handling Material Inside Information and Prevention of Insider Trading”, and requires the establishment of integrity from top to bottom in the personnel management regulations, and strictly prohibits employees from engaging in any illegal and bribery practices. In order to prevent the occurrence of dishonest behaviors, an effective reward and punishment system is clearly established in combination with employee performance evaluation.</p> <p>2. The Company expressly prohibits employees from offering and accepting bribes, making illegal political contributions, making improper charitable donations or sponsorships, or offering or accepting unreasonable gifts, hospitality or other abnormal benefits.</p> <p>(III)</p> <p>1. The Company has established “Procedures for Ethical Management and Guidelines for Conduct” to provide regular training to employees every year to inform the importance of “honesty and integrity”; provide the code of conduct and education and training to new employees upon their entry into the Company to clearly communicate their rights and obligations.</p> <p>2. The Company also has a “Multi-opinion Channel Mailbox” to encourage employees to report dishonesty or misconduct in order to implement ethical corporate management and to protect the legitimate rights and interests of the reporter and the counterparty.</p>	

Assessment items	Implementation status (Note)			Deviations from “the Corporate Social Responsibility Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
<p>II. Proper enforcement of business integrity</p> <p>(I) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?</p> <p>(II) Has the company established a dedicated (concurrent) unit to implement ethical corporate management under Board of Directors and report regularly (at least once a year) to BOD the status of implementation and supervision of ethical management policy and preventive programs of unethical behavior?</p>	✓		<p>(I) The Company adheres to the ethical corporate management and adopts a zero tolerance policy for any bribery and illegal activities, and strictly prohibits dishonest operations of employees, customers and vendors. When entering into a contract with the Company, the rights and obligations of both parties are set forth in detail, and the contract will clearly stipulate that the both parties shall comply with the ethical corporate management policy to implement the principle of ethical corporate management.</p> <p>(II) The Human Resources Division of the Company serves as the dedicated unit for ethical corporate management and is responsible for assisting the Board of Directors and management in formulating and supervising the implementation of ethical corporate management policies and programs to prevent dishonest behaviors to ensure the implementation of the Ethical Corporate Management Best Practice Principles. The dedicated unit reported its implementation status to the Board of Directors on November 11, 2024. The Company has implemented the ethical corporate management policy and the implementation status in 2024 is as follows: 1. Education and training: internal and external education and training courses related to the Company’s ethical corporate management were held for a total of 197 hours, and 257 employees completed and passed the courses, with a completion rate of 100%.</p>	None

Assessment items	Implementation status (Note)			Deviations from “the Corporate Social Responsibility Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
<p>(III) Does the company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?</p> <p>(IV) Has the company established an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?</p> <p>(V) Has the company organized corporate management internal and external education and training programs on a regular basis?</p>			<p>Review of Reward and Punishment Specification and Multi-opinion Channel Mailbox. As of December 31, 2024, no report was received through the Multi-opinion Channel Mailbox.</p> <p>(III) The Company’s Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct have clearly defined a policy to prevent conflicts of interest, and set up a multi-opinion channel for employees to present their opinions.</p> <p>(IV) In order to ensure the implementation of ethical corporate management, the Company has established an effective accounting system and internal control system. In addition, the auditors regularly review the relevant systems and prepare an annual audit plan based on the risk assessment results, and then perform the audit and submit the audit report to the Board of Directors.</p> <p>(V) The Company holds irregular internal meetings to publicize ethical corporate management in various forms, and hold internal education and training on issues related to ethical corporate management during the orientation training (including courses on insider trading, intellectual property rights, and management of trade secrets) to explain the importance of ethical corporate management.</p>	

Assessment items	Implementation status (Note)			Deviations from “the Corporate Social Responsibility Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
			In 2024, the Company held internal and external education and training courses related to ethical corporate management for a total of 197 hours, and 257 employees completed and passed the courses, with a completion rate of 100%. 342 employees (person-time) attended 158 hours of lectures on insider trading and general legal knowledge.	
<p>III. The operations of the Company’s Report System</p> <p>(I) Does the company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?</p> <p>(II) Has the company established standard operating procedures for investigating reported events, follow-up measures to be taken after the investigation was completed, and related confidentiality mechanisms?</p> <p>(III) Has the company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?</p>	✓		<p>The Company’s Human Resources Division is the dedicated receiving unit and has established the Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct to regulate the specific report and reward system. Anyone who violates the regulations will be punished in accordance with the reward and punishment system, and legal action will be taken in the event of violation of law.</p> <p>The report case acceptance, investigation process and results shall be kept, the identity of the whistle-blower and the report content will be indeed kept confidential, and the whistle-blower will not be subjected to improper disposal measures as a result of the report.</p> <p>If a violation is confirmed, the Company will immediately request the perpetrator to stop the relevant behavior and take appropriate actions, and if necessary, seek compensation for damages through legal proceedings to protect the Company’s reputation and rights, and immediately disclose the title and name of the perpetrator, date and content of violation, and disposal on the Company’s internal website.</p> <p>As of December 31, 2024, no report was received through the Multi-opinion Channel Mailbox.</p>	None

Assessment items	Implementation status (Note)			Deviations from “the Corporate Social Responsibility Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
IV. Enhanced information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		The Company discloses information such as its core culture, business policies, and the content of its Ethical Corporate Management Best Practice Principles on its website, annual reports, and MOPS, and updates relevant promotion results on its website from time to time.	None
V. Where a Company has established Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”, please specify the difference between its operation and the principles: In accordance with the Company’s Ethical Corporate Management Best Practice Principles and various management regulations, all employees, managers and board members are required to comply with the relevant regulations.				
VI. Other important information that helps to understand the Company’s ethical corporate management operations: Integrity is one of its core values. It establishes reliable and long-term partnerships with suppliers, customers and employees based on commitment, mutual trust and reciprocity; In addition to formulating the “Ethical Corporate Management Best Practice Principles” and “Code of Ethical Conduct” related to its ethical corporate management, it also reviews relevant measures from time to time to comply with current laws and practical management needs. It also organizes education, training and promotion irregularly, and invites and relevant parties involved in its business activities can fully understand its determination to operate with integrity.				

(VII) Any other material information that would afford a better understanding of the status of the company’s implementation of corporate governance: None.

(VIII) Internal control system implementation:

1. Internal Control Statement

Wellell Inc.

Statement of Internal Control System

Date: March 13, 2025

The following declaration is based on the 2024 self-audit over the Company's internal control policies:

- I. The Company is aware that the establishment, execution, and maintenance of its internal control system is the responsibilities the Company's board of directors and managers. The internal control system was implemented throughout the Company. The system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets, etc.), reliability, timeliness, transparency, and regulatory compliance of our reporting, and compliance with relevant rules, laws, and regulations to achieve the goals.
- II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. Pursuant to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Governing Regulations"), the Company should study and judge whether the Company's internal control system is effective in design and implementation. The criteria adopted by the Regulations identify five key components of a managerial internal control system: (1) control environment, (2) risk assessment, (3) control operations, (4) information and communication, and (5) monitoring operations. Each component also includes several items. Please refer to the Regulations for the preceding items.
- IV. The Company has adopted the aforementioned judgment items for the internal control system to evaluate the effectiveness of the Company's internal control system in both design and implementation.
- V. Based on the results of such evaluation, the Company believes that, on December 31, 2024, it has maintained achieving goals, in all material respects, an effective internal control system (that includes the supervision and management of its subsidiaries), to provide reasonable assurance over the operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rules, laws, and regulations.

- VI. This declaration forms part of the main contents of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or non-disclosure relating to the public statement above are subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors on March 13, 2025. Of the nine directors present, none held an opposition, and all directors agreed to the contents of this statement.

Wellell Inc.

Chairman: Lee, Yung-Chuan

President: Lee, Yung-Chuan

(IX) Material resolutions of the board of directors in the latest year and up to the publication date of the annual report

1. Material Resolutions of the Board of Directors

Board of Directors	Date	Material resolutions
Board of Directors	March 13, 2024	1. Statement of Internal Control System for 2023
		2. Proposal for 2023 Employees' and Directors' Remunerations Distribution
		3. 2023 Business Report of the Company
		4. "2023 Financial Statements" and "2023 Consolidated Financial Statements" of the Company
		5. Proposal for the Company's 2023 earnings distribution
		6. 2024 Operational budget of the Company
		7. Proposal to replace CPAs for the Company's financial report
		8. Proposal for amendment of the Company's "Regulations Governing Procedure for Board of Directors Meetings"
		9. Proposal to renew for short-term general credit line and add new sub-limit corporate commercial card from the CTBC Bank to meet the needs for working capital and foreign exchange hedging
		10. Matters regarding the provision of endorsements and guarantees required for the short-term financing between Wellell America Corp. and CTBC Bank
		11. The convening of the Company's 2024 Annual Shareholders' Meeting
		12. Proposal to determine the period and place for receiving proposals from shareholders in accordance with Article 172-1 of the Company Act
		13. Proposal on the performance evaluation results of the Company's Board of Directors and functional committees in 2023
Board of Directors	May 8, 2024	1. Proposal to appoint the Company's Chief Accounting Officer
		2. Proposal of Consolidated Financial Statements for the first quarter of 2024
		3. Proposal to amend the Audit Committee Charter
		4. Proposal for amendment of the "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" of the Company.

Board of Directors	Date	Material resolutions
		5. Proposal to renew the short-term general credit line with Hua Nan Bank, Yongho Branch to meet the needs for working capital.
		6. Add the convening of the Company's 2024 Annual Shareholders' Meeting
Board of Directors	August 13, 2024	1. Consolidated financial statements of the Company for the first half of 2024
		2. Proposal to renew and sign the short-term general credit line from Mega International Commercial Bank, Tu Cheng Branch to meet the needs for working capital and foreign exchange hedging.
		3. Proposal to renew and sign the short-term general credit line and derivative financial transaction line from Mizuho Bank, Taipei Branch to meet the needs for working capital and foreign exchange hedging.
Board of Directors	November 11, 2024	1. The Company's 2025 annual audit plan
		2. Proposal to establish an internal control system for the "Management Operations of Sustainability Information" of the Company
		3. Proposal of Consolidated Financial Statements for the third quarter of 2024
		4. The appointment and remuneration of the CPAs for 2024
		5. Proposal for the pre-approval of the Company's non-confirmatory services by CPAs
		6. Proposal to renew the short-term general credit line and derivative financial transaction line from Bank of Taiwan, Nankang Branch to meet the needs for working capital and foreign exchange hedging.
Board of Directors	December 19, 2024	1. Proposal to change of President and salary structure review case of the Company
Board of Directors	March 13, 2025	1. Statement of Internal Control System for 2024
		2. 2024 Business Report
		3. Proposal for 2024 Employees' and Directors' Remunerations Distribution
		4. "2024 Financial Statements" and "2024 Consolidated Financial Statements"

Board of Directors	Date	Material resolutions
		5. Proposal for the 2024 earnings distribution.
		6. 2025 Operational Budget
		7. Proposal to renew for short-term general credit line and corporate commercial card from the CTBC Bank to meet the needs for working capital and foreign exchange hedging
		8. Matters regarding the provision of endorsements and guarantees required for the short-term financing between Wellell America Corp. and CTBC Bank
		9. Report that some accounts receivable in the fourth quarter of 2024 exceeded the normal credit limit and were overdue for more than three months
		10. Proposal on the performance evaluation results of the Board of Directors and functional committees in 2024
		11. General re-election of directors
		12. The convening of the Company's 2025 Annual Shareholders' Meeting
		13. Proposal to determine the period and place for receiving proposals from shareholders in accordance with Article 172-1 of the Company Act
		14. The Company determines the period for receiving nominations of director candidates, the number of candidates to be elected, and the place of reception.
Board of Directors	May 9 , 2025	1. Proposal to amend the "Articles of Incorporation."
		2. Proposal to define the scope of grassroots employees in the Company
		3. Proposal for amendment of the "Internal Control System - Salary Assignment"
		4. Proposal to replace CPAs for the financial report
		5. Proposal of Consolidated Financial Statements for the first quarter of 2025
		6. Approve the list of candidates for directors and independent directors nominated by the Board of Directors at the 2025 Annual Shareholders' Meeting
		7. Proposal to release of new directors from non-competition restrictions

Board of Directors	Date	Material resolutions
		8. Add the convening of the Company's 2025 Annual Shareholders' Meeting

2. Material Resolutions and Implementation in the 2024 Shareholders' Meeting:

Material resolutions of the Shareholders' Meeting	Implementation
1. 2023 Business report and financial statements	Approved the resolution.
2. Proposal for the 2023 earnings distribution	The distribution base date was set on August 6, 2024, and the earnings had been fully distributed on August 26, 2024 in accordance with the resolution of the shareholders' meeting. (Cash dividends distributed per share at NT\$0.8)

- (X) In the latest year and up to the publication date of the annual report, the directors or supervisors have different opinions on the material resolutions approved by the board of directors and there are records or statements in writing: None.

III. Information on the public fees of the CPAs

- (I) The amount of audit and non-audit fees paid to the CPAs, their firm and affiliated enterprises, and the contents of non-audit services

Unit: NT\$ thousand

CPA firm	Name of CPA	CPA auditing period	Audit fees	Non-audit fees (Note)	Total	Remarks
KPMG Taiwan	Kou, Hui-Zhi	January 1, 2024 -	3,660	350	4,010	
	Chen, Bei-Qi	December 31, 2024				

Note: Contents of non-audit services: transfer pricing report, main documents and various tax consultation services.

- (II) Where the accounting firm is replaced and the audit fees paid during the year in which the replacement occurs are less than those paid in the prior year, the amount of the decrease in the audit fees and the reason thereof shall be disclosed: None.
- (III) Where the audit fees paid for the year are lower than those paid for the prior year by 10% or more, the amount and percentage of the decrease and the reason therefor shall be disclosed: None.

IV. Change information on CPAs:

(I) About the former CPA

Date of replacement	May 9 ,2025		
Reasons and descriptions for replacement	KPMG Taiwan		
Describe that the appointer or CPA has terminated or refused to accept the appointment.	Participants	CPA	Appointer
	Status		
	Voluntary termination of appointment	-	-
	No longer accept (continue) appointment	The financial statements were originally audited and signed by Kou, Hui-Zhi and Chen, Bei-Qi from KPMG Taiwan. However, in line with internal job adjustment within the accounting firm, starting from the first quarter of 2025, the audit and signing work was changed to Kou, Hui-Zhi and Zhang, Zhao-Wen.	
Opinions and reasons for audit reports other than unqualified opinions issued within the last two years	None		
Whether there is any disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or steps
			Others
	None	✓	
	Description: None.		
Other disclosures (those that should be disclosed from Item 1-4 to Item 1-7 of Subparagraph 6 of Article 10 of these Standards)	None		

(II) About successor CPAs

CPA firm	KPMG Taiwan
Name of CPA	Zhang, Zhao-Wen
Date of appointment	May 9 ,2025
Consultation matters and results regarding accounting treatment methods or accounting principles for specific transactions and possible issuance of opinions on financial reports before appointment	None
The successor CPAs' written opinion on matters with which the former CPAs disagrees	None

(III) Reply from the former CPAs on Item 1 and Item 2-3 of Subparagraph 6 of Article 10 of these Standards: Not applicable

V. For any of the Company's Chairman, President, or managers responsible for financial or accounting affairs being employed by the CPA Firm or any of its affiliated company in the latest year: None.

VI. In the latest year and up to the publication date of the annual report, the transfer of equity interest and change in stock pledge of directors, managers and shareholders with stake of 10% or more:

(I) Change in equity of directors, managerial officers and key shareholders

Unit: shares

Title	Name	2024		For the current year as of April 30, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Chairman-cum-President	Yasheng Investment Development Co., Ltd.	-	-	-	-
	Representative: Lee, Yung-Chuan (Note 2)	-	-	-	-
Director	Yasheng Investment Development Co., Ltd.	-	-	-	-
	Representative: Liu, Chang-Chi	6,000	-	2,000	-
Director	CDIB Advantage Venture Capital Investment Limited Partnership	-	-	-	-
	Representative: Wei, Hong-Zheng	-	-	-	-
Director	National Development Fund, Executive Yuan	-	-	-	-
	Representative: He, Qi-Gong	-	-	-	-
Independent Director	Wang, Wei	-	-	-	-
Independent Director	Lin, Wan-Ying	-	-	-	-
Independent Director	Wang, Guo-Cheng	-	-	-	-
Independent Director	Lin, Tian-Fa	-	-	-	-

Title	Name	2024		For the current year as of April 30, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Independent Director	Lee, Hsiung-Ching	-	-	-	-
Vice President	Zhang, Ming-Zheng (Note 2)	-	-	-	-
Vice President	Cui, Yi-De (Note 2)	-	-	-	-
Vice President	Lee, Pi-Kai (Note 1)	-	-	-	-
Vice President	Cai, Jia-Sheng (Note 1)	-	-	-	-
Financial supervisor	Chen, Shi-He	-	-	-	-
Major Shareholder	CDIB Advantage Venture Capital Investment Limited Partnership	-	-	-	-
Major Shareholder	Yasheng Investment Development Co., Ltd.	-	-	-	-
Major Shareholder	Yaxin Investment Development Co., Ltd.	-	-	-	-

Note 1: Lee, Pi-Kai, Vice President, took office on March 1, 2024; Cai, Jia-Sheng, Vice President, resigned on August 16, 2024.

Note 2: Zhang, Ming-Zheng, Vice President, took office on March 1, 2025 ;Cui, Yi-De, Vice President, resigned on February 28, 2025.

(II) If the party to whom the shares are transferred is a related party, the name of such party, the relationship with the directors, supervisors, managers and shareholders holding more than 10% of the total shares, and the number of shares acquired should be disclosed: None.

(III) If the party to whom the shares are pledged is a related party, the name of such party, the relationship with the directors, supervisors, managers and shareholders holding more than 10% of the total shares, and the number of shares pledged should be disclosed: None.

VII. Information on the relations among the top 10 shareholders with the highest shareholding ratios:

April 26, 2025

Name	Shares held in own name		Shareholdings of spouse and minor children		Shares held in the names of others		The name and relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another.		Remarks
	Number of shares	%	Number of shares	%	Number of shares	%	Name	Relation	
CDIB Advantage Venture Capital Investment Limited Partnership	11,526,000	11.42%	0	0%	0	0%	None	None	None
Yasheng Investment Development Co., Ltd.	10,566,760	10.47%	0	0%	0	0%	None	None	None
Yaxin Investment Development Co., Ltd.	10,561,732	10.46%	0	0%	0	0%	None	None	None
National Development Fund, Executive Yuan	6,000,000	5.94%	0	0%	0	0%	None	None	None
Yachuang Investment Development Co., Ltd.	4,458,341	4.41%	0	0%	0	0%	None	None	None
Lee, Yung-Chuan	1,074,072	1.06%	342,704	0.33%	0	0%	Lee, Pi-Kai Li, Zhao-Yi	Father and son Father and son	None
Li, Zhao-Yi	1,018,292	1.00%	0	0%	0	0%	Lee, Yung-Chuan Lee, Pi-Kai	Father and son Brothers	None
Lee, Pi-Kai	820,530	0.81%	0	0%	0	0%	Lee, Yung-Chuan Li, Zhao-Yi	Father and son Brothers	None
Xu, Rong-Quan	568,000	0.56%	0	0%	0	0%	None	None	None
Wu, Qing-Ru	525,029	0.52%	0	0%	0	0%	None	None	None

VIII.Comprehensive shareholding ratio:

December 31, 2024

Investee businesses (Note 1)	Invested by the Company		Investments of directors, supervisors, managers, and other affiliates directly or indirectly		Aggregated investment	
	Number of shares (Shares in thousand)	Ratio of Shareholding	Number of shares (Shares in thousand)	Ratio of Shareholding	Number of shares (Shares in thousand)	Ratio of Shareholding (%)
Apex Global Investment Ltd.	10,543	100.00%	—	—	10,543	100.00%
Wellell America Corp.	50	100.00%	—	—	50	100.00%
Wellell Iberia S.L. (Note 2)	—	100.00%	—	—	—	100.00%
Sturdy Industrial Co., Ltd.	10,000	100.00%	—	—	10,000	100.00%
Wellell India Private Limited	6,458	99.82%	12	0.18%	6,470	100.00%
Wellell (Thailand) Ltd.	245	49.00%	—	—	245	49.00%
Apex Medical Respiratory Ltd.	7,904	100.00%	—	—	7,904	100.00%
Wellell Germany GmbH	25	100.00%	—	—	25	100.00%
Apex Medical Corp.	100	100.00%	—	—	100	100.00%

Note 1: It is a long-term investment made by the Company using the equity method.

Note 2: In line with the Group's brand strategy, Apex Medical S.L. was renamed Wellell Iberia S.L. in 2024.

Chapter III Information on Capital Raising Activities

I. Share capital and shares

(I) Source of share capital

Unit: NT\$; shares

Month / Year	Price of issue	Authorized capital		Paid-in capital		Remarks					
		Number of shares	Amount	Number of shares	Amount	Source of share capital				Assets other than cash contributed as equity capital	Others
						Capital increase in cash	Recapitalization of earnings	Employee bonus	Consolidated issuance of new shares		
March 1990	1000	5,000	5,000,000	5,000	5,000,000	5,000,000	—	—	—	None	—
June 1993	10	2,500,000	25,000,000	2,500,000	25,000,000	20,000,000	—	—	—	None	Note 1
July 1996	10	4,500,000	45,000,000	4,500,000	45,000,000	20,000,000	—	—	—	None	Note 2
June 1997	10	7,500,000	75,000,000	7,500,000	75,000,000	30,000,000	—	—	—	None	Note 3
November 1997	10	17,500,000	175,000,000	10,000,000	100,000,000	25,000,000	—	—	—	None	Note 4
August 1998	—	17,500,000	175,000,000	10,001,200	100,012,000	—	—	—	12,000	None	Note 5
November 1998	10	17,500,000	175,000,000	15,001,200	150,012,000	50,000,000	—	—	—	None	Note 6
July 1999	10	27,500,000	275,000,000	20,001,440	200,014,400	20,000,000	30,002,400	—	—	None	Note 7
September 2000	—	27,500,000	275,000,000	24,901,792	249,017,920	—	45,003,240	4,000,280	—	None	Note 8
July 2001	—	36,000,000	360,000,000	27,700,000	277,000,000	—	26,146,880	1,835,200	—	None	Note 9
August 2002	—	57,000,000	570,000,000	33,100,000	331,000,000	—	49,860,000	4,140,000	—	None	Note 10
August 2003	26	57,000,000	570,000,000	49,600,000	496,000,000	75,000,000	82,750,000	7,250,000	—	None	Notes 11, 12
June 2004	—	110,000,000	1,100,000,000	60,400,000	604,000,000	—	99,200,000	8,800,000	—	None	Note 13
July 2005	—	110,000,000	1,100,000,000	63,900,000	639,000,000	—	30,200,000	4,800,000	—	None	Note 14
July 2006	—	110,000,000	1,100,000,000	65,800,000	658,000,000	—	12,780,000	6,220,000	—	None	Note 15
September 2008	—	110,000,000	1,100,000,000	67,900,000	679,000,000	—	15,792,000	5,208,000	—	None	Note 16
August 2009	—	110,000,000	1,100,000,000	72,195,287	721,952,870	—	40,740,000	2,212,870	—	None	Note 17
July 2010	—	110,000,000	1,100,000,000	75,805,051	758,050,510	—	36,097,640	—	—	None	Note 18
July 2011	—	110,000,000	1,100,000,000	83,385,557	833,855,570	—	75,805,060	—	—	None	Note 19
October 2018	22.1	150,000,000	1,500,000,000	100,911,557	1,009,115,570	175,260,000	—	—	—	None	Note 20

- Note: Information of the current year as of the publication date of the annual report.
- Note 1: The effective (approved) date of the capital increase is June 21, 1993, and the approval number is Jian-Yi No. 82747797.
- Note 2: The effective (approved) date of the capital increase is July 11, 1996, and the approval number is Jian-Yi No. 85314274.
- Note 3: The effective (approved) date of the capital increase is July 4, 1997, and the approval number is Jian-Yi No. 86311742.
- Note 4: The effective (approved) date of the capital increase is January 8, 1998, and the approval number is Jing (1998) Shang No. 100312
- Note 5: The effective (approved) date of the capital increase is October 21, 1998, and the approval number is Jing (1998) Shang No. 131494
- Note 6: The effective (approved) date of the capital increase is December 11, 1998, and the approval number is Jing (1998) Shang No. 140154
- Note 7: The effective (approved) date of the capital increase is July 19, 1999, and the approval number is (1999) Tai-Cai-Zheng-(I) No. 63876.
- Note 8: The effective (approved) date of the capital increase is August 30, 2000, and the approval number is (2000) Tai-Cai-Zheng-(I) No. 72663.
- Note 9: The effective (approved) date of the capital increase is July 5, 2001, and the approval number is (2001) Tai-Cai-Zheng-(I) No. 143317.
- Note 10: The effective (approved) date of the capital increase is July 18, 2002, and the approval number is Tai-Cai-Zheng-Yi-Zi No. 0910139988.
- Note 11: The effective (approved) date of the capital increase by surplus is May 15, 2003, and the approval number is Tai-Cai-Zheng-Yi-Zi No. 0920121105.
- Note 12: The effective (approved) date of the capital increase in cash is May 22, 2003, and the approval number is Tai-Cai-Zheng-Yi-Zi No. 0920121106.
- Note 13: The effective (approved) date of the capital increase by surplus is May 12, 2004, and the approval number is Tai-Cai-Zheng-Yi-Zi No. 0930119897.
- Note 14: The effective (approved) date of the capital increase by surplus is June 22, 2005, and the approval number is Jin-Guan-Zheng-Yi-Zi No. 0940124952.
- Note 15: The effective (approved) date of the capital increase by surplus is June 26, 2006, and the approval number is Jin-Guan-Zheng-Yi-Zi No. 0950126344.
- Note 16: The effective (approved) date of the capital increase by surplus is July 3, 2008, and the approval number is Jin-Guan-Zheng-Yi-Zi No. 0970033334.
- Note 17: The effective (approved) date of the capital increase by surplus is August 6, 2009, and the approval number is Jin-Guan-Zheng-Yi-Zi No. 09801176350.
- Note 18: The effective (approved) date of the capital increase by surplus is June 24, 2010, and the approval number is Jin-Guan-Zheng-Fa-Zi No. 0990032568.
- Note 19: The effective (approved) date of the capital increase by surplus is July 5, 2011, and the approval number is Jin-Guan-Zheng-Fa-Zi No. 1000031050.
- Note 20: The effective (approved) date of the capital increase in cash is October 22, 2018, and the approval number is Jing-Shou-Shang-Zi No. 10701134350.

April 26, 2025 Unit: shares

Share category	Authorized capital			Remarks
	Outstanding shares (Notes)	Unissued shares	Total	
Registered ordinary shares	100,911,557 (Shares of listed company)	49,088,443	150,000,000	10,000 thousand shares are reserved for issuance of employee stock warrants.

Note: the par value is NT\$10 per share.

(II) Information on self-registration system: None.

(III) List of major shareholders: Name, number and proportion of shares held of the top 10 shareholders with the highest shareholding ratios

List of major shareholders

Shareholding Name of major shareholders	Number of shares held	Ratio of Shareholding
CDIB Advantage Venture Capital Investment Limited Partnership	11,526,000	11.42%
Yasheng Investment Development Co., Ltd.	10,566,760	10.47%
Yaxin Investment Development Co., Ltd.	10,561,732	10.46%
National Development Fund, Executive Yuan	6,000,000	5.94%
Yachuang Investment Development Co., Ltd.	4,458,341	4.41%
Lee, Yung-Chuan	1,074,072	1.06%
Li, Zhao-Yi	1,018,292	1.00%
Lee, Pi-Kai	820,530	0.81%
Xu, Rong-Quan	568,000	0.56%
Wu, Qing-Ru	525,029	0.52%

(IV) Dividend policy and implementation status:

1. The Company's dividend policy is as follows:

The Company's capital and financial structures, operating conditions, earnings, and the nature and cycle of the industry to which the Company belongs determine that the dividend should be paid by stock dividends or cash dividends. However, as the Company is currently operating in a growing industry, the Company may consider the financial, business and operational factors and the dividend payment policy in last year. If the Company has earnings available for distribution in the current year, the principle of dividend distribution is to set aside more than 30% of the net income after tax for the current year as dividends to shareholders after deducting legal reserve and other items required by law.

The Company's dividend policy is determined by the Board of Directors in accordance with the operating plan, investment plan, capital budget and changes in internal and external environments. The Board of Directors shall prepare a proposal for earnings distribution, which shall be approved by the Shareholders Meeting before distribution. The distribution of earnings may be made in the form of cash dividends or stock dividends, provided that the percentage of stock dividends shall not exceed 50% of the total earnings distributed for the year.

2. The distribution of dividends proposed at this shareholders' meeting:
On March 13, 2025, the Company's Board of Directors approved the proposal for the 2024 earnings distribution and planned to distribute cash dividends of NT\$80,729,246 from the earnings for 2024, with NT\$0.80 per share, which will be submitted to the Annual Shareholders' Meeting on June 24, 2025.
- (V) The impact on the operating performance of the Company and earnings per share proposed of the shareholders' meeting to issue free allotment shares: Not applicable.
- (VI) Remuneration to the employees and directors:
1. The percentage of the profit for or scope of employee remuneration and directors' remuneration as stated in the Company's Articles of Incorporation:
If the Company makes a profit in a fiscal year, it shall set aside 5% to 15% of the profit as employees' remuneration, which shall be distributed in shares or cash as resolved by the Board of Directors, to employees of controlling and subsidiary companies under certain conditions; the Company may set aside not more than 2% of the above-mentioned profit as directors' remuneration as resolved by the Board of Directors. The remuneration proposal to the employees and the Directors shall be reported to the shareholders' meeting.
However, when the Company still has accumulated losses, it should reserve the profit to make up for the loss before allocate employee remuneration and director remuneration in proportion to the preceding paragraph.
 2. Regarding the allocation percentage and amount of directors' remuneration, in addition to considering the operational efficiency, contribution, and tenure of the Company, the remuneration ratio is calculated by taking into account the occurrence of moral hazard incidents or other events that have a negative impact on the Company's image and goodwill, so as to give a reasonable remuneration. The reasonableness of the relevant remuneration is reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed timely by regular review of the actual operating conditions and changes in relevant laws and regulations.
 3. The accounting treatment for the difference between the estimated amount of employees' and directors' remuneration and the actual distribution amount for the period: If there is any difference, the Company adopts the accounting treatment of change in accounting estimate and directly adjusts the salary expenses in the year of actual payment.
 4. The proposal for earnings distribution for 2024 was approved by the Board of Directors on March 13, 2025. The proposed distribution of earnings approved by the Board of Directors was: NT\$10,369,455 of employees' remuneration and NT\$2,333,127 of directors' remuneration.

5. The distribution of employees' and directors' remuneration by the 2024 earnings is as follows:

Distribution	Actual number of shares distributed as resolved by the Annual Shareholders' Meeting	Number of shares to be distributed as approved by the Board of Directors
1. Employee stock dividend (1) Number of shares	- thousand shares	- thousand shares
(2) Amount	- NT\$ thousand	- NT\$ thousand
2. Remuneration to employees	NT\$15,425 thousand	NT\$15,425 thousand
3. Remuneration to directors	NT\$3,486 thousand	NT\$3,486 thousand

(VII) Repurchase of the Company's stock: None.

II. Corporate bond handling situation: None.

III. Preference share: None.

IV. Overseas depositary receipts: None.

V. Employee stock option: None.

VI. Issuance of restricted stock awards: None.

VII. Status of new shares issuance in connection with mergers and acquisitions: None.

VIII. Financing plans and implementation:

- (I) As of the quarter before the publication date of the annual report, previous issuances or private placements of securities have not yet been completed or have been completed within the last three years and the benefits of the plan have not yet shown up: None.
- (II) Regarding the purpose of each plan in the preceding paragraph, a detailed analysis is conducted as of the quarter before the publication date of the annual report, its implementation and comparison with the originally expected benefits: Not applicable.

Chapter IV Business Performance

I. Content of business

(I) Scope of business operation:

1. Major contents of the business operation undertaken:

Wellell Inc. is an international healthcare brand that provides a wide range of institutional and home care solutions. Our products are sold worldwide, with sales channels and service networks in more than 60 countries. Since establishment in 1990, the Company has integrated wound care solutions, sleep apnea therapy and smart medical technology to provide better medical quality for patients, healthcare professionals and healthcare providers.

- (1) Medical device import, export, trading, and leasing business: post-operative recovery care solutions, chronic respiratory therapy products, digital medical services, and electronic medical materials.
- (2) Medical device manufacturing industry: manufacturing, processing, and trading of air pumps.
- (3) Metal electronic products trading and distribution business: care and welfare devices and electronic medical devices.
- (4) General import and export trading business (except licensed business), etc.

2. Business proportion

Unit: NT\$ thousand

Sales Category	Revenue in 2024	Revenue proportion%
Pressure area care products	1,079,821	45.24
Respiratory therapy products	502,518	21.06
Others	804,315	33.70
Total	2,386,654	100.00

3. Main products and services

- (1) Medical products sold: Pressure Area Care (PAC), Compression Therapy, Patient Handling, Welfare Equipment (Welfare), Respiratory Therapy (RT) Products, Electronic Medical Devices (EMD).
- (2) Medical leasing products and leasing services: Patient Recovery Care Solution includes Pressure Area Care, Compression Therapy, and Patient Handling.

4. New products under development

- (1) Digital medical products: The Company actively promotes digital healthcare transformation and strengthens the operational efficiency of medical product leasing and service platform through IoT technology and data management. At present, our digital solution has been applied to the rental tracking of pressure ulcer prevention products. We have also optimized the management of medical device cleaning and disinfection, effectively reducing the risk of cross infection.

The development of global smart healthcare has become a trend, and medical institutions are actively promoting digital transformation to improve healthcare quality and efficiency. This is not only reflected in data-driven decision-making, but also in the digital transformation of hospitals, such as implementing paperless operations and other measures. These measures not only meet the requirements of environmental protection, but also reduce operating costs and improve the efficiency of medical services. The Company has cooperated with local hospitals and leasing service providers in countries such as Denmark, Italy, Germany, and Spain, and successfully participated in local government smart healthcare projects. These cases not only demonstrate the development trend of global smart healthcare, but also emphasize the Company's commitment in ESG (environmental, social and governance) aspects. Through digital transformation, we are committed to improving the quality of healthcare services while reducing environmental impact and achieving sustainable development goals.

- (2) Pressure ulcer prevention: specialize in the development of the IoT transmission that conforms to the hospital rental model in Europe and the United States and solutions that improve the efficiency of gas flow and regional pressure control, the development of new domestic material with antibacterial function, and the development of Support Surface that meet the needs of medical stakeholders and related advanced pressure ulcer prevention and care products.
- (3) Respiratory Therapy: Develop IoT CPAP respirators with digital medical services to enter the European, American, and Japanese health insurance benefit markets, and use human factors engineering and data research to develop multiple respirator mask models to meet the needs of global users with different facial features and sleep habits.
- (4) Deep vein thrombosis (DVT) device: Provide intermittent pneumatic compression therapy to increase venous blood flow in patients with potential risks and to help prevent deep vein thrombosis and pulmonary embolism after surgery.

(II) Industrial overview

1. Progress and Development of the industry

According to the forecast of Battelle, a U.S. research and development organization, the medical device industry will rank first among the top ten industry opportunities in the 21st century. The government-led “Two-Trillion and Twin-Star Industry Development Plan” also lists biotechnology as one of the key “Twin-Star” industries, which shows that the medical and healthcare industry has the opportunity to become the next star industry in Taiwan after the information and electronics industry.

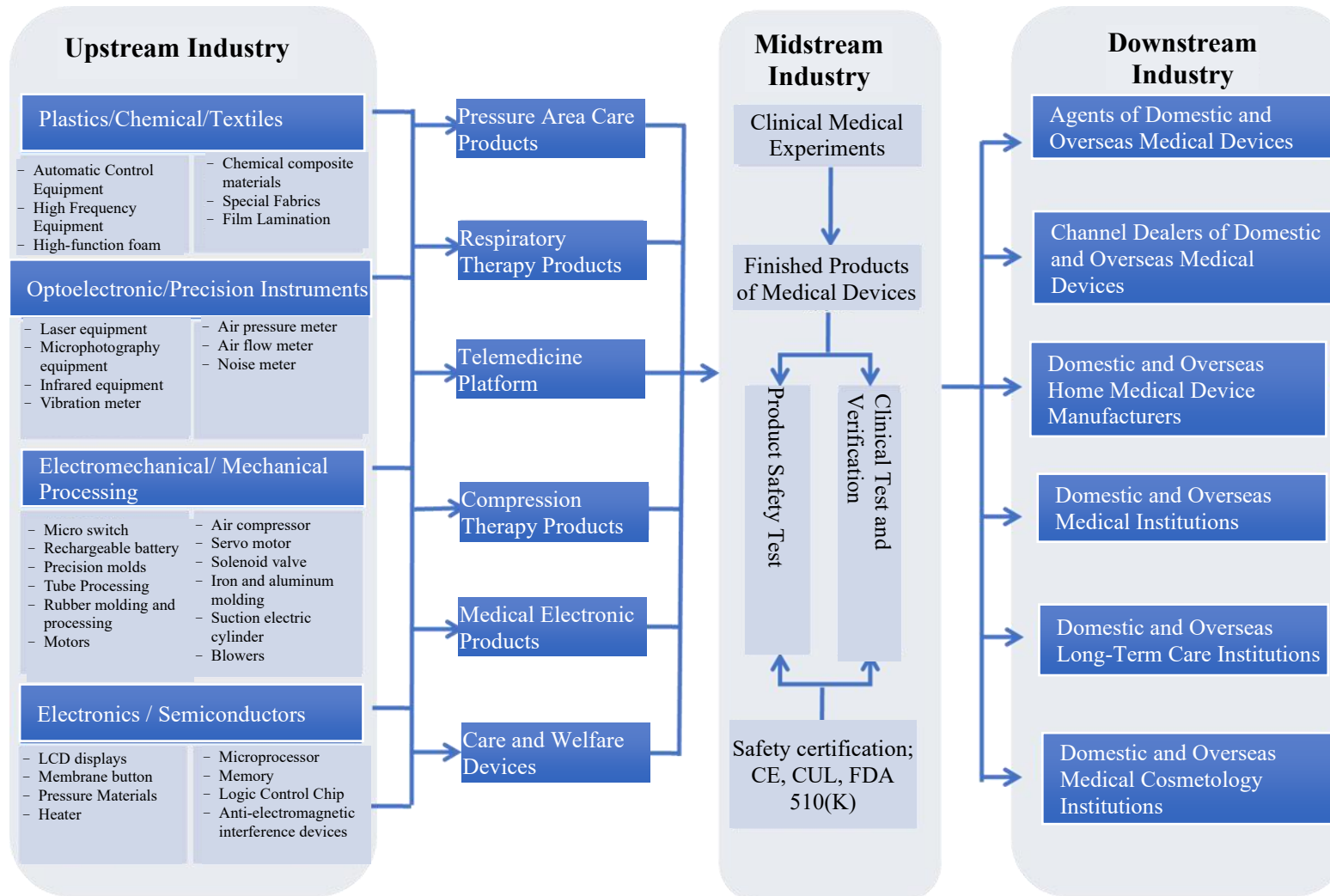
The ultimate consumer group for medical devices is people. Since the global population is increasing rapidly and the average life expectancy in advanced countries is over 75 years, it is expected that global expenditure in medical industry will continue to grow. The consumption of medical device is positively correlated with national income, and countries with high income have relatively higher annual expenditure per capita on medical devices. In addition to developed countries, China, Taiwan, and emerging countries in Southeast Asia and Central and South America have a large room for future growth due to economic development and an increasing elderly population, making them potential markets.

Biotechnology and pharmaceutical industries are recognized as the most promising technologies in the 21st century. According to the research report of Fortune Business Insights, the global medical device market size is expected to reach US\$718.9 billion in 2029, with a compound growth rate of 5.4% from 2022 to 2029. According to the market data of Straits Research, the annual output of IoT medical applications will reach US\$486.3 billion by 2031, with a compound annual growth rate of 19.27%.

The medical device products have a broad range, a wide variety of product technologies, a long R&D period, the need for product validation and clinical test, and high barriers to entry. In terms of market, the medical device industry is greatly influenced by government policies, especially those related to medical insurance payment which will directly affect market demand; the safety certification and medical insurance payment systems vary slightly from country to country, making market entry difficult. However, after the products are introduced into the market, due to the protection of patents and certifications and longer product life cycles, they will generate higher profits than other industries. Since establishment, the Company has been upholding the business philosophy of honesty, professionalism and innovation and the belief of “respecting the value of life”, and committed to helping all patients and their relatives to have a healthier and carefree life through the implementation of digital welfare by IoT technology.

In general, the Company is a complete solution provider of digital medical services and durable medical device products, and plays the role of medical integration services, that is, uniting the related domestic and overseas manufacturers to provide complete products and services to stakeholders in the international medical industry. In addition, the Company has invested in clinical research and product development for the main products, Pressure Area Care and Respiratory Therapy, and have cultivated our own long-term manufacturers and production capacity to continue to develop new products leading the market, maintain good quality and establish good reputation in the market.

2. Association among the up-, mid- and down streams



3. Product development trend and competition:

At present, the Company's main product lines include Pressure Area Care (PAC), Respiratory Therapy (RT) Products, and Compression Therapy. The product development trends and competitions are as follows:

(1) Pressure Area Care Products:

A Support Surface (SS) is mainly divided into three markets: Specialty Medical Bed, Alternative Pressure Air Mattress, and Pressure Relief Overlay Mattress. Specialty Medical Bed has a high level of technology but is expensive, so it is mainly provided to medical institutions to care for special patients in the form of leasing. As the medical insurance budgets of various countries continue to decrease, Alternative Pressure Air Mattress and Pressure Relief Overlay Mattress become the main options with medical benefits under limited budgets. Of which, the Pressure Relief Overlay Mattress has better clinical efficacy, and the acceptance level has increased significantly, driving the rapid growth of this market. In recent years, the Company has been mainly focusing on the development of Alternative Pressure Air Mattress.

B Development trend: According to the market research of RESEARCH AND MARKET, the wound care market is expected to reach US\$29.5 billion in 2030, with a compound annual growth rate of 4.15%. In addition, according to TRANSPARENCY MARKET RESEARCH, the global output of pressure wound care is expected to reach US\$10 billion in 2031. Researches show that the use of Alternative Pressure Air Mattress at the early stage of pressure ulcers can significantly reduce the cost of treatment, and these Support Surface are mainly used in medical institutions and long-term care centers; as the awareness of pressure ulcers prevention in home care has increased, there is also a certain demand for Pressure Relief Overlay Mattress. The product development trends include:

- Support Surface, a kind of air mattress integrated with functions of alternative, turning and segmented pressure control to enhance the added value of the product.
- Breathable air mattress equipped with high-flow turbo type air pump, which makes the contact surface between patient's skin and Support Surface drier and more comfortable.
- In response to the demand for replacing Specialty Medical Bed, the height of the Support Surface is gradually increased due to the increasing demand for pressure reduction and load efficiency.
- The application of digital control panel makes the human-machine interface more humanized.

- The products are easy to clean and neaten and are durable, so that the leaser can easily run the leasing business.
 - As people pay more attention to infection control, the mattress system must have antibacterial feature.
- C Competition: The alternative pressure air mattress has higher technical level and requires more investment of R&D resources and clinical forces, so professional manufacturers have more competitive advantages, the market concentration is relatively high, and most of the manufacturers belong to developed countries; in particular, there are fewer manufacturers of breathable and turning air mattresses. The Company is one of the manufacturers that can provide the most complete product lines in the emerging countries. In recent years, the Company has continued to research and develop new products and clinical evidence, and has successively completed the development of digital products for high-flow, breathable turning Support Surface that meet the high-risk and Stage IV pressure ulcers requirements.
- Meanwhile, as an industry pioneer, the Company is the first to introduce the Procure Auto G3/Link G3 air mattress with integrated software and hardware solutions. It focuses on optimizing the time management of treatment, emergency response and operation and maintenance to ensure more efficient patient care, and also enhances the intelligent management capabilities of medical institutions, and meets the ESG requirements in the pressure ulcer prevention and care service chain. The Company will continue to deepen its digital healthcare layout, promote smarter and more sustainable medical service models, continue to lead new trends in industry development, and demonstrate the strength of international professional manufacturers.
- D We have successfully launched Optima Prone air mattress to meet the demand of global epidemic, which meets the care needs of more advanced and special ARDS respiratory acute care wards. The product has successfully entered the clinical treatment field of high-level ICU and has been recognized by the Gold Prize of Taiwan Excellence Award.
- E The Company has taken the lead in introducing IoT Optima Auto Link advanced support surface in the world, which meets the leasing demand for high-end equipment in European hospitals, and can accurately track the patient's pressure ulcers prevention course and record equipment cleaning and disinfection through IoT transmission.

In response to the changes in industrial demands, Procure Auto G3 was reintroduced to meet the emerging and unmet medical needs and establish a brand-new value proposition for the medical product rental service. This product is designed specifically for rental service providers and medical institutions that value care quality. Through innovative technology and breakthrough design, it provides 24-hour uninterrupted care, effectively improving patient safety, reducing the burden on caregivers, optimizing the supply and management process of air mattresses, assisting medical institutions in improving operational efficiency, and creating a new model of medical care. In addition, the Procure Auto G3 series offers wireless networking models and can be connected in series with the medical product rental and service platform independently developed by the Company. Through digital tracking and intelligent monitoring, it enhances real-time response capabilities and operational efficiency, promotes medical institutions to accelerate digital transformation, and assists partners in the service chain to achieve ESG (environmental, social and governance) goals.

- F In response to the huge demand for static foam mattresses in the European and American markets, combined with our core advantages in air mattress technology, the Company has successfully integrated foam materials and developed alternating foam mattresses, creating a new product application model. The alternating foam mattress not only enhances user comfort and support, but also has market competitiveness, and is expected to further expand its market share in the traditional static foam mattress market. The technical threshold of this product lies in accurately integrating the core control technology of the air cushion bed with the application of foam material, and ensuring compliance with regulations and safety standards of various countries. With years of accumulated professional experience and research and development capabilities, the Company has successfully overcome these challenges and further strengthened its brand's competitive advantage.

(2) Respiratory Therapy Products:

- A Development trend: most people increase their awareness of sleep respiratory problems, and more and more countries are beginning to pay attention to the impact of sleep apnea on chronic diseases, which drive the increase in demand for relevant products. The development of products shows the following trends:

- The product is small and easy to carry, and the noise is low when the machine is running.

- Easy installation and intuitive operation interface for general users to operate.
 - Intelligent anti-condensation and humidification adjustment functions, which enhance the wearing comfort and better suit for the physiological needs.
 - The application of AC/DC motors enhances the compliance of breathing air flow.
 - Digital medical sleep management platform is launched in developed countries such as Japan and Europe.
 - Track and manage patient sleep data, provide remote monitoring function for medical institutions, and integrate overseas local health insurance into home care system.
 - Interactive tools platform that assists medical staff in improving management efficiency through intelligent data analysis and tracking reminders, and provides patients with simultaneous sleep health care and treatment training through the smart device APP.
 - Through the remote data transmission function of built-in 4G Sim card, provide medical staff and patients with global cross-regional treatment data tracking and uploading regardless of location or time constraints.
 - Multiple interface devices (MASK) designed to meet the ergonomics and comfort requirements.
- B Competition: The sleep respiratory products can only be used based on the doctor's prescription or related sleep diagnosis, so there are very strict requirements for product function and quality and related certifications. At present, the major players are manufacturers from advanced countries, and the market concentration is high. According to the market research report of Research and Markets, the global ventilator market size will reach US\$32.7 billion in 2028. The Company's CPAP and Mask products have obtained the marketing approval of the U.S. FDA, and the quality and characteristics of the products have been confirmed and verified to a certain extent; after settling the patent lawsuit in 2014, the Company has been focusing on channel development and marketing layout in order to increase the Company's revenue and profit.
- (3) Compression Therapy: Deep vein thrombosis (DVT) device
- A Development trend: There are about 10 million cases of venous thrombosis worldwide every year, and more than 60% of the venous thrombosis cases occur during or after hospitalization; the use of "deep vein thrombosis (DVT) device" is widely recommended to prevent

thrombosis after surgery for critical diseases, especially in ICU and Department of Orthopedics. According to report of Markets and Markets, the annual output value of global compression therapy market is expected to reach US\$4.9 billion in 2027, large target patient population and the rising incidences of sports injuries and accidents are the main factors driving growth in this market. Product development trends include:

- Physically compress the user's foot/calf/thigh plus calf with air pressure to enhance blood circulation to prevent venous thrombosis.
- Special foot cover design can bring moisture and heat out of the foot cover along with the air flow, thus increasing the comfort of the user.
- It can detect the return of blood from the veins and push more blood in the same time to achieve better preventive effect.

B Competition: In the entire large wound treatment market, in addition to pressure area care, there is also compression therapy for prevention of deep vein thrombosis and pulmonary embolism (VTE-related). The main structure of this type of products is similar to the existing core technology "fluid control" of Wellell, and the marketing channels are similar. Combined with the increase in chronic diseases and obesity, the market demand is increasing.

(III) Technology & know-how and research & development in summary:

1. Research & development expenditure in the latest year and up to the publication date of the annual report:

Unit: NT\$ thousand

Year	2023	2024	Estimated investment in 2025
Amount			
R&D expenditure (A)	165,762	163,526	176,816
R&D expenditure / Net operating revenue %	6.26%	6.85%	—

2. Successfully developed technology or products in the latest year and up to the publication date of the annual report:

The Company has achieved specific results after years of research and development. In addition to continuing to enhance R&D capabilities to maintain the existing product lines at a favorable competitive position among Taiwanese manufacturers and global equivalent manufacturers, the Company is also continuing to expand new products. At present, the development of each product line is as follows:

- (1) For Pressure Area Care products, we continue to invest in the technical improvement and functional specification upgrading of medical pressure-relieving air mattresses for different risk levels and stage I-IV pressure ulcers,

take into account both the medical and home care markets, and establish a complete product line to effectively reduce the burden on medical personnel and provide patients with the best preventive care and treatment effects. We have launched a new product of blower type with automatic pressure return control by high-level microcomputer, and provided Microclimate Management air mattress with ultra-uniform low-pressure high-flow venting to meet the needs of pressure equalization and alternative. For the high-flow breathable air mattress digital products for high-risk and Stage IV pressure ulcers, we adopt zonal pressure control, single-tube independent air release for heel and one touch set up (start the best treatment with one key) to reduce the working time and physical effort of medical personnel. With the completion of the development of such products, the Company will realize more comprehensive product layout of Support Surface, provide a complete product line of Support Surface with complete functions and stable quality, which can meet the various needs in the market, build highly competitive advantage and increase the sales profit of products. Provide the patients (users) with the definite decompression effect and use experience.

- (2) In terms of Respiratory Therapy Products, the Company has mastered key technologies in the development of NPAP systems, blowers, and masks, and have developed elegant, lightweight, quiet, effective, and competitively priced CPAP and Auto CPAP respirators and other related peripheral products (heating humidifiers and nasal masks).

At present, the Company has overcome key bottlenecks and successfully integrated digital networking and intelligent application technologies, making its products to the next level in terms of comfort, intelligence, and efficacy. Through the innovative Auto CPAP series products, the Company has improved the exhalation and blood pressure reduction function, and introduced the smart networked APP/Web function to provide real-time interactive sleep quality monitoring and enhance user adhesion and treatment experience.

Looking ahead to the future, the Company will expand its competitive advantage and achieve more stable business development and profit growth through flexible product strategies and market layout. While continuously optimizing the technology and market strategy, the Company focuses on high growth potential areas with accumulated technological advantages, and creates a more flexible and competitive product line in the market. The Company focuses its R&D efforts on market demands with higher growth momentum in the future. Meanwhile, with years of accumulated technical strength, the Company actively invests in joint research and development of new products with Japanese companies, being responsible for key technologies and

commercialization. Not only in the medical payment market, the Company also plans to launch its own brand sales for this model, further expand the market territory of sleep ventilators and enhance brand value.

- (3) The deep vein thrombosis (DVT) device, combined with core components, precise firmware control, and biocompatible and ergonomic foot cover design, can effectively increase patient comfort. The compliance monitoring design allows the medical staff to directly obtain the user's access time and treatment time from the product, so as to confirm whether the user follows the doctor's advice for the prevention of venous thrombosis in the most intuitive way.

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

1. Short-term business development programs

- (1) We will expand our market share in North America and Europe with our high value-added SS products, and invest a lot of resources to actively build the Asia Pacific market to become the No. 1 brand in Asia.
- (2) We will actively seek strategic marketing partners for CPAP/Auto CPAP products and expand respiratory mask product lineup to meet the treatment needs of different races, and further develop the market and expand the operation scale of our products.
- (3) We will actively build the Wellell brand and promote it to Greater China Region, Spain, Portugal, the Middle East, Central and South America, and Eastern Europe to meet the needs of our customers for full product line, fast delivery and one-stop purchase.

2. Long-term business development programs

With Patient Recovery Care (PRC) as the core, the Company is committed to creating patient-centered comprehensive care solutions. Our vision is to provide a more comprehensive and efficient care experience through seamless integration of medical equipment and digital services. In addition to our existing product line of air mattresses, we are actively expanding our products such as Intermittent Pneumatic Compression Devices (IPCD), patient transfer devices (such as displacement machines), mobility aids, and pressure reducing seat cushions. We are also working with our overseas subsidiaries to create a complete patient recovery solution. Our goal is not only to enhance the clinical efficacy of our products, but also to promote the improvement of global healthcare standards through innovation and integration.

Promote our own brand, expand our global brand marketing through the subsidiaries in Spain, UK, France and the United States, and promote Wellell as an international medical brand. In addition to overseas promotions, we will further develop the marketing strategy and product penetration of "Wellell" brand. In response to the aging society and the post-epidemic era, the lack of first-line medical care forces

and the public's attention to health will drive us to invest in providing digital welfare solutions and make the "Wellell" brand a leading international medical brand.

In addition, according to the international division of labor strategy, the Company will take Mainland China as the production base for low-end products that require cost competitiveness to expand the product quantity; and take Taiwan as the R&D and production base for middle- and high-end SS products in the PAC category and CPAP products in the RT category to improve the product quality.

II. Markets, production and marketing in summary

(I) Market analyses

1. Ratio of domestic and export sales

Unit: NT\$ thousand

Year Region of distribution	2023		2024	
	Amount	Ratio	Amount	Ratio
Export	2,518,092	95.13%	2,272,245	95.21%
Domestic sales	129,030	4.87%	114,409	4.79%
Total	2,647,122	100.00%	2,386,654	100.00%

2. Proportion of Main Sales Regions

Unit: NT\$ thousand

Year Region of distribution	2023		2024	
	Amount	Ratio	Amount	Ratio
Europe	1,711,579	64.66%	1,584,413	66.39%
Americas	236,099	8.92%	197,294	8.26%
Asia	699,444	26.42%	604,947	25.35%
Total	2,647,122	100.00%	2,386,654	100.00%

3. The future market supply and demand and growth potential:

- (1) In terms of Pressure Area Care (PAC) and Compression Therapy, the governments' attention to preventive medicine and cost control of medical resources, coupled with the rapid growth of the elderly population and increased awareness of the quality of life care and clinical post-operative care for patients, have led to a steady growth trend for Support Surface and anti-venous thrombosis treatment equipment.
- (2) As modern people pay more attention to sleep breath, sleep medical services are growing gradually in the market. According to Straits Research, the global market size of CPAP respirators will reach 5.25 billion in 2030, with a compound

annual growth rate of 7.4% from 2022 to 2030.

- (3) The Company's Electronic Medical Devices (EMDs), including transcutaneous electrical nerve stimulators (TENS) and electronic muscle stimulators (EMS), are in the category of electrotherapy devices and are in a relatively mature market. Due to the aging of the population, the elderly population is prone to joint pain and other chronic problems, manufacturers are engaged in developing more user-friendly digital electrotherapy products. In addition, the increase in the female sports population has resulted in many chronic and acute sports injuries; the patients' acceptance of TENS has increased.
- (4) The Company's welfare devices include walking aids, crutches, commode chairs, medical bed handrails, bathroom safety series, wheelchairs, etc. These products are the most basic service products of medical device sellers and were the main products of our company in the early stage after establishment. Therefore, the market is mature in technology, economy of scale is the most important factor for competition, and price competition is fierce. The company has maintained good customer relationships and built solid strength to maintain orders.

4. Competitive niche

- (1) Our products have passed safety certification and are sold in more than 60 countries worldwide.

Medical and health care devices are closely related to human health, safety and efficacy, so all countries require that such products must be certified by medical regulations and safety standards before marketing. Our products have passed 510(K) of the U.S. FDA and CE MDD (93/42/EEC) and CE MDR (EU 2017/745), and other certifications of medical regulations of advanced countries, and obtained ISO 13485:2016 of Rheinland TUV and MDSAP Quality Assurance System Certification; in terms of product safety regulations, we have obtained EMC and electrical safety (UL, TUV) and many other safety certifications; therefore, our products are accepted by buyers from all over the world and sold in more than 60 countries.

- (2) High-quality R&D team continuously improves technology

The Company has been dedicated to R&D for many years. In addition to owning 173 product patents, the Company is also engaged in enhancing the core technology capabilities, continuously expanding its existing products to provide unique products for its main customers, and developing higher level and high value-added products; the respiratory therapy product R&D team is currently challenging higher-level micro positive pressure ventilator flow channel technology and algorithm technology, and applying related technologies to other product lines to improve the technical depth and breadth of Wellell products.

- (3) Build global marketing channels with a complete range of home medical care

products

After years of product management, the Company has built complete product lines, including Welfare Equipment to assist the disabled and elderly in their homes, Electronic Medical Devices for pain treatment and muscle rehabilitation, Support Surface for the prevention and treatment of pressure ulcers, and products for the treatment of apnea. We have continued to receive orders from major customers in advanced markets in Europe, the United States, and Japan. The Company further takes brand service the core of our future development, and is committed to domestic and overseas market and channel development, strengthening the marketing ability of our own brand “Wellell”, and extending the successful experience in establishing more than 600 domestic customers in Taiwan to the markets of Mainland China, Southeast Asia, Middle East, Eastern Europe, Central and South America, and strives to become the first-choice regional brand of home care products.

(4) Strong and highly competitive management team

The Company has complete marketing, R&D, manufacturing and operation management teams, and has established subsidiaries in Spain, UK, France, Germany, Mainland China, and the United States, as well as a sales office in Egypt, to keep abreast of market information and customer information, and provide immediate service to meet customer needs; we have established a manufacturing center for low-cost products in Kunshan, Mainland China, to meet customer demand for quantity and price; we have strengthened our global division of labor system in marketing, R&D, and manufacturing, and are able to respond quickly to the challenges of changing global division of labor and continue to create good results.

5. Advantages and disadvantages of development and countermeasures

(1) Advantages

A Aging population structure and mature concept of preventive medicine

With the aging of the world’s population structure, the governments’ attention to health care benefits system, the increase in personal economic standards, and the change in the health care concept have led to the continuous expansion of the global health care market, which enters the growth period.

B Policy incentives to enhance international competitiveness

The government is actively planning for the testing and certification of healthcare devices, the Good Manufacturing Practice (GMP) system and the medical device technology development program. The advent of the global aging society and the rise of the concept of preventive medicine and home care bring business opportunities to medical and health care devices

and home health care products.

- C Possessing international marketing capability and building intensive marketing network

The Company is engaged in developing international markets, has successfully launched our own brand “Wellell” in Europe, North America, Japan, and Asia, and is actively occupying the markets of Middle East, Central and South America, and Eastern Europe. At present, our products have been exported to more than 60 countries.

- D Mastering key technologies and attaching importance to independent R&D capabilities

The mastery of key technologies is the key to maintaining the competitive niche of the industry. In order to maintain a stable source of technology and continue to be active on the world stage, the Company not only actively recruits R&D teams to develop innovative product functions, but also cooperates with the technology programs promoted by the Ministry of Economic Affairs to acquire key technologies.

- E Obtaining international safety certifications to raise the competition threshold

Our products have obtained international safety certifications related to medical devices, such as electrical safety standards (IEC60601 series), biocompatibility (ISO10993 series, ISO18562 series), and fire and flame resistance standards for mattresses (EN597-1, EN597-2), which not only provide business opportunities to enter advanced countries such as Europe, the United States, and Japan, but also raise the competition threshold for entry into the industry imperceptibly.

- F We use overseas subsidiaries and sales offices to grasp marketing channels and collect market-related information. The company mainly engages in foreign sales, so how to maintain a good relationship with foreign customers is an important issue. Our management team not only visits customers from time to time, but also establishes overseas subsidiaries to serve customers nearby and actively collects market trends and product technology information to clearly grasp market demands and maintain long-term relationships with customers.

(2) Disadvantages

- A Compared with advanced countries, the domestic regulations are still not perfect, resulting in insufficient protection for legal operators’ operation. The EU MDD is changed to MDR, which raises the difficulty and threshold of certification.

- B For many low-tech products, such as wheelchairs and crutches, Taiwanese

manufacturers have lost their competitive advantage, the manufacturers in Mainland China have diversified products and low-cost production advantage.

- C The competition thresholds for main products (SS and RT) are decreasing gradually, and more competitors are entering the market, disrupting the market price.

(3) Countermeasures

- A The government is actively planning for the testing and certification for health care devices and GMP system, which can improve the industry quality and help to enhance the international image and acceptance by the international market.
- B In order to implement the low cost strategy, we have been producing low value-added products in Kunshan, Mainland China through global division of labor in order to effectively reduce production costs and enhance competitiveness.
- C The Company continuously invests in R&D and establishes our own technologies to improve product quality and develop products with high functionality and high added value to maintain competitive advantage.
- D We have set up overseas subsidiaries and sales offices to collect the market information in Europe and the United States to grasp the market trends and make a success in international market.
- E Through industry-university cooperation and participation in Science and Technology Major Projects, we have acquired key technologies and MDR certified technologies, developed innovative product functions, and enhanced the added value of our products in order to keep our industry foundation in Taiwan.

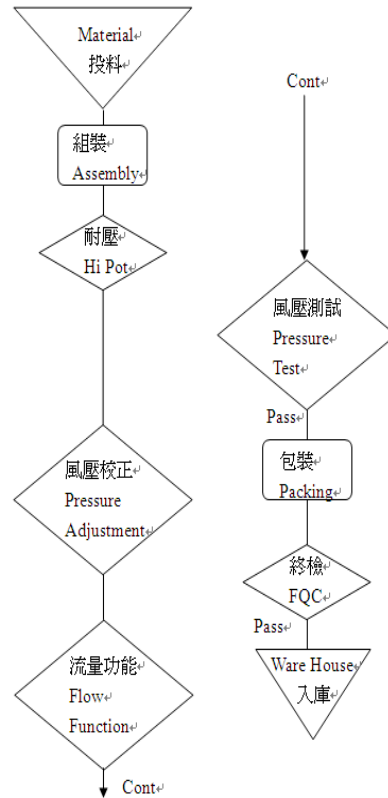
(II) Manufacturing process and key purposes of our principal products

1. Key purposes of our principal products

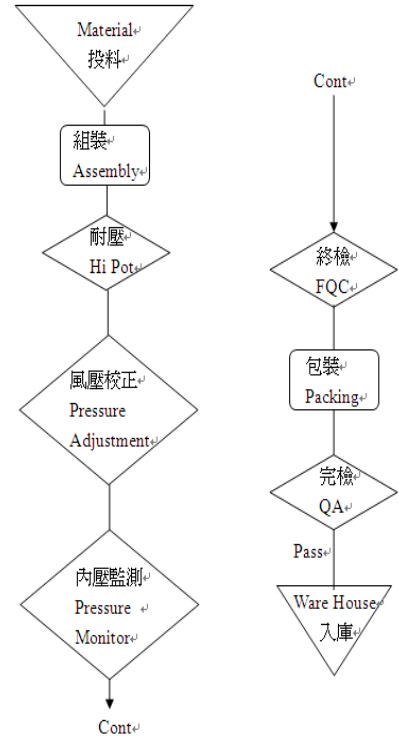
Key Products	Main applications or functions
Pressure area care products	Support Surface (SS) for prevention and treatment of pressure ulcers.
Respiratory therapy products	Nebulizer and CPAP respirator for the treatment of obstructive apnea.
Welfare equipment	Equipment to help the elderly walk and to assist in rehabilitation and safe support, such as geriatric carts, crutches, bathroom safety handrails, medical bed railings, etc.
Medical electronic products	Low-frequency nerve pain treatment devices for the elimination and treatment of chronic nerve pain and muscle pain, and other care products for easy monitoring at home.

2. Production process of key products

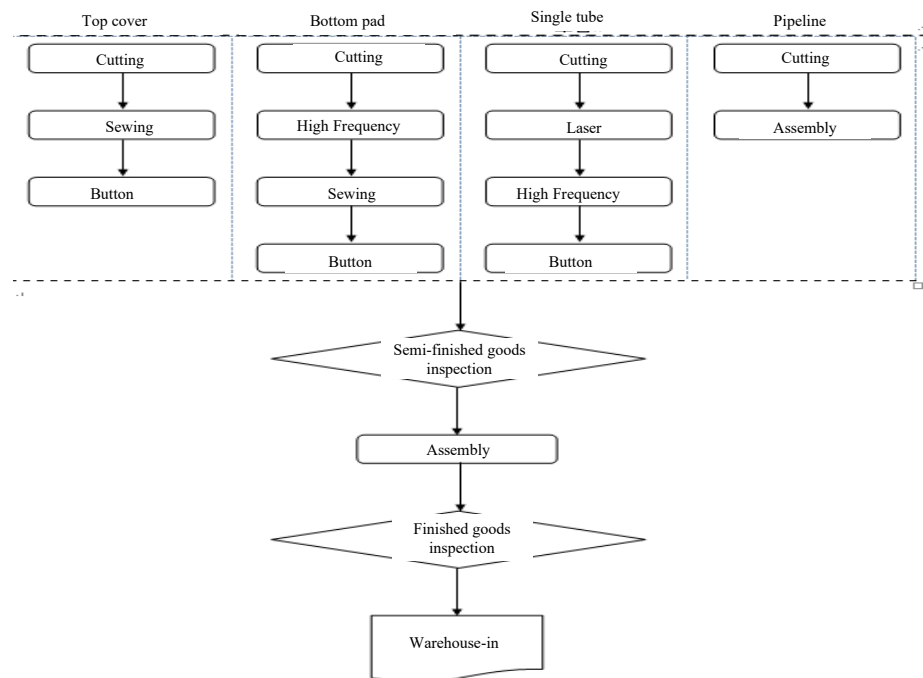
CPAP 生產流程圖
CPAP Production Flow Chart



PUMP 生產流程圖
PUMP Production Flow Chart



Production Flow Chart of
Support Surface



(III) Supply status of major raw materials

1. Pressure Area Care Products: The main raw materials are composite leather, electronic parts, plastic components, and coil induction, which are partially obtained domestically and partially supplied by overseas suppliers. These products are manufactured by our Tucheng and Kunshan factories.
2. Medical Electronic Products: The main raw materials are electronic parts and plastic components, which are partially obtained domestically and partially supplied by Chinese suppliers.
3. Welfare Equipment: The main raw materials are steel tubes, aluminum alloy tubes and plastic parts, which are mainly supplied by suppliers in China and Taiwan.
4. Respiratory Therapy Products: The main raw materials are electronic parts, plastic components, motors, DC high speed blowers, which are mainly supplied by suppliers in China and Taiwan, and partially manufactured by our Tucheng and Kunshan factories.

(IV) List of major suppliers and clients:

1. The names of suppliers with purchases accounting for at least 10% of the total in any of the last two years, and reason for increase/decrease:

Unit: NT\$ thousand

2023				2024				As of Q1 2025			
Name	Amount	As a percentage of net purchases for the year [%]	Relationship to the issuer	Name	Amount	As a percentage of net purchases for the year [%]	Relationship to the issuer	Name	Amount	As a percentage of total net purchases for 2025 up to Q1 2025 (%)	Relationship to the issuer
Others	1,508,805	100.00	-	Others	1,311,804	100.00	-	Others	294,116	100.00	-
Net purchases	1,508,805	100.00	-	Net purchases	1,311,804	100.00	-	Net purchases	294,116	100.00	-

The proportion of self-production is gradually increasing, and our suppliers are decentralized, so there are no suppliers that account for more than 10% of total purchases.

2. The names of clients with sales accounting for at least 10% of the total in any of the last two years, and reason for increase/decrease:

2023				2024				As of Q1 2025			
Name	Amount	As a percentage of net sales for the year [%]	Relationship to the issuer	Name	Amount	As a percentage of net sales for the year [%]	Relationship to the issuer	Name	Amount	As a percentage of total net sales for 2025 up to Q1 2025 (%)	Relationship to the issuer
Others	2,647,122	100.00	-	Others	2,386,654	100.00	-	Others	556,274	100.00	-
Net sales	2,647,122	100.00	-	Net sales	2,386,654	100.00	-	Net sales	556,274	100.00	-

Note: there is no client accounting for 10 percent or more of the Company's total sales amount.

III. Number of employees, average years of service, average age, and education distribution proportion in the last two years and up to the publication date of the annual report

Year		2023	2024	For the current year as of April 30, 2025
Number of employees	317	317	281	271
	306	306	322	300
	623	623	603	571
Average age		41.36 years old	42.37 years old	42.63 years old
Average years of service		8.31 years	8.69 years	8.34 years
Academic qualification	0.77%	0.77%	0.93%	0.91%
	23.08%	23.08%	26.17%	25.00%
	50.77%	50.77%	54.21%	56.82%
	15.38%	15.38%	12.62%	11.82%
	10.00%	10.00%	6.07%	5.45%

IV. Environmental spending

Any losses (including compensation and environmental protection audit results in violation of environmental laws and regulations; the date of penalty, penalty document number, applicable law violated, content of the law, and content of penalty shall be disclosed) incurred due to environmental pollution during the latest year and up to the publication date of this annual report, the currently estimated amount and future potential amount, and future countermeasures. If such amounts cannot be reasonably estimated, the fact that they cannot be estimated shall be explained: None.

V. Employee relation:

(I) List the Company's employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees.

1. Employee benefits:

In addition to providing basic protection, the Company established an employee welfare committee on March 12, 1999 to be responsible for planning and implementing various employee welfare issues. In addition, the Company emphasizes harmonious labor-management relations, establishes a two-way communication channel, and provides various employee welfare measures, including group insurance, birthday parties, employee recreation centers, and club activities. In the future, the Company will continue to make appropriate adjustments in response to amendments to laws and regulations, social changes, and the Company's operating conditions. The

relevant welfare system is as follows:

(1) Flexible management

- Enjoy advance special leave for taking office.
- Flexible commuting to meet the needs of family care or personal training.
- One day of paid natural disaster leave per year.

(2) Employee care

- Free employee group insurance.
- Congratulation/consolation money for wedding, funeral, childbirth, and first-time home purchase.
- Cash gifts for birthday, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, and kick-off bonus after Spring Festival.
- Quarterly fixed-amount welfare coupons.
- In-plant medical health consultation and massage by visual impaired people.
- Regular free health examination.
- Lunch subsidies and free overtime dinners in the staff canteen.
- Exclusive and free parking spaces for cars and motorcycles.
- Discounted prices for buying the Company's products.
- Barrier-free facilities and excellent breastfeeding rooms certified by New Taipei City.

(3) Work-life balance

- Free use of the indoor employee recreation center.
(Fitness, rhythm class, billiards, table tennis, badminton court, basketball court)
- Establish diversified clubs.
- Yaxuan Art and Culture Corridor.
- Establish the employee welfare committee to promote employee welfare activities.
- Appointed stores, hotels and baby care centers.
- A company-wide birthday party is held quarterly.
- Irregular employee travel activities.
- Irregular sports activities.
- Year-end party activities.

(4) Self-actualization and development

- Employee education and training (pre-employment education and training, on-the-job education and training).
- Growth training program.
- Annual selection and reward of employees with excellent performance.
- Various magazines and books in the library for lending.

(5) Sharing of realized profit

- Year-end bonus.
 - Incentive system based on job attribute.
2. Employee continuing education and training system:
- (1) The Company has a complete training framework and training system to cultivate the talents required for current and future business development in line with the Company's medium- and long-term business strategies and annual goals, with the aim of improving employee productivity and operational performance.
 - (2) In addition to encouraging employees to improve their own abilities, we will also work with them on their career plans and grow with the Company to create an atmosphere of lifelong learning within the Company.
 - (3) The training courses include pre-employment education and OJT training for new employees, management ability development training, and professional training. We have also established a digital learning system and trained internal instructors as important channels for experience exchange.
3. Retirement system and its implementation: The Company has established the employee retirement regulations and the Employee Retirement Reserve Fund Supervisory Committee, and will contribute monthly to the retirement reserve fund based on the total amount of paid salaries and deposit to the Bank of Taiwan to generate interests; for those who choose the new labor retirement system, 6% will be allocated to the employees' personal pension accounts according to the level of insurance, and for those who voluntarily contribute to their pensions, an additional payment will be deducted from the employees' monthly salary according to their voluntary contribution rates and deposited to the personal pension account of the Bureau of Labor Insurance. For the pension of subsidiaries in overseas regions, pension, medical insurance and other social security contributions are paid monthly in accordance with the local government's regulations.

In accordance with the Labor Pension Act, the Company applies the following regulations:

(1) Voluntary retirement:

A worker may retire voluntarily under one of the following circumstances: (For those who choose to apply the Labor Pension Act, the relevant provisions in the Act shall apply)

- A Those who have worked for at least fifteen years and have reached the age of fifty-five.
- B Those who have worked for more than twenty-five years.
- C Those who have worked for at least ten years and have reached the age of sixty.

(2) Compulsory retirement:

The Company shall not compulsorily retire an employee unless one of the

following circumstances occurs to that employee:

A The employee has reached the age of sixty-five.

B The employee is mentally or physically incapacitated for work.

For workers occupied in dangerous work or work requiring high physical strength, the Company may request approval from the central competent authority to adjust the age specified in the previous first paragraph. However, the age shall not be less than fifty-five.

(3) Pension granting standard:

A The pension granting standards for employees with years of service before and after the application of the Labor Standards Act and those who choose to continue to be subject to the pension provisions of the Labor Standards Act in accordance with the Labor Pension Act or to retain their years of service before the application of the Labor Pension Act are calculated in accordance with Article 84-2 and Article 55 of the Labor Standards Act.

B If an employee is with the years of service in the preceding paragraph and is subject to compulsory retirement under Subparagraph 2, Paragraph 1, Article 35, and is mentally or physically disabled as a result of the performance of his or her duties, an additional 20% shall be paid in accordance with Subparagraph 2, Paragraph 1, Article 55 of the Labor Standards Act.

C For employees subject to the pension provisions of the Labor Pension Act, the Company shall contribute 6% of their monthly wages to their individual pension accounts.

4. Labor-management agreements: The Company has neither established a labor union nor signed group agreements with employees, but has a labor-management meeting system and regularly holds labor-management meetings in accordance with relevant laws and regulations, serving as a platform for employees to communicate opinions and enhance cooperation with the Company. The Company has always been attaching great importance to the harmony of labor-management relations and the protection of employee rights and interests. It is committed to creating a work environment where labor and management are integrated and benefits are shared, and actively promotes various employee welfare and workplace communication measures. During the reporting year, there were no significant labor disputes or losses between the Company and its employees.
5. Measures to protect employees' rights and interests: In order to prevent sexual harassment in the Company, we have established "Measures for Preventing and Controlling Sexual Harassment, Complaints and Investigation Procedures" in accordance with the provisions of the Act of Gender Equality in Employment to protect gender equality and human dignity at work. We have also established

complaint channels for employees, so that employees can report to the Human Resources Division either verbally or in writing, and we will immediately take appropriate action depending on the situation to protect the rights and interests of employees.

- (II) List all losses (including labor inspection results in violation of the Labor Standards Act; the date of penalty, penalty document number, applicable law violated, content of the law, and content of penalty shall be disclosed) incurred due to labor disputes in the latest year and up to the publication date of the annual report, and disclose the currently estimated amount and future potential amount, and future countermeasures. If such amounts cannot be reasonably estimated, the fact that they cannot be estimated shall be explained: None.

VI. Cyber security management

In order to strengthen cyber security management and ensure the confidentiality, integrity and availability of information assets, the Company has formulated this policy to implement cyber security management operations.

(I) Cyber security risk management framework

1. The Company's cyber security organization takes the Information Technology Department as its main authority and responsibility unit. It uses the PDCA (Plan-Do-Check-Act) principle to carry out operation planning, execution, inspection and review in accordance with its current management regulations.
2. The organization of cyber security risk cross-departments is shown below:

Department	Rights and responsibilities
Human Resource Division	Coordinate the Company's internal and external corporate risk control and management (labor, natural disaster protection...)
Legal intellectual property	Business Secrets and Sensitive Data Protection Act and Personal Data Protection Regulations
Information Technology Department	Formulate information security management measures and implement the operation
Auditing Office	Audit the implementation of management measures and report to the Board of Directors
Software Design Department	Processing of cloud service information management events provided by external customers



(II) Cyber security policy and specific management plans

1. The Company's information security policy has the following relevant aspects:

Aspect	Description
Cyber system policy principles	System permission management, system access management, backup management
Operation execution principles	Software/device security management, network usage management, etc.
Employee training principles	Implement cyber security education and training practical courses for new employees and establish E-Learning cyber security courses to enhance the information security knowledge and professional skills of internal personnel.
Information security incident handling procedure	Major events should be reported in accordance with the 5W1H principle after the information manager confirms the scope of impact and major situations.

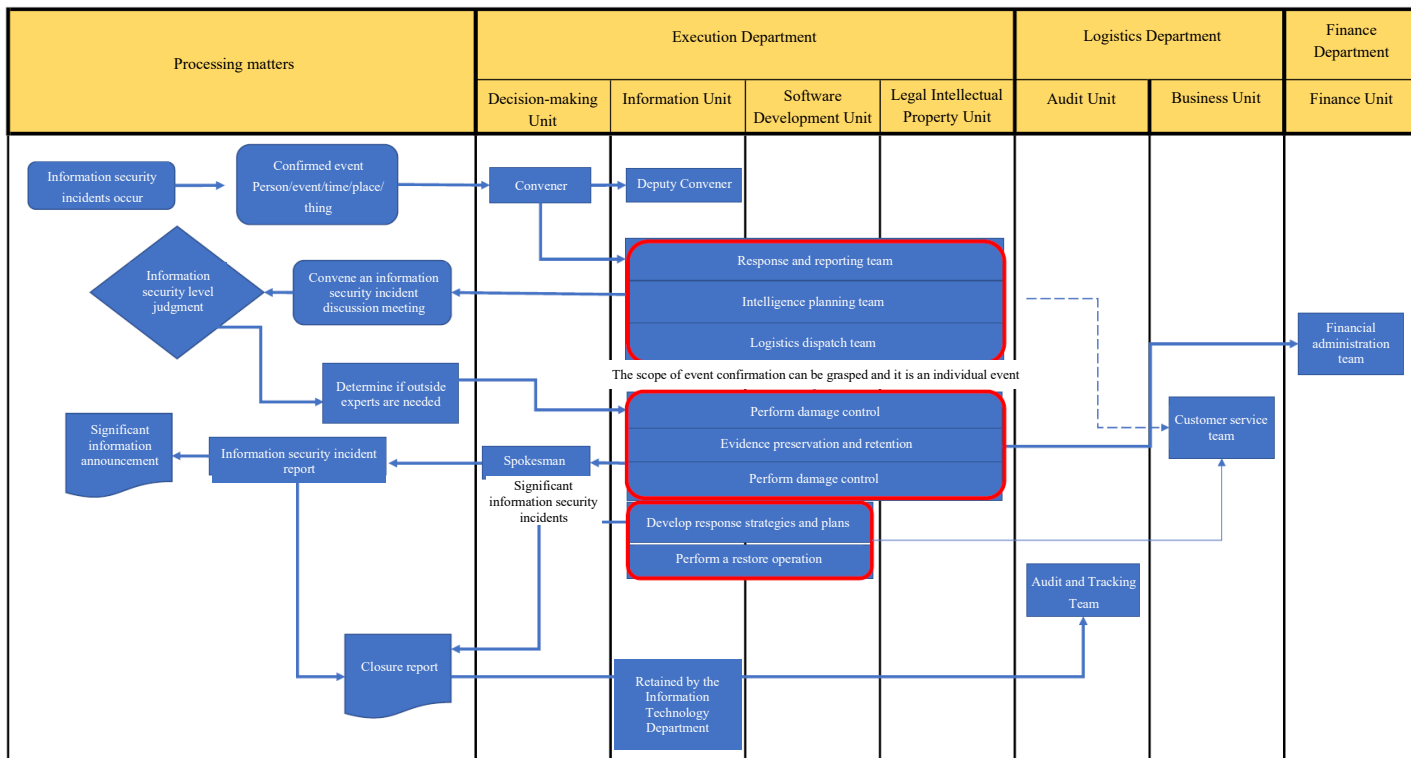
2. Specific management plans of the Company

Aspect	Description of specific management plans
Cyber system policy principles	<ul style="list-style-type: none"> ■ Regular account and permission inventory ■ The authorization, review and control measures for the access rights of the employees ■ Data backup and recovery measures
Operation execution principles	<ul style="list-style-type: none"> ■ Physical and environmental security ■ Software and hardware usage inventory ■ Anti-virus and operating system update ■ System and network status monitoring ■ Regular inventory and review of business secrets and sensitive information ■ Regular inventory and review of personal data ■ Information security promotion ■ Sensitive information and privacy management promotion
Employee training principles	<ul style="list-style-type: none"> ■ Mandatory online training courses for new employees ■ Hold face-to-face education and training ■ Sensitive information and privacy management education and training
Information security incident handling procedure	<ul style="list-style-type: none"> ■ Incident handling report ■ Announce significant cyber security information

In view of the fact that information security insurance is an emerging insurance category, and considering the effectiveness of its insurance coverage, claims forensics and forensic mechanism and other qualification issues, the Company has not purchased information security insurance after evaluation. However, due to the challenges faced by cyber security, for cyber security issues such as APT advanced persistent attacks, DDOS blocking attacks, Ransomware viruses, social engineering and BEC email fraud attacks, the following strategies have been adopted.

- (1) Conduct cyber security testing every year (Information Security Health Diagnosis)
- (2) Continue to pay attention to the changing trends of the information security environment, and promote and announce protection mechanisms and plans internally.
- (3) Through the current anti-virus system, email protection system and information security network equipment for protection and recording, we hope to prevent in advance and detect and reduce the impact on the business at once.

Information security reporting procedures:



Invest resources in cyber security management in 2024 - Promotion and implementation results of corporate information security measures

A Policy operation:

Adhere to the latest regulatory requirements, and continuously maintain and optimize the implementation of policies and methods.

B Training/promotion work:

Contents of operation	Unit
Course on Network Security Design and Software Lifecycle Information Security Risk Management	4.5 days
iPAS Cyber Security Engineer (Junior)	2 days
SGS - Course on Network Security Design and Software Lifecycle Information Security Risk Management - Phase 2	0.5 days
Description of Software Validation Document (Template)	0.5 days
Introduction to Product Lifecycle Safety and Information Security Testing Standards	0.5 days
BSIMM Software Security Framework	0.5 days
ISO 149741 Product Safety Risk Assessment	1 day
Software Security Development Lifecycle	1 day
Network Security Factors and Risk Values of Medical Equipment	0.5 days
Cyber Security Risk Assessment	1 day

Contents of operation	Unit
Vulnerability Scanning Practice	1 day
IoT Equipment Testing Practice (1) (2)	1 day
IoT Equipment Testing Practice (3) (4)	1 day
Practical Analysis of Information Security Incidents	1 day
ISO 27001 Safety Management System Framework	1 day
Audio-visual Courses on Cyber Security for Information Security Personnel of TWSE/TPEX Listed Companies 2024	6 hours

C Information security incidents and violations

Event	Impact issues	Countermeasure
Q4 French colleague sends abnormal email to colleague	May cause diffusion effect	Make mandatory password change and convey by a dedicated person through non-email means

D Cyber security testing - Information security health diagnosis

Contents of operation	Unit
Regarding significant information security CVE announcement correction incidents	Over 7 times
Perform ERP disaster recovery drills	1 time
Establish a web application program firewall	1 set
Establish an endpoint detection and protection system	1 set

- (III) List any losses suffered by the company in the latest year and up to the publication date of annual report due to significant cyber security incidents, the possible impacts therefrom, 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:

Wellell Inc. has not suffered any cyber security incident up to the publication date of the annual report. Wellell Inc. will do our utmost to maintain cyber security operations through continuous monitoring and continuous improvement.

VII. Important contract

List the supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts sufficient to affect shareholders' equity that are still in effect up to the publication date of the annual report or expired in the latest year: None.

Chapter V Financial Status and Performance Review Analysis and Risks

I. Financial status

Consolidated Financial Statements

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	1,644,169	1,722,061	(77,892)	(5)
Financial assets at fair value through other comprehensive income - non-current	20,482	21,120	(638)	(3)
Property, plant and equipment	716,220	713,321	2,899	-
Right-of-use assets	46,124	52,104	(5,980)	(11)
Intangible assets and other assets	710,885	716,238	(5,353)	(1)
Total assets	3,137,880	3,224,844	(86,964)	(3)
Current liabilities	584,121	698,864	(114,743)	(16)
Non-current liabilities	130,108	185,111	(55,003)	(30)
Total liabilities	714,229	883,975	(169,746)	(19)
Share capital	1,009,116	1,009,116	-	-
Capital surplus	345,736	345,635	101	-
Retained earnings	1,170,300	1,133,292	37,008	3
Other equity	(107,151)	(152,063)	44,912	30
Equity attributable to the parent company	2,418,001	2,335,980	82,021	4
Non-controlling interest	5,650	4,889	761	16
Total equity	2,423,651	2,340,869	82,782	4

Main reasons for major changes in the Company's assets, liabilities and equity during the last two years (changes of more than 20% in the previous and subsequent periods), their effects and future plans:

(I) Explanation of the change in increase (decrease) ratio:

1. The decrease in right-of-use assets was due to the decrease in annual amortization.
2. The increase in other equity was mainly due to the increase in the difference of conversion and exchange in the financial statements of foreign operating institutions.
3. The decrease in non-controlling interests was due to the repatriation of the subsidiary's earnings.

(II) Impacts of major changes in financial position during the last two years: There is no significant impact on the Company's financial position.

(III) Future response plan: Not applicable.

Parent Company Only Financial Statements

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	395,824	517,322	(121,498)	(23)
Financial assets at fair value through other comprehensive income - non-current	20,482	21,120	(638)	(3)
Investments accounted for using equity method	1,881,443	1,786,367	95,076	5
Property, plant and equipment	411,325	384,556	26,769	7
Right-of-use assets	1,606	432	1,174	272
Intangible assets and other assets	36,470	35,500	970	3
Total assets	2,747,150	2,745,297	1,853	-
Current liabilities	328,098	408,380	(80,282)	(20)
Non-current liabilities	1,051	937	114	12
Total liabilities	329,149	409,317	(80,168)	(20)
Share capital	1,009,116	1,009,116	-	-
Capital surplus	345,736	345,635	101	-
Retained earnings	1,170,300	1,133,292	37,008	3
Other equity	(107,151)	(152,063)	44,912	30
Total equity	2,418,001	2,335,980	82,021	4

Main reasons for major changes in the Company's assets, liabilities and equity during the last two years (changes of more than 20% in the previous and subsequent periods), their effects and future plans:

(I) Explanation of the change in increase (decrease) ratio:

1. The decrease in right-of-use assets was due to the decrease in annual amortization.
2. The decrease in current liabilities was mainly due to the decrease in short-term borrowings.
3. The decrease in non-current liabilities was mainly due to the decrease in net defined benefit liabilities - non-current and lease liabilities – non-current.
4. The decrease in total liabilities was mainly due to the decrease in short-term borrowings.
5. The increase in other equity was mainly due to the increase in the difference of conversion and exchange in the financial statements of foreign operating institutions.

(II) Impacts of major changes in financial position during the last two years: There is no significant impact on the Company's financial position.

(III) Future response plan: Not applicable.

II. Financial performance

Consolidated Financial Statements

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (decrease)	Change percentage (%)
Operating revenues	2,386,654	2,647,122	(260,468)	(10)
Operating costs	(1,311,804)	(1,508,805)	(197,001)	(13)
Gross profit	1,074,850	1,138,317	(63,467)	(6)
Operating expenses	(943,141)	(944,098)	(957)	-
Operating income	131,709	194,219	(62,510)	(32)
Non-operating income and expenses	16,135	15,634	501	3
Net income before tax	147,844	209,853	(62,009)	(30)
Income tax expenses	(32,193)	(56,841)	(24,648)	(43)
Net Profit	115,651	153,012	(37,361)	(24)
Other comprehensive income (loss)	47,759	46,074	1,685	4
Total comprehensive income for the year	163,410	199,086	(35,676)	(18)
Net profit for the year - Owner of the parent	115,239	152,172	(36,933)	(24)
Comprehensive income for the year - Owner of the parent	162,649	200,491	(37,842)	(19)
<p>(I) Analysis description of changes in increase (decrease) ratio during the last two years: (Change by more than 20% in the previous or subsequent periods)</p> <p>The increase in income tax expenses was mainly due to the 10% additional tax on undistributed earnings in the current period, which was not the case in the same period last year. Coupled with the good operating performance of major European markets, resulting in an increase in income tax expenses compared with the previous period.</p> <p>(II) For information on the expected sales volume and its basis, as well as the potential impact on the company's future financial operations, and the corresponding plans:</p> <p>One of our key goals for 2024 is to increase consolidated revenue and strengthen regional product marketing capabilities. The Company will continue to digitalize our contents, services, and marketing to create a new brand image through digital marketing and digital communication, expand our brand influence, thus creating a good business cycle and strengthening our brand competitiveness.</p>				

Parent Company Only Financial Statements

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (decrease)	Change percentage (%)
Operating revenues	925,249	1,091,568	(166,319)	(15)
Operating costs	(591,064)	(715,663)	(124,599)	(17)
Gross profit	334,185	375,905	(41,720)	(11)
(Unrealized) Realized profits among affiliated companies	(10,426)	8,991	(19,417)	(216)
Net gross profit	323,759	384,896	(61,137)	(16)
Operating expenses	(313,980)	(339,469)	(25,489)	(8)
Operating income	9,779	45,427	(35,648)	(78)
Non-operating income and expenses	107,137	127,432	(20,295)	(16)
Net income before tax	116,916	172,859	(55,943)	(32)
Income tax expenses	(1,677)	(20,687)	(19,010)	(92)
Current net income	115,239	152,172	(36,933)	(24)
Other comprehensive income (loss)	47,410	48,319	(909)	(2)
Total comprehensive income for the period	162,649	200,491	(37,842)	(19)
<p>(I) Analysis description of changes in increase (decrease) ratio during the last two years: (Change by more than 20% in the previous or subsequent periods)</p> <ol style="list-style-type: none"> 1. The decrease in operating profit was due to the original domestic sales business of Wellell having been transferred to the subsidiary company established this year (Wellell Taiwan Corp.). In addition, operating expenses also increased compared with the same period last year, resulting in a decrease in operating income for this period compared with the same period last year. 2. The increase in (unrealized) realized profits among affiliated companies was mainly due to the higher realized profits among affiliated companies for the period. 3. The increase in non-operating income and expenses was mainly due to the increase in foreign currency exchange benefits, subsidies and service income. 4. The increase in income tax expenses was due to the 10% additional tax on undistributed earnings for the current period, which was not the case in the same period last year. <p>(II) For information on the expected sales volume and its basis, as well as the potential impact on the company's future financial operations, and the corresponding plans:</p> <p>One of our key goals for 2025 is to increase consolidated revenue and strengthen regional product marketing capabilities. The Company will continue to digitalize our contents, services, and marketing to create a new brand image through digital marketing and digital communication, expand our brand influence, thus creating a good business cycle and strengthening our brand competitiveness.</p>				

III. Cash flow

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

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (decrease) ratio %
Cash flow ratio	36.51	65.20	-44%
Cash flow adequacy ratio	144.31	147.19	-2%
Cash reinvestment ratio	4.34	14.64	-70%
Description of changes in increase (decrease) ratio: (Change by more than 20% in the previous or subsequent periods)			
<ol style="list-style-type: none"> The decrease in cash flow ratio was mainly due to the decrease in net cash inflow from operating activities for the period. The decrease in cash flow adequacy ratio was mainly due to the decrease in net cash inflow from operating activities in the latest year. The decrease in the cash reinvestment ratio was mainly due to the decrease in net cash outflow from operating activities compared with the previous period. 			

(II) Improvement plan for insufficient liquidity:

(III) In the event of insufficient liquidity, we will respond to the working capital needs by bank credit lines and other ways.

(IV) Analyses on the cash liquidity in one year ahead:

Unit: NT\$ thousand

Opening cash balance	Expected year-round net cash flow from operating activities	Expected cash outflow for the whole year	Expected cash surplus (deficit)	Countermeasure for cash deficits	
				Investment plans	Financing plans
666,440	213,234	(297,662)	582,012	-	-
Analyses on the cash liquidity in one year ahead:					
<ol style="list-style-type: none"> The net cash inflow from operating activities was NT\$213,234 thousand, which was mainly generated from operating profit. An annual cash outflow of NT\$297,662 thousand is expected to be generated mainly due to capital expenditures and cash dividends payment. Therefore, in the future, depending on the operating conditions, the cash shortage will be met through bank loans. 					

IV. The impact of the significant capital expenditure in the latest year upon the financial performance:

There was no significant capital expenditure in 2024.

V. The outward investment policies in the latest year. The key reasons leading to the profit or loss, the corrective plans and the investment plan in one year ahead:

(I) The outward investment policies in the latest year.

The overall outward investment policy in recent years is still focused on establishing channels in key regions and strengthening product competitiveness, with the goal of expanding overseas private brand markets and new products. We will continue to prudently evaluate the outward investment plans to increase the investment benefits.

(II) The key reasons leading to the profit or loss, the corrective plans.

The Company's reinvestment profit for the whole year of 2024 was NT\$71,773 thousand due to the fact that Europe faced post-COVID challenges such as the demand for medical materials has slowed down, inflation and the exclusion of government medical expenditures, which has led to a decline in shipments for some customers. However, the profits of the French subsidiary in Europe still increased compared to 2023, resulting in only a slight increase in the overall reinvestment profit compared to 2023. In the future, the subsidiaries will continue to gradually increase profits by adjusting channel layout and product strategies.

(III) The investment plan in one year ahead.

The Company will continue to evaluate investment opportunities in overseas channels and medical device manufacturers in order to strengthen the product and channel layout of the brand business.

VI. Analysis and assessment of risk matters

- (I) In order to effectively reduce operational risks, the Company, based on the principle of materiality, identifies potential risks through a comprehensive examination of external environment, industry trends, social responsibility, and corporate governance by each department according to their business characteristics and operating scenarios. Develop specific response measures and establish execution processes for identified risks to enhance risk control performance.

The risk management organizational structure of the Company includes Business Unit, Internal Audit Department, Audit Committee, and Boards of Directors. The Internal Audit Unit operates independently, being responsible for auditing the implementation of operations. It also regularly reports to the Board of Directors and Audit Committee to ensure the effective operation of the system.

Overall, the Company's risk management strategy is to adhere to the principles of prudent operation and sustainable development, gradually construct a complete risk management framework, which is supervised by the Board of Directors and executed by the management. Through cross-departmental risk reporting and monitoring mechanisms, the Company regularly identifies and evaluates risks such as industry changes, regulatory compliance, exchange rate fluctuations, supply chain stability, and

information security, and makes rolling revisions to relevant systems to continuously improve overall risk management performance.

(II) Supply chain risks and response measures: In response to the impact of epidemics, natural disasters, unstable sea and air freight, and tariff policies on raw material supply and costs, the Company has taken the following measures to reduce the impact:

1. Establish a safety stock and supplier evaluation and conversion mechanism for critical components;
2. Implement diversified procurement strategies to reduce dependence on a single country;
3. Make rolling inspection of material preparation and production plans, and strict control of costs and inventory levels.

(III) Financial and exchange rate risks and response measures:

The Company's capital planning is based on the prudent and conservative principles, and the capital allocation is based on safety management principle. Currently, the Company has no long-term loans, but only short-term loans from banks to meet operational needs. We also pay close attention to the changes in interest rate, evaluate the long-term and short-term cost of capital, choose the most favorable way to use capital, and adjust the loan amount in a timely manner to reduce the impact of interest rate changes on the Company.

In terms of exchange rate, the Company's sales are mainly export, so the changes in exchange rate has an impact on the Company's revenue and profit. Future countermeasures are as follows:

1. In addition to strengthening the control of foreign currency accounts receivable, the Company will evaluate the appropriate foreign currency positions according to the foreign exchange reports of banks and the international economic situations.
2. Research and judge the future exchange rate conditions to adjust the currency mix of product quotations appropriately.
3. Adopt a prudent strategy for foreign exchange risk management and make plans for hedging to reduce the impact of exchange rate fluctuations.

Inflation had no significant impact on the Company's profit and loss in the latest year. Pay close attention to the instability of the global geopolitics, supply chain and sea and air freight, as well as the impact of COVID-19, and formulate measures and plans to address them.

For high-risk, high-leverage investments, loan of funds to others, endorsement and guarantee, and relevant derivatives, the Company is committed to the development of own industry and has not engaged in high-risk, highly leveraged investments. Up to the publication date of the annual report, the counterparties for loan of funds and endorsement and guarantee are all the Company's subsidiaries, and the rest of the derivative transactions are for hedging purposes. In the future, the Company will

strictly comply with the regulations of the competent authorities and the Company's relevant operating procedures, and strengthen the Company's risk control management system.

(IV) Research and development risks and response measures:

The Company's investment in new product development faces uncertainties such as changes in market demand, technological breakthroughs, and regulatory adjustments. If the development is not completed on schedule or the product launch schedule is delayed, it will affect the overall operational performance. In this regard, the Company will:

1. Continuously invest reasonable research and development resources to enhance core technology and innovation energy;
2. Implement a cross-departmental evaluation mechanism, and carefully plan development projects and timelines;
3. Track the regulatory and validation requirements of the product's launch region to ensure compliance.

Future R&D plans and estimated R&D expenditures: Please refer to Chapter IV. I. Content of business under Business Performance of this annual report.

(V) Regulatory risks and response measures:

The Company's daily operations are conducted in accordance with relevant domestic and foreign laws and regulations. The Company keeps an eye on the development trend of domestic and foreign policies and changes in laws and regulations, collects relevant information for the management's reference in making decisions, and consults about important domestic and foreign policies and legal changes. In response to potential risks caused by regulatory changes, the Company has taken the following measures:

1. Actively track regulatory updates related to medical equipment and compliance requirements of various countries, and establish a dedicated compliance team to grasp changes in major global market regulations;
2. Regularly adjust the design and process flow to comply with the latest specifications;
3. Collaborate with local consultants and agents to ensure the accuracy of marketing and application procedures.

(VI) Information security risks and response measures:

In response to the increasingly serious threat of information security, the Company has strengthened information system protection and taken the following measures:

1. Import firewall and antivirus software and set up real-time monitoring mechanism;
2. Conduct annual information security vulnerability scanning and penetration testing;
3. Establish an information security incident reporting and backup plan, and implement information security training for all staff.

(VII) Corporate image and stakeholder trust risks and response measures:

The Company initiated a brand re-engineering in 2022 and promoted our products globally under the new brand “Wellell”. To date, we have completed over 90% of global product brand conversions. Based on the opportunity of this brand re-engineering, we will continue to strengthen our brand strategy and reshape our product positioning. Since its establishment, we have been focusing on our own business, taking integrity and sustainable development as our business objectives, complying with relevant laws and regulations, and producing high-quality products to gain the recognition of consumers. The Company has not experienced any operational crisis due to the change in corporate image so far. In terms of stakeholder trust risks, the Company has taken the following measures:

1. Disclose the main risk management measures in the sustainability report and financial report;
2. Regularly review and evaluate the results and improvement effectiveness with the management team;
3. Maintain an open and transparent information disclosure and communication mechanism, and strengthen the trust of stakeholders.

(VIII) The benefits anticipated from the merger/acquisition (M&A) efforts, the potential risks and the Company’s countermeasures: None.

(IX) The risks anticipated from the expansion of the plant buildings, and the Company’s countermeasures: None.

(X) The risks anticipated from the centralized input or output undertakings and the Company’s countermeasures: None.

(XI) The impacts and risks anticipated from the significant changes or transfers of shares by directors, supervisors, or major shareholders who hold more than 10% in shareholding and the Company’s countermeasures: None.

(XII) The impacts and risks anticipated from the change in the managerial powers and the Company’s countermeasures: None.

(XIII) In the case of a court case or a non-contentious case, specify the Company or the Company’s directors, supervisors, President, de facto responsible person, or shareholders, each holding more than 10% of all company shares, with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes, and where the result thereof may significantly affect shareholders’ equity or stock price, the fact of the contentions, the amount involved, the commencement date of the proceedings, the major litigants in the proceedings, and the status as of the publication date of this report shall be disclosed: None.

(XIV) Other critical risks and response measures: None.

VII. Other important disclosures: None.

Chapter VI Special Disclosure

- I. Information on affiliated enterprises: please refer to Pages 124-133.**
- II. Where the company has carried out a private placement of securities in the latest year and up to the publication date of the annual report: Not applicable**
- III. Other supplementary information: None.**

For detailed data, please refer to the MOPS:

<https://mops.twse.com.tw/mops/#/web/t146sb05?companyId=4106>

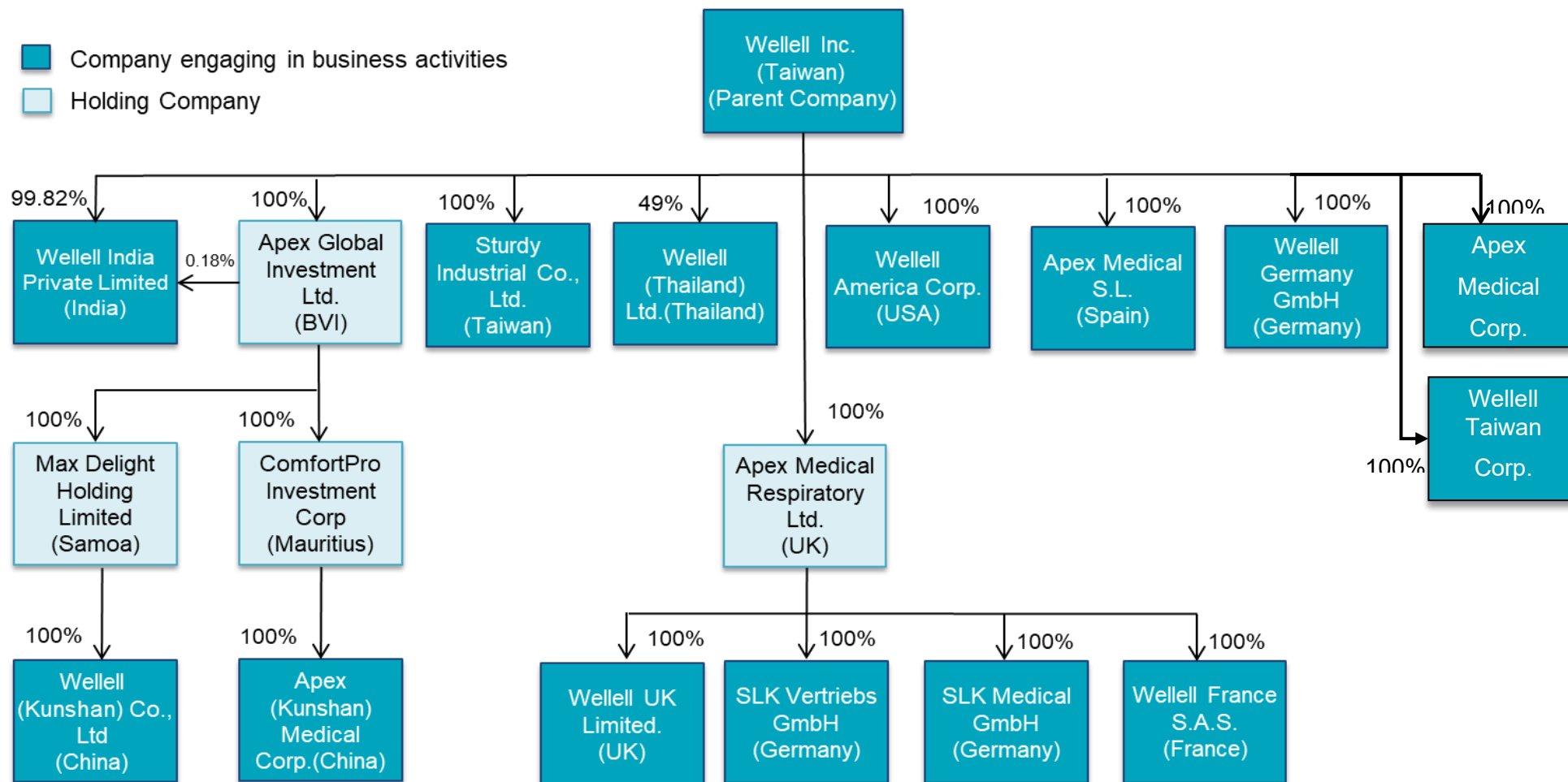
- IV. Occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act in the last year and up to the publication date of the annual report that significantly impacted shareholders' equity or security prices: None.**

I. Consolidated business reports teaming up with affiliated enterprises

Organization chart of affiliated enterprises:

Controlled and affiliated companies:

As of December 31, 2024



Note (1): In line with the Group's brand strategy, Apex Medical S.L. was renamed Wellell IBERIA S.L. in 2024.

Basic information of affiliated enterprises

Unit: NT\$ thousand

As of December 31, 2024

Name of enterprise	Establishment date	Address	Paid-in shares Capital	Main business items
Controlled companies: Wellell Inc.	March 17, 1990	No. 9, Minsheng St., Tucheng Dist., New Taipei City	NT\$1,009,116	Manufacturing, import, export, trading and agency of medical devices
Affiliated companies :				
Apex Global Investment Ltd.	September 26, 2000	TrustNet Chambers P.D. Box 3444, Road Town, Tortola, British Virgin Islands	US\$10,534	Investment in various production businesses
Wellell America Corp.	October 12, 2001	927 Mariner Street, Brea, CA92821, USA	US\$500	Trading of medical devices
Wellell IBERIA S.L.	February 5, 2004	Elcano 9, 6a planta 48008 Bilbao. Vizcaya. Spain	EUR 123	Trading of medical devices
Sturdy Industrial Co., Ltd.	October 13, 1983	No. 168, Sec. 1, Zhongxing Rd., Wugu Dist., New Taipei City	NT\$ 100,000	Manufacturing and trading of medical devices
ComfortPro Investment Corp.	April 3, 2003	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	US\$9,100	Investment in various production businesses
Apex (Kunshan) Medical Corp.	February 13, 2004	No.1368, Zizhu Road, Yushan Town, Kunshan City, Jiang Su Province, China	US\$7,100	Manufacturing and trading of medical devices
Max Delight Holding Limited	April 3, 2008	Portcullis TrustNet Chambers P.O. Box1225 Apia, SAMOA	US\$270	Investment in various production businesses
Wellell (Kunshan) Co., Ltd.	May 14, 2009	No.1368, Zizhu Road, Yushan Town, Kunshan City, Jiang Su Province, China	US\$250	Trading of medical devices
Apex Medical Corp.	March 30, 2021	No. 9, Minsheng St., Tucheng Dist., New Taipei City	NT\$1,000	Trading of medical devices
Wellell Taiwan Corp.	March 17, 2024	No. 9, Minsheng St., Tucheng Dist., New Taipei City	NT\$30,000	Trading of medical devices
Apex Medical Respiratory Ltd.	October 10, 2009	Unit 33, Great Western Business Park McKenzie Way, Worcester, United Kingdom, WR4 9GN	GBP 7,780	Investment in various production businesses
Wellell UK Limited	January 10, 2006	Unit 33, Great Western Business Park McKenzie Way, Worcester, United Kingdom, WR4 9GN	GBP 525	Trading of medical devices

Name of enterprise	Establishment date	Address	Paid-in shares Capital	Main business items
Wellell France S.A.S.	May 18, 2015	4 boulevard de la Chanterie, 49124 Saint-Barthélemy, France	EUR 1,400	Trading of medical devices
Wellell (Thailand) Ltd.	December 22, 2015	No.111/152 Soi Pho Kaeo Yak 19, Nawamin, Beung Kum, Bangkok 10240, Thailand	THB 5,000	Trading of medical devices
Wellell Germany GmbH	July 24, 2017	Am Herdicksbach 18, 45731 Waltrop, Germany	EUR 25	Investment in various production businesses and leasing business
SLK Vertriebs GmbH	January 7, 2014	Am Herdicksbach 18, 45731 Waltrop, Germany	EUR 1,048	Trading and leasing of medical devices
SLK Medical GmbH	June 25, 2014	Am Herdicksbach 18, 45731 Waltrop, Germany	EUR 25	Trading and leasing of medical devices

Information on the shareholders presumed to have a relationship of control and subordination: None.

Industries covered by the business operations of all affiliated enterprises:

Medical device manufacturing and trading industry:

Manufacturing, import, export, trading and agency of medical devices.

Electronics Components Manufacturing

Manufacturing and sale of electronic components and motors.

General investment and leasing:

For the main business or production items of each affiliated enterprise, please refer to “2. Basic information of affiliated enterprises” above.

Division of labor of affiliated enterprises:

Based on the manufacturing and trading of medical devices of Wellell Inc., a comprehensive division of labor is made as follows: Wellell America Corp., Wellell IBERIA S.L., Wellell France S.A.S., Wellell UK Limited., SLK Vertriebs GmbH and SLK Medical GmbH are mainly engaged in expanding the U.S. and European markets; Apex Global Investment Ltd., Comfortpro Investment Corp., Max Delight Holding Limited, and Apex Medical Respiratory Ltd. are mainly engaged in investment in various production businesses; Wellell Germany GmbH is mainly engaged in investment in various production businesses and leasing business; Apex (Kunshan) Medical Corp. is mainly engaged in manufacturing and trading of medical devices; Sturdy Industrial Co., Ltd. is mainly engaged in manufacturing and trading of medical devices, including various types of sterilizers; Apex Medical Corp. is mainly engaged in trading of medical devices; Wellell (Kunshan) Co., Ltd. and Wellell (Thailand) Ltd. are mainly engaged in trading of medical devices in the Greater China and Asia Pacific regions.

Information of directors, supervisors, and presidents of affiliated enterprises:

Unit: NT\$ thousand; shares

As of December 31, 2024

Name of enterprise	Title	Name or the representative person	Shareholding	
			Number of shares or amount of contribution	Ratio of Shareholding
Controlled companies: Wellell Inc.	Chairman	Yasheng Investment Development Co., Ltd. Representative: Lee, Yung-Chuan	10,566,760 shares	10.47%
	Director	Yasheng Investment Development Co., Ltd. Representative: Liu, Chang-Chi	1,074,072 shares	1.06%
	Director	CDIB Advantage Venture Capital Investment Limited Partnership Representative: Wei, Hong-Zheng	10,566,760 shares	10.47%
	Director	National Development Fund, Executive Yuan Representative: He, Qi-Gong	180,912 shares	0.18%
	Independent Director	Wang, Wei	11,526,000 shares	11.42%
	Independent Director	Lin, Wan-Ying	-	-
	Independent Director	Wang, Guo-Cheng	6,000,000 shares	5.94%
	Independent Director	Lin, Tian-Fa	-	-
	Independent Director	Lee, Hsiung-Ching	-	-
	Independent Director		-	-
	Independent Director		-	-
	Independent Director		-	-

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Name of enterprise	Title	Name or the representative person	Shareholding	
			Number of shares or amount of contribution	Ratio of Shareholding
Affiliated companies : Apex Global Investment Ltd.	Director	Lee, Yung-Chuan	- 10,533,500 shares held by Wellell Inc.	- 100.00%
Wellell America Corp.	Director	Lee, Yung-Chuan	-	-
	Director	Lee, Pi-Kai	- 50,000 shares held by Wellell Inc.	- 100.00%
Wellell Iberia S.L.	Sole Director	Xu, Ying-Jie	- Contributed NT\$4,855 thousand to Wellell Inc.	- 100.00%
ComfortPro Investment Corp.	Director	Lee, Yung-Chuan	- 9,100,000 shares held by Apex Global Investment Ltd.	- 100.00%
Sturdy Industrial Co., Ltd.	Chairman	Wellell Inc. Representative: Lee, Yung-Chuan	10,000,000 shares -	100.00% -
	Director	Wellell Inc. Representative: Li, Yuan-Yong	10,000,000 shares -	100.00% -
	Director	Wellell Inc. Representative: Lin, Ling-Ling	10,000,000 shares -	100.00% -
	Director	Wellell Inc. Representative: Su-Xie, Li-Hui	10,000,000 shares -	100.00% -
	Director	Wellell Inc. Representative: Zhang, Ming-Zheng	10,000,000 shares -	100.00% -
	Supervisor	Wellell Inc. Representative: Lin, Kang-Ping	10,000,000 shares -	100.00% -
	Supervisor	Wellell Inc. Representative: Cui, Yi-De	10,000,000 shares -	100.00% -

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Name of enterprise	Title	Name or the representative person	Shareholding	
			Number of shares or amount of contribution	Ratio of Shareholding
Apex (Kunshan) Medical Corp.	Executive	Lee, Yung-Chuan	-	-
	Director	Chen, Chun-Feng		
	President Supervisor	Zhang, Ming-Zheng	Contributed NT\$231,103 thousand to ComfortPro Investment Corp.	100.00%
Max Delight Holding Limited	Director	Lee, Yung-Chuan	-	-
			270,000 shares held by Apex Global Investment Ltd.	100.00%
Wellell (Kunshan) Co., Ltd.	Executive	Lee, Yung-Chuan	-	-
	Director	Chen, Chun-Feng	-	-
	President Supervisor	Zhang, Ming-Zheng	- Contributed NT\$8,041 thousand to Max Delight Holding Limited	- 100.00%
Affiliated companies : Apex Medical Corp.	Director	Wellell Inc. Representative: Lee, Yung-Chuan	100,000 shares	100.00%
			-	-
Affiliated companies : Wellell Taiwan Corp.	Director	Wellell Inc. Representative: Cui, Yi-De	3,000,000 shares	100.00%

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Name of enterprise	Title	Name or the representative person	Shareholding	
			Number of shares or amount of contribution	Ratio of Shareholding
Affiliated companies : Apex Medical Respiratory Ltd.	Director	Lee, Yung-Chuan	-	-
	Director	Xu, Ying-Jie	-	-
			7,904,800 shares held by Wellell Inc.	100.00%
Wellell UK Limited	Director	Lee, Yung-Chuan	-	-
	Director	Xu, Ying-Jie	-	-
			Contributed NT\$767,718 thousand to Apex Medical Respiratory Ltd.	100.00%
Wellell India Private Limited	Director	Lee, Yung-Chuan	-	-
	Director	Chen, Shi-He	-	-
	Director	NAVEEN NARANG	-	-
			6,458,000 shares held by Wellell Inc.	99.82%
			12,000 shares held by Apex Global Investment Ltd.	0.18%
Wellell France S.A.S.	Director	Xu, Ying-Jie	-	-
	Director	Li, Yong-Chuan	-	-
	Director	Darras Thierry	-	-
			14,000 shares held by Apex Medical Respiratory Ltd.	100.00%

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Name of enterprise	Title	Name or the representative person	Shareholding	
			Number of shares or amount of contribution	Ratio of Shareholding
Wellell (Thailand) Ltd.	Juridical person	Wellell Inc.	244,980 shares	48.99%
	Director	Lee, Yung-Chuan	20 shares	0.004%
	Director	Mr. Praty Samalapa	-	-
	Juridical person	Samaphan International Co., Ltd.	125,000 shares	25.00%
	Director	Mr. Chinnakarn Samalapa	-	-
	Director	Mr. Chankit Samalapa	130,000 shares	26.00%
Wellell Germany GmbH	Director	Lee, Yung-Chuan	-	-
	Director	Xu, Ying-Jie	-	-
	Director	Otte, Oliver Markus	-	-
			25,000 shares held by Wellell Inc.	100.00%
Affiliated companies : SLK Vertriebs GmbH	Director	Lee, Yung-Chuan	-	-
	Director	Xu, Ying-Jie	-	-
	Director	Otte, Oliver Markus	-	-
			1,048,000 shares held by Apex Medical Respiratory Ltd.	100.00%
SLK Medical GmbH	Director	Lee, Yung-Chuan	-	-
	Director	Xu, Ying-Jie	-	-
	Director	Otte, Oliver Markus	-	-
			25,000 shares held by Apex Medical Respiratory Ltd.	100.00%

Business performance of each affiliate enterprise

As of December 31, 2024

Unit: NT\$ thousand

Name of enterprise	Capital	Total assets	Total liabilities	Net value	Operating revenues	Operating income (loss)	Net profit for the year (after tax)	Earnings (loss) per share (NT\$) (after tax)
Controlled companies:								
Wellell Inc.	1,009,116	2,747,150	329,149	2,418,001	925,249	9,779	115,239	1.14
Affiliated companies:								
Wellell India Private Limited	18,367	759	121	638	0	(105)	(105)	Note 1
Apex Global Investment Ltd	354,079	345,989	0	345,989	0	(98)	(9,079)	Note 1
Wellell America Corp.	16,564	41,918	54,012	(12,094)	47,965	(10,390)	(6,106)	Note 1
Apex Medical S.L.	4,856	452,583	72,683	379,900	620,945	54,156	42,148	Note 1
Sturdy Industrial Co., Ltd.	100,000	187,450	39,534	147,916	180,796	20,936	22,916	2.29
ComfortPro Investment Corp.	298,344	256,964	413	256,551	0	(134)	(9,183)	Note 1
Apex (Kunshan) Medical Corp.	231,103	242,715	39,521	203,194	270,194	(4,900)	(3,105)	Note 1
Max Delight Holding Limited	8,852	26,631	0	26,631	0	(59)	112	Note 1
Wellell (Kunshan) Co., Ltd.	8,041	41,062	15,312	25,750	54,058	(114)	174	Note 1
Apex Medical Corp.	1,000	5,487	2,058	3,429	59,684	260	1,358	13.58
Wellell Taiwan Corp.	30,000	60,735	29,888	30,847	102,066	3,464	2,907	0.97
Apex Medical Respiratory Ltd.	714,845	800,993	1,909	7499,084	0	(234)	14,880	Note 1

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Name of enterprise	Capital	Total assets	Total liabilities	Net value	Operating revenues	Operating income (loss)	Net profit for the year (after tax)	Earnings (loss) per share (NT\$) (after tax)
Affiliated companies:								
Wellell UK Limited	21,613	67,594	58,716	8,878	87,272	(15,154)	(16,700)	Note 1
Wellell France S.A.S.	47,794	152,206	153,955	(1,749)	188,449	16,679	17,663	Note 1
Wellell (Thailand) Ltd.	4,636	25,729	14,650	11,079	28,936	(443)	808	Note 1
Wellell Germany GmbH	871	233,098	159,595	73,503	44,998	6,476	3,622	Note 1
SLK Vertriebs GmbH	35,777	312,323	79,352	232,970	566,944	39,246	29,675	Note 1
SLK Medical GmbH	853	18,272	6,428	11,844	45,550	(802)	(429)	Note 1

Note 1: Not applicable because it is an overseas company.

Note 2: The foreign currency exchange rates are as follows

Exchange rates on balance sheet date: NTD/USD = 1/32.7850; NTD/EUR = 1/34.14; RMB/USD = 1/7.3213; NTD/GBP = 1/41.19; GBP/EUR = 1/1.2065

Income statement exchange rates: NTD/USD = 1/32.1121; NTD/EUR = 1/34.7401; RMB/USD = 1/7.2092; NTD/GBP = 1/41.0486; GBP/EUR = 1/1.1816

II. The Affiliate's Consolidated Financial Statements

In accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, and the Tai-Cai-Zheng Letter No. 04448 issued by the Securities and Futures Bureau, Ministry of Finance, the Company shall prepare consolidated financial statements of parent and subsidiary companies in accordance with Financial Accounting Standards No. 7 "Consolidated Financial Statements" and issue the statement attached as Appendix I to the Letter. The Company has issued the statement and put it on the first page of the consolidated financial statements of the parent and subsidiary companies for your reference.

III. Affiliation report: None.

Thank you for attending the Annual
Shareholders' Meeting!

Your comments and suggestions are always
welcome!

MEMO

MEMO

Wellell Inc.

Chairman: Yasheng Investment
Development Co., Ltd.

Representative: Lee, Yung-Chuan