BONRAYBIO CO., LTD.

2025 Annual Report

Printed on March 31, 2026

Annual Report Inquiry Website : https://mops.twse.com.tw

Our Company Website : https://www.bonraybio.com

TSE 6955

1. Company Spokesperson:
   Name: Pei-Chen Yang
   Title: Vice President of Finance and Administration
   Phone: (04)2491-2385
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   Company Deputy Spokesperson:
   Name: Wan-Ying Yang
   Title: Vice President of Business Development
   Phone: (04)2491-2385
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2. Headquarters, Branches, and Factory Addresses and Phone Numbers:
   Headquarters Address: 4th Floor, No. 118, Industrial 9th Road, Dali District, Taichung City
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3. Stock Transfer Agency:
   Name: First Securities Inc. Stock Affairs Department
   Address: 6th Floor, No. 27, Section 1, Anhe Road, Da'an District, Taipei City
   Phone: (02) 2563-5711
   Website: https://www.firstsec.com.tw

4. Certified Public Accountants for Recent Financial Reports:
   Certified Public Accountants: Jane Wang; Mei-Lan Liu
   Firm Name: PwC Taiwan
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   Phone: (02) 2729-6666
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5. Overseas Securities Trading Venue Name and Methods for Inquiry on Overseas Securities Information: None.

6. Company Website: https://www.bonraybio.com

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I. Letter to Shareholders

Dear Shareholders,

Greetings to all of you:
Thank you to all our shareholders for your support of Bonraybio Co., Ltd. over the past year. In 2026, Bonraybio will celebrate its first decade since establishment. Over these ten years, the Company has remained dedicated to the field of male reproductive testing, enduring the hardships of its early startup phase, turning losses into profits, and achieving consecutive years of profitable growth. By establishing a comprehensive product line, it has secured its position as a leading brand in the industry. To expand its business niche, starting in 2026, the Company will upgrade and transform its product positioning from "Male Infertility Total Solution" to "AI-Powered Fertility Science." By leveraging AI and more advanced scientific technologies, the Company aims to provide intelligent, standardized, and reliable products, comprehensively expanding its presence in both male and female reproductive healthcare markets, while strengthening product differentiation and technological leadership.
In recent years, the Company's revenue continues to grow rapidly, driven not only by market expansion and business momentum but also by a solid foundation in research and development and technological capabilities built over time. At the same time, by optimizing internal operations, continuously improving product and service quality, and deepening long-term partnerships with our customers, we ensure that every step of our growth is steady and sustainable. Looking ahead, we will continue to focus on our core competencies, strengthen our R&D and innovation capabilities, and align business development with market opportunities to maintain our long-term and rapid growth momentum.

1. Operational Report for the Previous Year
   (1) Implementation of Business Plan Results
   For 2025, the Company's consolidated net operating revenue amounted to NT$306,307 thousand, an increase of NT$83,429 thousand (37.43%) compared to NT$222,878 thousand in 2024. The net income after tax for 2025 was NT$102,505 thousand, an increase of NT$34,140 thousand (49.94%) compared to NT$68,365 thousand in 2024. The earnings per share (EPS) for 2025 was NT$4.13, an increase of NT$0.68 (19.71%) compared to NT$3.45 in 2024.
   (2) Budget Execution
   The Company did not prepare or announce a financial forecast for 2025, so this is not applicable.
   (3) Financial Income and Expenditure and Profitability Analysis
   The Company's consolidated revenue for 2025 increased by 37.43% compared to 2024. The gross profit margin for 2025 was 77.87%, the pre-tax net profit margin was 34.21%, and the net profit margin for the period was 33.46%. The relevant financial income and expenditure, along with profitability, are listed as follows:

Unit: NT$ Thousand

Item		**2024**	**2025**
Financial Income and Expenditure	Net Operating Revenue	222,878	306,307
	Gross Profit	174,958	238,521
	Operating Expenses	114,007	138,570
	Operating Profit (Loss)	60,951	99,951
	Net Profit (Loss)	68,365	102,505
	Total Comprehensive Income (Loss)	68,582	102,407
Profitability	Return on Assets (%)	14.57	15.28
	Return on Equity (%)	16.09	16.90
	Operating Profit as a Percentage of Paid-in Capital (%)	28.26	40.30
	Pre-tax Profit as a Percentage of Paid-in Capital (%)	31.71	42.25
	Net Profit Margin (%)	30.67	33.46
	Earnings Per Share (NT$)	3.45	4.13

(4) Research and Development Status

The Company is committed to enhancing technology and developing new products. For 2025, the consolidated research and development expenses amounted to NT$54,827 thousand, accounting for 17.90% of the consolidated operating revenue, compared to NT$41,763 thousand (18.74% of operating revenue) in 2024, an increase of NT$13,064 thousand (31.28%).

In addition to continuing to invest in technological enhancements for existing male infertility products to further improve the accuracy and functionality of test interpretation results, the Company is also actively expanding into the field of female reproductive medicine. The initial focus is on developing innovative solutions for egg freezing and thawing technologies.

The Company will further expand into the field of diagnostic medicine, having completed the registration of its new brand, LensDiagnosis. In the future, we will progressively advance product development in application areas such as synovial fluid testing, with the aim of expanding our technological applications and strengthening our medium- to long-term growth momentum.

2. Overview of the Company’s Operations Plan for the Year

(1) Management Policy

A. Corporate Vision

The Company adopts the vision of “**Your Health, Our Focus – Advancing Medical Innovation, Advancing Focus on Health**” as the long-term pursuit and guiding principle, which drives Bonraybio’s spirit and motivates us to continue moving forward.

B. Core Corporate Values

The Company is committed to the mission of “Ensuring a better quality of life for humanity,” focusing on the field of reproductive health. The Company strives to shape a corporate culture that encourages all members of Bonraybio Co., Ltd. to uphold four core values: "Integrity and honesty, keeping promises, passionate innovation, and mutual prosperity and sharing." These values guide the Company in continuously developing innovative products that meet market demands in the reproductive medical testing field.

C. Technological Advancement

The Company's flagship products, the X3 PRO and X12 PRO, are equipped with the Company's self-developed second-generation AI algorithm, which delivers more accurate interpretations with greater computational power in a shorter amount of time. The Company will continue to invest significant resources in research and development to expand the broader applications of its products and to establish a second core technology.

In addition to its existing products, the Company will formally enter the field of female reproductive medicine. The initial focus will be on developing innovative solutions for egg freezing and thawing. Through its self-developed products, the Company aims to improve egg transfer rates while reducing disruption to eggs during fluid exchange. By leveraging its unique and innovative core technology “AI-Powered Optical Microscopy Technology” and AI-driven automated analysis, the Company will monitor the egg freezing and thawing process to ensure egg quality.

D. Organizational Optimization

The Company was officially listed on the Taiwan Stock Exchange's Innovation Board on December 6, 2024. Building on this foundation, we will continue to improve internal operational processes, ensuring compliance with internal control systems and relevant legal regulations, while effectively managing costs and expenses. Additionally, we are actively addressing the corporate governance evaluation requirements for listed companies, continuously optimizing our governance mechanisms, fulfilling corporate social responsibilities, and promoting environmental protection to achieve sustainable business goals.

In implementing the quality policy of continuous improvement and pursuing excellence, the Company obtained certification for the Medical Device Single Audit Program (MDSAP) quality system in 2025, meeting the regulatory requirements of five key markets: Australia, Brazil, Canada, Japan, and the United States. Subsequently, at the beginning of 2026, we received notification that our Sperm Selection Series products have officially passed the stringent review standards set forth by the EU Medical Device Regulation (MDR), which will provide tangible benefits to revenue growth.

(2) Expected Sales Volume and Its Basis

The Company has not prepared or announced a financial forecast, so this section is not applicable.

(3) Key Production and Sales Policies

A. Production Policy

We are introducing automation equipment to improve production yield and overall production efficiency. Through process improvements and product optimization, we aim to enhance resource input and output efficiency, ensuring stable and excellent product quality. At the same time, we continue to strengthen supplier management mechanisms to ensure timely supply of raw materials and key components, supporting the stable operation of the Company.

B. Sales Policy

(A) Deepening Existing Markets

The Company collaborates closely with trusted distributors in over 75 countries worldwide. We not only continue to promote and sell products but also actively focus on the male reproductive market, taking on the role of educating users. Through regional exhibitions, academic conferences, and hands-on experience courses, we help end-users gain a deeper understanding and recognition of the advantages of our products over traditional microscopy techniques. This, in turn, enhances market acceptance and willingness to purchase, driving continuous record-breaking sales performance.

(B) Expanding into New Markets

To continue expanding its market presence and enhance international visibility, the Company is actively pursuing new market development. By participating in leading international exhibitions (such as MEDICA in Düsseldorf, the ASRM Annual Meeting, and the ESHRE Annual Meeting) as well as regional medical trade shows, we strengthen product exposure and proactively engage with potential partners to establish a diversified and robust global sales network.

At the same time, the Company leverages government policies and industry promotion initiatives to develop innovative product sales models, and encourages existing customers to upgrade their products to increase market penetration. In terms of product strategy, we continue to strengthen core functionalities and technological differentiation, while optimizing cost and pricing structures to enhance overall price competitiveness. These efforts enable us to respond to diverse market demands, driving new market development and revenue growth momentum.

3. Future Company Development Strategy and the Impact of External Competitive, Regulatory, and Overall Business Environments

(1) Development Strategy

A. Short-term Development Plan

(A) Marketing Strategy

At the time of its establishment, Bonraybio adopted a dual-brand market strategy, creating two brands: LensHooke® and Bonraybio®. LensHooke® serves as the product brand, with the vision of bringing products designed and developed in Taiwan to the global market under its own brand name, earning international recognition. Bonraybio® serves as the technology brand. Taiwan's medical research and development and manufacturing capabilities are renowned worldwide. The Company believes it would be a missed opportunity if its R&D technology could only be applied to its own brand. However, in the short term, the Company's marketing resources cannot be effectively allocated to all categories of product lines. Therefore, we have positioned Bonraybio® as a technology brand, reserving the flexibility to collaborate with international partners to assist in the design and development of products in other fields, thereby pursuing international market development through a dual-track approach.

First, the Company's full range of "Male Infertility Total Solution" products is sold under the LensHooke® brand, targeting both the infertility market and the fertility preparation market. While promoting the LensHooke® product brand, we also incorporate the Bonraybio® technology brand through a "Bonraybio Technology inside" auxiliary logo, allowing the market to recognize the technological capabilities behind the product brand. This facilitates the second phase of leveraging our technological capabilities for international order-taking.

By participating in professional medical device exhibitions and infertility-related seminars around the world, we aim to quickly establish a global distributor network, adhering to the principle of one exclusive distributor per country to increase their commitment to jointly developing markets. Through this strategy, the Company and its subsidiaries have built a distribution network covering more than 75 countries worldwide. After establishing the distribution network, the Company and its subsidiaries assist distributors in setting up professional medical testing centers as the primary target market. During the early stage of product launch, we focus on targeted and professional marketing strategies, such as inviting male infertility industry experts to conduct related research and collaborate, participating in relevant professional seminars, and seeking feedback from professional doctors regarding the product. Through such research and marketing efforts, we gradually establish the Company's brand and increase product awareness. The product is promoted to professional medical testing centers, where it can be used as the basis for testing, shortening testing time and reducing labor costs for testing personnel. Additionally, by gathering feedback from professionals using the products, we can address initial product issues.

Next, the product will be gradually promoted to hospitals and clinics. As the product provides real-time test results, it can serve as a communication bridge between healthcare providers and patients or testing personnel, adding value to the services of hospitals and clinics. In this era of health and wellness, the Company strives to be a driving force in male reproductive health testing.

(B) Research and Development

The Company's R&D team adopts a modular component design approach as the foundation for development, which not only helps reduce manufacturing costs and technical barriers but also accelerates time-to-market. Against the backdrop of declining birth rates and global sub-replacement fertility becoming a major social issue, the Company's short-term R&D strategy is divided into the following three directions:

a. Continuous Development of Multifunctional Sperm Quality Analysis Devices (X12 PRO and X3 PRO)

   We will continue to advance product functionality, strengthening the characteristics of “rapid testing, simple operation, and multifunctionality,” while introducing automated XY platforms and optical detection technologies to enhance testing efficiency and accuracy. Through the application of AI (AI) algorithms, we will optimize sperm image analysis and automated interpretation capabilities, making test results more consistent and reliable.

b. Advancement of Next-Generation Sperm Selection Technology

   For assisted reproductive technologies such as intrauterine insemination (IUI) and intracytoplasmic sperm injection (ICSI), we are developing sperm selection solutions that balance both sperm quantity and quality, providing a more effective total solution for clinical applications.

c. Expansion into the Field of Female Reproductive Medicine

   The initial focus is on developing innovative solutions for egg freezing and thawing. Through self-developed products, we aim to improve egg transfer rates while reducing disruption to eggs during fluid exchange. By leveraging our unique and innovative core technology “AI-Powered Optical Microscopy Technology” and AI-driven automated analysis, we will monitor the egg freezing and thawing process to ensure egg quality.

(C) Production

The Company's short-term production strategy focuses on enhancing automation and lean production as its core objectives. We will actively introduce advanced automation equipment and process optimization technologies. Through data-driven management and continuous improvement, we aim to reduce manual errors and minimize resource waste, thereby effectively improving production efficiency and lowering costs. At the same time, we will strengthen our quality management mechanisms to ensure that, under the premise of stable high-quality products, we achieve greater production flexibility and market responsiveness to meet rapidly changing market demands.

For supply chain management, we will focus on evaluating and optimizing supplier partnerships, implementing rigorous supplier management systems to improve the stability and timeliness of raw material supply. Additionally, through effective inventory control strategies, we will reduce inventory costs, ensuring that production operates in a timely, stable, and efficient manner. In the short term, our goal is to establish a production system that combines flexibility and efficiency, laying the foundation for the rapid introduction and scaled mass production of new products.

B. Long-term Development Plan

(A) Marketing Strategy

According to market research, the global infertility testing and fertility testing market is experiencing steady growth. Benefiting from the rising incidence of infertility and the continuous increase in reproductive health awareness, the overall market size is expected to continue expanding in the coming years, providing a solid industry growth foundation for the Company's long-term sales and market positioning.

The Company's long-term sales strategy focuses on combining short-term market penetration with medium- to long-term brand building. By actively participating in major international medical and reproductive medicine exhibitions (including MEDICA, ASRM, ESHRE, and regional professional trade shows), we will continue to enhance the Company's brand visibility and influence in global professional markets, accelerate market penetration in various countries, and expand potential customer bases. At the same time, we will leverage the actual clinical application results and product usage evidence from international reproductive medicine experts as benchmark cases for promoting infertility testing products, thereby solidifying the Company's market position in the reproductive testing field and gradually extending from a total male infertility solution to female reproduction, animal reproduction, and other diagnostic medicine-related fields.

Through the effective execution of short-term marketing strategies, we can rapidly enhance brand awareness and market visibility. At the same time, the Company is partnering with distributors worldwide to provide professional educational manuals and establish online education platforms, conveying to test-takers the importance of early fertility and sperm quality testing. This will, in turn, increase the demand for and penetration rate of testing services in the preconception market, strengthening the Company's long-term competitive advantage in the reproductive health industry.

(B) Research and Development

Leveraging the Company's mature advantages in AI-based testing product development technologies in the field of infertility and reproduction, the next phase of our R&D efforts will focus on testing applications related to tissue fluid and other bodily fluids. We will begin exploring how to transform the vast and highly specialized testing demands of preventive medicine and therapeutic medicine into intelligent, automated testing instruments and total solutions, thereby improving clinical testing efficiency and accuracy. Furthermore, the application scope of AI-powered automated optical microscopy testing technology extends beyond clinical interpretation of human bodily fluids, tissue sections, and related areas. It is also not limited to the field of human medicine. In the future, it can be extended to applications in animal reproduction and conservation research, assisting in the breeding and population sustainability of endangered protected species, thereby fulfilling the Company's social responsibility at the intersection of medical technology and ecological sustainability.

(C) Production

The Company's long-term production strategy focuses on smart manufacturing and automation enhancement as its core objectives. We will gradually increase the proportion of automated production and introduce smart manufacturing technologies such as AI, big data analytics, and the Internet of Things (IoT) to continuously optimize process efficiency and precision, thereby reducing overall manufacturing costs and improving product consistency and market competitiveness. At the same time, we will build a more flexible smart factory system to achieve high integration from R&D design to mass production, enabling rapid response to market demands and customer expectations while supporting future new product introductions and diversified applications.

For supply chain management, the Company will strengthen supplier collaboration and long-term partnerships, establishing a supply chain network that combines both cross-border and localized elements. This will enhance our ability to respond agilely to market changes and ensure the stability of raw material supply while diversifying risks. At the same time, we will continue to promote digital and transparent supply chain management to reduce operational risks and support the Company's overall strategic goals. In the long term, the Company will be driven by the dual axes of smart manufacturing and a resilient supply chain to build a highly efficient, highly flexible, and sustainable production system, ensuring a leading position in the global competitive environment.

(2) External Competitive Environment

The Company has entered the international market with its proprietary brand "LensHooke®." Currently, over 90% of semen analysis worldwide still relies on traditional manual methods. Although computer-assisted systems were introduced some time ago, their high cost, inability to eliminate the cumbersome traditional steps, and lack of standardization prevented them from fully solving the issues associated with manual methods.

Our products feature intelligent, automated, standardized designs with simple operational steps, paired with an exclusive distributor model (one distributor per country). This approach allows us to avoid the high operational costs and upfront development expenses that come with setting up local branches or offices, as seen in self-operating models.

The design focus of our products is on ease of use, speed, and convenience, making them accessible even to individuals without a medical background. This advantage not only benefits the professional infertility and reproductive health fields but also allows us to expand into the preconception market. Our target customers include obstetrics and gynecology, urology, family medicine clinics, and general medical testing centers.

Furthermore, the profit model for the Company and its subsidiaries differs from that of our competitors. Competitors primarily offer equipment-based products (such as CASA—Computer-Assisted Sperm Analysis), which are priced much higher (about 2 to 6 times more expensive than our products), slowing down decision-making at medical institutions. In contrast, our profit model centers around consumables, enabling faster market acceptance of our devices. Distributors are also more inclined to sell this type of product because each sale provides an ongoing income stream from consumables. This profit model enables us to quickly establish a global distributor network.

(3) Regulatory Environment

The regulatory frameworks for the medical device industry vary across countries, and in recent years, global regulatory approval trends have become increasingly stringent. Taking the European Union as an example, it has fully adopted the Medical Device Regulation (MDR) and the In Vitro Diagnostic Regulation (IVDR). These regulations involve numerous requirements, and the training and qualification process for technical reviewers from third-party notified bodies has progressed relatively slowly, making product certification timelines more difficult to precisely control. This may consequently affect the market launch schedule of new products.

To address the regulatory risks mentioned above, the Company's Quality Management Department is responsible for product regulatory validation and related application processes. In addition to continuously monitoring the latest amendments to medical device regulations in various countries, the Department possesses comprehensive practical experience in regulatory certification and is well-versed in the certification processes for various medical devices and in vitro diagnostic devices. It is also able to promptly prepare the technical documentation and compliance information required for new products, effectively shortening product certification timelines and ensuring the smooth progress of product launch plans.

(4) Overall Business Environment

In recent years, with the aging population and the rising infertility rates, society and the economy are facing numerous challenges. Human resources are the cornerstone of a country's competitiveness, making increasing fertility rates a priority issue for countries around the world. However, looking at the development of medical devices, solutions for male reproductive health are still relatively scarce.

In response, Bonraybio Co., Ltd. is committed to providing comprehensive solutions for male infertility, improving global reproductive healthcare quality, and establishing the "**LensHooke®**" brand. Since its establishment in 2016, the Company has successfully developed and launched a series of professional products, including sperm routine testing, sperm DNA fragmentation testing kits, and sperm selection devices, comprehensively meeting the testing and treatment needs in the male reproductive field.

The Company has always adhered to its original mission, with the vision of "**Your Health, Our Focus - Advancing Medical Innovation, Advancing Focus on Health.**" Looking ahead, our

corporate competitiveness will continue to be built upon continuous innovation and research and development. We will actively promote our products in global markets, aiming to provide higher-quality products and services to meet customer expectations.
In the future, we will continue to invest in forward-looking technological research and innovative applications, focus on product design, mass production, and market promotion, further expand our operational niche, achieve sustainable growth, and create the maximum value for all shareholders.

Thank you to all our shareholders for your support. Wish you all the best.

Chairman:
Cheng-Teng Hsu

II. Corporate Governance Report

1. Information on Directors, Supervisors, General Manager, Deputy General Managers, Assistant Managers, and Heads of Departments and Branches

(1) Directors and Supervisors

A. Information on Directors and Supervisors

Date: March 31, 2026; Unit: Share; %

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and Academic qualifications	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship	
Chairman	Republic of China	Cheng-Teng Hsu	Male 41-50	2024.06.24	3 years	2016.01.12	885,000	5.20	1,170,531	4.72	15,870	0.06	3,947,662	15.92	Doctor of Chemistry, National Chung Hsing University Visiting Scholar at the Stanford University School of Medicine (STB Program) Assistant Professor, Department of Medical Laboratory Science and Biotechnology, Chung Shan Medical University Director, Association of Chemical Sensor in Taiwan General Manager, Bionime (Shenzhen) Co., Ltd. Vice President of R&D, BIONIME CORPORATION	Chairman of Bo Bang Capital Co., Ltd. General Manager, BONRAYBIO (Sichuan) Co., Ltd. Director, BONRAYBIO HOLDING (SAMOA) CO., LTD President, BONRAYBIO USA CORP.	None	None	None	None
Vice Chairman	Republic of China	Sheng-Chuan Cheng	Male 51-60	2024.06.24	3 years	2021.06.28	150,000	0.88	198,375	0.80	370,300	1.50	–	–	Master's Degree, Graduate Institute of Economics, National Tsing Hua University General Manager, Newmax Technology Co., Ltd. Assistant Manager, SKANHEX TECHNOLOGY INC, Finance Center Assistant Manager, Project Sales Department, Chailease Finance Co., Ltd.	Chairman, Newmax Technology Co., Ltd. Chairman, Newmacro International Co., Ltd Chairman, Newmax International Co., Ltd. Chairman, Dongguan Xinxu Optical Co., Ltd. Corporate Representative Director, ZUISHO PRECISION INDUSTRY CO., LTD.	None	None	None	None
Director	Republic of China	Representative: Chun-Mu Huang	Male 61-70	2024.06.24	3 years	2016.09.13	–	–	–	–	–	–	–	–	National Taipei University of Technology, Taipei Tech General Managger, Ming Shi Corporation	Chairman and Chief Executive Officer, BIONIME CORPORATION Chairman of the Board, Bionime Inc Chairman of the Board, Bionime (Shenzhen) Co., Ltd. Chairman of the Board, Bionime (Pingtan) Co., Ltd. Chairman of the Board,Bionime GmbH Chairman of the Board, Bionime USA Corp Chairman of .Bionime(Malaysia) SDN BHD Director, Bionime Australia Pty Ltd	None	None	None	None
		Bai Jue Investment Limited	N/A				857,160	5.02	1,133,594	4.57	–	–	–	–	N/A	N/A	N/A			None

Job title	National-ity or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commence ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and Academic qualifications	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Rela-tionship	
Director	Republic of China	Representative: Jane SC Tsai	Mala 61-70	2025.05.12	3 years	2025.05.11	–	–	–	–	–	–	–	–	Ph.D. in Microbiology and Cell Biology, Pennsylvania State University Department of Medical Technology, College of Medicine, National Taiwan University Head of R&D, Roche Diagnostics Global Program Leader and Member of Cross-Functional Teams in Strategy Foresight, Intellectual Property, Quality, and Design Control at Roche Reviewer for Taiwan Ministry of Science and Technology (MOST) and National Science and Technology Council (NSTC) Deputy Director, Biomedical Technology and Device Research Laboratories, Industrial Technology Research Institute; Chief Operating Officer, Drug Development Center Member, American Association for Cancer Research (AACR) Fellow, Association for Diagnostics & Laboratory Medicine (ADLM) Member, Global Harmonization Working Party (GHWP) Industrial Advisor, Clinical and Laboratory Standards Institute (CLSI)	Senior Vice President, YFY Biotech Management Co., Ltd. Senior Distinguished Researcher, Biomedical Technology and Device Research Laboratories, Industrial Technology Research Institute	None	None	None	Note 1
		Representative: Hui-Jin Zeng	Female 61-70	2024.06.24	3 years	2021.06.28	–	–	52,900	0.21	–	–	–	–	Master's Degree, Executive Program, College of Management, National Taiwan University Master's Degree, Executive Program, School of Management, Fudan University Master's Degree, Department of Accounting, National Chengchi University Deputy Managing Partner, PwC Taiwan PwC Greater China Synergy Leader PwC Taiwan Strategy Leader PwC Audit Services Operations Leader PwC Industry Development Committee Leader Head of Risk Management, PwC Taiwan Head of Research and Development Department, PwC Taiwan President, Alumni Association of the Accounting Department, National Chengchi University Executive Director, Taiwan Accounting Association	Honorary Deputy Managing Partner, PwC Taiwan Adjunct Professor, National Yang Ming Chiao Tung University Member, Biotechnology Industry Strategy Advisory Committee, Executive Yuan Advisor, National Biotechnology Research Park - Startup Incubation Center Vice Chairman, Taiwan Bio Industry Organization Vice Chairman, Precision Medicine Industry Association of Taiwan Independent Director, Coretronic Corporation Independent Director, BIONIME CORPORATION Independent Director, Delta Electronics, INC. Independent Director, ASUSTeK Computer Inc. Director, AP Biosciences, Inc. Director, BRIM Biotechnology, Inc. Supervisor, Taiwan Bio-Manufacturing Corporation Supervisor, Buffalo Machinery Co., LTD. Director, H2U Corporation Director, T-E and Pharma Holding (KY) Onward Independent Director, Therapeutics SA (Switzerland) Director, HanchorBio Inc.(KY)	None	None	None	Note 1
		Bo Bang Capital Co., Ltd.	N/A				2,985,000	17.47	3,947,662	15.92	–	–	–	–	N/A	N/A	N/A			None

Job title	National-ity or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commence ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and Academic qualifications	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Rela-tionship	
Director	Republic of China	Representative: Yuh-Geng Tsay	Male	113.06.24	3 years	2016.09.13	–	–	–	–	–	–	–	–	Bachelor's Degree in Chemistry, National Cheng Kung University Ph.D. in Organic Chemistry, University of Rochester, New York Senior Vice President and Group President, Thermo Fisher Scientific Inc. Group President, Fisher Scientific Immunodiagnostics Division President, Apogent Clinical Diagnostics Group Founder, Diagnostics Reagents	Partner, VIVO CAPITAL	None	None	None	None
		Vivo Panda Fund, L.P.	N/A				2,421,814	15.01	3,202,848	12.91	–	–	–	–	N/A	N/A	N/A			None
Independent Director	Republic of China	Shao-Hua Wang	Male 61-70	2024.06.24	3 years	2023.06.19	–	–	–	–	–	–	–	–	Ph.D. in Chemical Engineering, West Virginia University Bachelor's Degree in Chemical Engineering, National Taiwan University General Manager and North American Representative, Industrial Technology Research Institute (ITRI) North America Director, International Center, Industrial Technology Research Institute (ITRI) Director, Industrial Economics and Knowledge Center (IEK), Industrial Technology Research Institute (ITRI) Secretary General, Monte Jade Science & Technology Association of Taiwan & Global Secretary General, Monte Jade Science & Technology Association of West Coast Senior Consultant, SRI International and SRI Consulting, Stanford Research Institute Process Engineer, M.W. Kellogg (now KBR) Researcher, National Energy Technology Laboratory (NETL), U.S. Department of Energy	None	None	None	None	None
Independent Director	Republic of China	Yu-Hsiang Wang	Female 51-60	113.06.24	3 years	2023.06.19	–	–	–	–	–	–	–	–	Master's Degree, Graduate Institute of Financial Management, National Sun Yat-sen University Bachelor's Degree in Accounting, Soochow University Business Associate Manager, Underwriting Department, IBT Securities Co.,Ltd. Business Associate Manager, Underwriting Department, Capital Securities Corporation Business Associate Manager, Underwriting Department, KGI Securities Co., Ltd. Lead, Audit Department, KPMG Taiwan	Independent Director, ZHEN YU HARDWARE CO., LTD Independent Director, Qing Song Health Co., Ltd. Corporate Representative, Mega Capital Investment (Corp.) Corporate Representative, Mega Family Office CORP. Managing Partner, Mega Grace CPA Firm Independent Director, Lagis Enterprise Co., Ltd.	None	None	None	None

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and Academic qualifications	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Rela-tionship	
Independent Director	Republic of China	Chieh-Hsiao Chen	Male 51-60	2024.06.24	3 years	2023.06.19	–	–	–	–	–	–	–	–	Ph.D. in Medical Engineering, National Cheng Kung University Master's Degree, Graduate Institute of Medical Engineering, National Cheng Kung University Medical Degree, Kaohsiung Medical University Attending Physician, Department of Urology, China Medical University Hospital Lecturer, Department of Medicine, China Medical University Visiting Scholar, Stanford University Member, Stanford Taiwan Advanced Medical Equipment Training Program Member, Taiwan Urological Oncology Association Co-Founder and Chief Medical Officer, iXensor Co. Ltd.	Director, Department of Urology and Urologic Oncology, Changhua Christian Hospital affiliated with China Medical University Representative, Jairun Biotech Co., Ltd. Supervisor, Kaiyu Biomedical Co. Ltd. Representative, Brain Navi Biotechnology Co. Ltd.	None	None	None	None
Independent Director	Republic of China	Tien-Tai Chou	Male	2024.06.24	3 years	2024.06.24	–	–	–	–	–	–	–	–	Ph.D. in Law, East China University of Political Science and Law Master of Laws (LL.M.), Cardozo School of Law, USA Master of Laws (LL.M.), Soochow University Partner, PTMA Legal Deputy Secretary General, National Federation of the Bar Associations of the Republic of China	Partner and Lawyer, PTMA Legal Shang Shi Hua (Shanghai) Financial Consulting Co., Ltd. Botai Mingan (Shenzhen) Enterprise Development Consulting Co., Ltd. Director, Botai Mingan Family Office (Corp.) Supervisor, Botai Mingan (Suzhou) Enterprise Development Consulting Co., Ltd. Independent Director, Brain Power (Qingyuan) Co., Ltd. Representative Director, UP YOUNG CORNERSTONE CORP.	None	None	None	None

Note 1: On May 12, 2025, Bo Bang Capital Co., Ltd. reassigned Director Jane SC Tsai as its institutional representative.

B.Major Shareholders of Corporate Shareholders

Date: March 31, 2026

Name of corporate shareholder	Major shareholders of the corporate shareholder
Bo Bang Capital Co., Ltd.	Cheng-Teng Hsu (44.1%), Hui-Ching Lu (43.14%), Che-Yung Hsu (6.38%), Ssu-Chen Hsu (6.38%)
Vivo Panda Fund, L.P.	Mega International Commercial Bank Co., Ltd. as Trustee of the National Development Fund. (39.88%) Cathay Life Insurance Co., Ltd. (9.97%)

C.If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form

Name of corporate/juristic person	Major shareholders of the corporate/juristic person
Mega International Commercial Bank Co., Ltd. as Trustee of the National Development Fund.	National Development Fund, Executive Yuan (50%) National Science and Technology Development Fund, Executive Yuan (50%)
Cathay Life Insurance Co., Ltd.	Cathay Financial Holdings Co., Ltd. (100%)

D. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification / Name	Professional qualifications and experience (Note 1)	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chairman Cheng-Teng Hsu	■Experience: Visiting Scholar at the Stanford University School of Medicine (STB Program) Assistant Professor, Department of Medical Laboratory Science and Biotechnology, Chung Shan Medical University Director, Association of Chemical Sensor in Taiwan General Manager, Bionime (Shenzhen) Co., Ltd. Vice President of R&D, BIONIME CORPORATION ■Education Doctor of Chemistry, National Chung Hsing University ■ Possesses expertise in business management, biotechnology and healthcare, and sustainable development.	The director does not have a spousal or close relative relationship (within the second degree of kinship) with other directors and is not subject to the circumstances specified in Articles 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.	0
Vice Chairman Sheng-Chuan Cheng	■Experience: General Manager, Newmax Technology Co., Ltd. Assistant Manager, SKANHEX TECHNOLOGY INC, Finance Center	The director does not have a spousal or close relative relationship (within the second degree of kinship) with other directors and is not subject to the circumstances specified in Articles 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.	0

Qualification / Name	Professional qualifications and experience (Note 1)	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
	Assistant Manager, Project Sales Department, Chailease Finance Co., Ltd. ■Education Master's Degree, Graduate Institute of Economics, National Tsing Hua University ■ Possesses expertise in business management, economics, and sustainable development.		
Representative: Chun-Mu Huang Bai Jue Investment Limited	■Experience: Chairman and Chief Executive Officer, BIONIME CORPORATION General Managger, Ming Shi Corporation ■Education National Taipei University of Technology, Taipei Tech ■ Possesses expertise in business management, biotechnology and healthcare, and sustainable development.	The director does not have a spousal or close relative relationship (within the second degree of kinship) with other directors and is not subject to the circumstances specified in Articles 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.	0
Representative: Jane SC Tsai (Note1) Bo Bang Capital Co., Ltd.	■Experience: Senior Vice President, YFY Biotech Management Co., Ltd. Senior Distinguished Researcher, Biomedical Technology and Device Research Laboratories, Industrial Technology Research Institute Head of R&D, Roche Diagnostics Technology Research Institute; Chief Operating Officer, Drug Development Center ■Education Ph.D. in Microbiology and Cell Biology, Pennsylvania State University Department of Medical Technology, College of Medicine, National Taiwan University ■ Possesses expertise in business management, biotechnology and healthcare, and sustainable development.	The director does not have a spousal or close relative relationship (within the second degree of kinship) with other directors and is not subject to the circumstances specified in Articles 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.	0
Representative: Hui-Jin Zeng (Note1) Bo Bang Capital Co., Ltd.	■Experience: Deputy Managing Partner, PwC Taiwan PwC Greater China Synergy Leader Vice Chairman, Taiwan Bio Industry Organization Vice Chairman, Precision Medicine Industry Association of Taiwan ■Education Master's Degree, Executive Program, College of Management, National Taiwan University Master's Degree, Executive Program, School of Management, Fudan University Master's Degree, Department of Accounting, National Chengchi University	The director does not have a spousal or close relative relationship (within the second degree of kinship) with other directors and is not subject to the circumstances specified in Articles 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.	4

Qualification / Name	Professional qualifications and experience (Note 1)	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
	■ Possesses expertise in business management, financial accounting, internal auditing, and sustainable development.		
Representative: Yuh-Geng Tsay Vivo Panda Fund, L.P.	■Experience: Partner, VIVO CAPITAL Senior Vice President and Group President, Thermo Fisher Scientific Inc. Group President, Fisher Scientific Immunodiagnostics Division President, Apogent Clinical Diagnostics Group ■Education Bachelor's Degree in Chemistry, National Cheng Kung University Ph.D. in Organic Chemistry, University of Rochester, New York ■ Possesses expertise in business management, biotechnology and healthcare, diagnostic medicine, and sustainable development.	The director does not have a spousal or close relative relationship (within the second degree of kinship) with other directors and is not subject to the circumstances specified in Articles 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.	0
Yu-Hsiang Wang	■Experience: Managing Partner, Mega Grace CPA Firm Chairman, Mega Family Office CORP. Chairman, Mega Capital Investment (Corp.) Business Assistant Manager, Underwriting Department, IBT Securities Co.,Ltd. Business Assistant Manager, Underwriting Department, Capital Securities Corporation Business Assistant Manager, Underwriting Department, KGI Securities Co., Ltd.Audit Department Team Leader, KPMG Certified Public Accountant, Republic of China Internal Auditor ■Education Graduate Institute of Financial Management, National Sun Yat-sen University Department of accounting, Soochow University ■ Possesses expertise in business management, financial accounting, internal auditing, marketing management, and sustainable development.	Note 3	3
Shao-Hua Wang	■Experience General Manager and North American Representative, Industrial Technology Research Institute (ITRI) North America Director, International Center, Industrial Technology Research Institute (ITRI) Director, Industrial Economics and Knowledge Center (IEK), Industrial Technology Research Institute (ITRI) Secretary General, Monte Jade Science & Technology Association of Taiwan & Global Secretary General, Monte Jade Science & Technology Association of West Coast	Note 3	0

Name \ Qualification	Professional qualifications and experience (Note 1)	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
	Senior Consultant, SRI International and SRI Consulting, Stanford Research Institute Process Engineer, M.W. Kellogg (now KBR) Researcher, National Energy Technology Laboratory (NETL), U.S. Department of Energy ■Education Ph.D. in chemical engineering, West Virginia University Bachelor's degree in chemical engineering, National Taiwan University ■ Possesses expertise in business management, energy technology, industrial development, marketing management, and sustainable development.		
Chieh-Hsiao Chen	■Experience Director, Department of Urology and Urologic Oncology, Changhua Christian Hospital affiliated with China Medical University Department of Urology, China Medical University Hospital Lecturer, Department of Medicine, China Medical University Visiting Scholar, Stanford University Member, Stanford Taiwan Advanced Medical Equipment Training Program Member, Taiwan Urological Oncology Association Co-Founder and Chief Medical Officer, iXensor Co. Ltd. ■Education Ph.D. in Medical Engineering, National Cheng Kung University ■ Possesses expertise in business management, biotechnology and healthcare, marketing management, and sustainable development.	Note 3	0
Tien-Tai Chou	■Experience Partner and Lawyer, PTMA Legal Supervisor, Shang Shi Hua (Shanghai) Financial Consulting Co., Ltd. Supervisor, Botai Mingan (Shenzhen) Enterprise Development Consulting Co., Ltd. Director, Botai Mingan Family Office (Corp.) Supervisor, Botai Mingan (Suzhou) Enterprise Development Consulting Co., Ltd. Independent Director, Brain Power (Qingyuan) Co., Ltd. ■Education Ph.D. in Law, East China University of Political Science and Law Master of Laws (LL.M.), Cardozo School of Law, USA Master of Laws (LL.M.), Soochow University ■ Possesses expertise in business management, legal affairs, marketing management, and sustainable development.	Note 3	0

Note 1: Please refer to pages 8-11 of this annual report for details on the main education and work experience, as well as concurrent positions. Additionally, none of the Company's directors are subject to any of the circumstances outlined in Article 30 of the Company Act.

Note 2: On May 12, 2025, Bo Bang Capital Co., Ltd. reassigned Director Jane SC Tsai as its institutional representative.

Note 3: The independent directors, both prior to their election and during their tenure, meet the conditions set forth in Article 3, Paragraph 1 of the Regulations Governing the Appointment and Compliance of Independent Directors of Publicly Listed Companies:

(1) Neither the independent director, their spouse, nor their relatives within the second degree of kinship hold any position within the company or its affiliated enterprises.

(2) Neither the independent director, their spouse, nor their relatives within the second degree of kinship (or under the name of others) hold shares in the company.

(3) The independent director is not subject to any of the circumstances specified in Articles 5 to 8 of Article 3, Paragraph 1 of the Regulations Governing the Appointment and Compliance of Independent Directors of Publicly Listed Companies.

(4) In the past two years, the independent director has not provided any business, legal, financial, or accounting services to the company or its affiliated enterprises for which they have received compensation.

E. Board Diversity and Independence

(A) Board Diversity

The Company advocates for a policy of respecting board diversity. To strengthen corporate governance and promote the healthy development of the board's composition and structure, we believe that the diversity policy helps enhance the Company's overall performance. The selection of board members is based on merit and aims to incorporate a diverse range of capabilities across different industries, including basic conditions and values (e.g., gender, age), professional knowledge and skills (e.g., accounting, industry expertise, finance, marketing, or technology), as well as industry experience. Additionally, to fulfill our supervisory responsibilities, the company has established various internal management regulations to ensure robust governance functions.

The current board of directors consists of 9 members, including 5 non-independent directors and 4 independent directors. All directors are distinguished figures from both academia and industry. As a company in the medical technology industry, we emphasize the composition of our board members. We aim for one-half (50%) of the members to have expertise in biotechnology and healthcare, one-fifth (20%) to have expertise in finance, accounting, or law, and two-thirds (67%) to have expertise in business management, to ensure proper supervision and knowledge sharing. The current board composition already meets the Company's expectations, and the implementation status is detailed in the table below:

Diversity Categories / Name	Group						Skills and Competencies			
	Nationality	Age	Gender	Concurrent Employment	Audit Committee Member	Independent Director Tenure	Management	Biotechnology/ Medical	Finance /Accounting/ Legal	Marketing/ Operations
Cheng-Teng Hsu	Republic of China	41-50	Male	✓	N/A	N/A	✓	✓		✓
Bai Jue Investment Limited Representative: Chun-Mu Huang	Republic of China	61-70	Male		N/A	N/A	✓	✓		✓
Bo Bang Capital Co., Ltd. Representative: Jane SC Tsai	Republic of China	61-70	Female		N/A	N/A	✓	✓		✓
Vivo Panda Fund, L.P. Representative: Yuh-Geng Tsay	Republic of China	71-80	Male		N/A	N/A	✓	✓		✓
Sheng-Chuan Cheng	Republic of China	51-60	Male		N/A	N/A	✓			✓
Yu-Hsiang Wang	Republic of China	51-60	Female		Yes	Second Tenure	✓		✓	✓
Shao-Hua Wang	Republic of China	61-70	Male		Yes	Second Tenure	✓			✓
Chieh-Hsiao Chen	Republic of China	51-60	Male		Yes	Second Tenure	✓	✓		✓
Tien-Tai Chou	Republic of China	51-60	Male		Yes	First Tenure	✓		✓	✓
Diversity Ratio	—	—	Male 78% Female 22%	Employee 11%	—	—	100%	56%	22%	100%

According to the table above, the current gender ratio in our board of directors is 78% male and 22% female. This disparity is primarily due to the fact that the initial investors during the Company's founding were predominantly male. In the future, during the re-election or expansion of board members, the Company will emphasize gender diversity, ensuring that the proportion of any single gender reaches one-third. This is in response to the "Sustainable Development Action Plan for Listed Companies" which promotes gender diversity on the boards of listed companies. The Company will also actively support the goals of gender balance and diversity and inclusion.

(B) Board Independence

The Company was officially listed on the stock exchange on December 6, 2024, becoming a publicly listed company. In accordance with the *Securities and Exchange Act* and the Company's articles of association, the Company has established a board with no fewer than three independent directors, and the number of independent directors must be at least one-fifth of the total number of directors. Additionally, the Company has set up an Audit Committee, which is composed entirely of independent directors, to replace the role of the supervisors.

On June 24, 2024, the Company completed the re-election of its board of directors. The current board consists of five directors and four independent directors, with independent directors occupying 44% of the total board seats.

The board evaluates the independence of its directors by considering all relevant factors, including:

(A) Whether the independent director can continuously raise constructive questions to the management and other directors.
(B) Whether the viewpoints expressed by the independent director are independent from the management and other directors.
(C) Whether the independent director meets the requirements stipulated in Article 14-2 of the Securities and Exchange Act.

None of the board members are subject to the circumstances outlined in Article 26-3, Paragraphs 3 and 4 of the *Securities and* Exchange Act, and there are no relationships between directors involving spouses or close relatives within the second degree of kinship.

(2) Information on General Manager, Deputy General Managers, Assistant Managers, and Heads of Departments and Branches

March 31, 2026; Unit: Share; %

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remark
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship	
Chief Executive Officer	Republic of China	Cheng-Teng Hsu	Male	2016.01.12	1,170,531	4.72	15,870	0.06	3,947,662	15.92	Doctor of Chemistry, National Chung Hsing University Visiting Scholar, Stanford University School of Medicine (STB Program) Assistant Professor, Department of Medical Laboratory Science and Biotechnology, Chung Shan Medical University Director, Taiwan Chemical Sensors Association General Manager, Bionime (Shenzhen) Co., Ltd. Vice President of R&D, BIONIME CORPORATION	Chairman, Bo Bang Capital Co., Ltd. General Manager, BONRAYBIO (Sichuan) Co., Ltd. Director, BONRAYBIO HOLDING (SAMOA) CO., LTD President, BONRAYBIO USA CORP.	None	None	None	Note 1
Executive Vice President	Republic of China	Ying-Jyh Liao	Male	2017.06.12	247,031	1.00	–	–	–	–	Master of Science, Institute of Applied Chemistry, National Chiao Tung University Assistant Plant Manager at AU Optronics Corporation Taichung Plant Project Manager for TFT-LCD G3.5/G5/G6/G7.5 Generation Panel Factory Construction at AU Optronics Corporation	None	None	None	None	–
Vice President of Sales	Republic of China	Min-Shan Chuang	Male	2019.04.02	201,825	0.81	–	–	–	–	Master of Science in Technology Management, National Chiao Tung University Bachelor of Science in Transportation Engineering and Management, National Chiao Tung University General Manager of Asia-Pacific Region at Biotech Company, BIODENTA CORPORATION Senior Vice President, Global Operations, BIONIME CORPORATION New Business Development Manager, US Branch, BenQ Corporation Marketing and Sales Manager, DARFON ELECTRONICS CORP. Marketing and Sales Officer, BenQ Corporation	None	None	None	None	Note 2
Vice President of Business Development	Republic of China	Wan-Ying Yang	Female	2017.06.05	165,600	0.67	–	–	–	–	Master's Degree in Marketing, University of East Anglia, United Kingdom Assistant Manager of Marketing and Customer Service Department, BIODENTA CORPORATION Marketing Manager, BIONIME CORPORATION Assistant Manager of Media and Public Relations Department, Huanlong Electric Co., Ltd.	None	None	None	None	–
Vice President of Finance, Accounting, and Administration	Republic of China	Pei-Chen Yang	Female	2021.06.02	98,670	0.40	–	–	–	–	Bachelor's Degree in Accounting, Tunghai University Chief Financial Officer (CFO) , KENTURN NANO.TEC. CO., LTD Senior Auditor, JOHNSON HEALTH TECH CO., LTD. Senior Management Accountant, Wintek TECHNOLOGY CO., LTD. Deputy Team Leader at deloitte Taiwan	None	None	None	None	–
Audit Supervisor	Republic of China	Yen-Ling Tsang	Male	2024.07.04	1,150	0.00	–	–	–	–	Bachelor's Degree in Accounting, Chaoyang University of Technology Audit Supervisor, CHIA-LIEN CABLE TV CORP. Auditor, NEXIA Sun Rise	None	None	None	None	–

Note 1: The Chairman of the Board also serves as the General Manager to improve the Company's operational efficiency and ensure smooth decision-making execution. However, to strengthen the independence of the Board of Directors, the Chairman closely communicates with all directors regarding the company's operational status, future business strategies, and plans, to implement effective corporate governance. At the 2024 Annual General Meeting, four independent directors were elected to enhance the functionality of the Board and reinforce its supervisory role. Furthermore, the Audit Committee and Remuneration Committee have been established in accordance with relevant regulations of the competent authorities, to provide objective oversight and ensure a system of checks and balances through external supervision.

Note 2: Min-Shan Chuang, Vice President of Sales, resigned on May 31, 2025.

2. Remuneration Paid to Directors, Supervisors, General Manager, and Deputy General Managers for the Most Recent Year

(1) Remuneration Paid to Directors, Supervisors, General Manager, and Deputy General Managers in the Most Recent Year (Fiscal Year 2025)

A. Remuneration to Ordinary Directors and Independent Directors（Fiscal Year 2025）

Unit: NT$ Thousand

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remunerationreceived frominvesteeenterprisesother thansubsidiaries orfrom the parentcompany
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
																The Company		All consolidated entities				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
Chairman	Cheng-Teng Hsu	0	0	0	0	720	720	15	15	735 0.72%	735 0.72%	4,538	4,538	0	0	1,125	0	1,125	0	6,398 6.24%	6,398 6.24%	None
Vice Chairman	Sheng-Chuan Cheng	0	0	0	0	469	469	15	15	484 0.47%	484 0.47%	0	0	0	0	0	0	0	0	484 0.47%	484 0.47%	None
Director	Representative: Chun-Mu Huang Bai Jue Investment Limited	0	0	0	0	397	397	9	9	406 0.40%	406 0.40%	0	0	0	0	0	0	0	0	406 0.40%	406 0.40%	None
Director	Representative: Jane SC Tsai (Note1) Representative: Hui-Jin Zeng (Note1) Bo Bang Capital Co., Ltd.	0	0	0	0	397	397	3	3	400 0.39%	400 0.39%	0	0	0	0	0	0	0	0	400 0.39%	400 0.39%	None
Director	Representative: Yuh-Geng Tsay Vivo Panda Fund, L.P.	0	0	0	0	397	397	0	0	397 0.39%	397 0.39%	0	0	0	0	0	0	0	0	397 0.39%	397 0.39%	None
Independent Director	Yu-Hsiang Wang	340	340	0	0	0	0	12	12	352 0.34%	352 0.34%	0	0	0	0	0	0	0	0	352 0.34%	352 0.34%	None
Independent Director	Shao-Hua Wang	340	340	0	0	0	0	0	0	340 0.33%	340 0.33%	0	0	0	0	0	0	0	0	340 0.33%	340 0.33%	None
Independent Director	Chieh-Hsiao Chen	340	340	0	0	0	0	9	9	349 0.34%	349 0.34%	0	0	0	0	0	0	0	0	349 0.34%	349 0.34%	None
Independent Director	Tien-Tai Chou	340	340	0	0	0	0	9	9	349 0.34%	349 0.34%	0	0	0	0	0	0	0	0	349 0.34%	349 0.34%	None

Note 1:On May 12, 2025, Bo Bang Capital Co., Ltd. reassigned Director Jane SC Tsai as its institutional representative.

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid:
   All independent directors of the Company participate in the operations of the Board of Directors and concurrently serve as members of the Remuneration Committee and the Audit Committee. They are responsible for functional duties such as proposal review, supervision, and risk management. Taking into consideration the average remuneration for independent directors in the Company's operating region as well as the Company's current status, they are paid a fixed monthly remuneration. Effective March 2025, the remuneration for each independent director was adjusted from NT$20,000 to NT$30,000. Additionally, independent directors do not participate in the distribution of the Company's earnings.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises):None.

B. Remuneration of Supervisors**:** The Company has fully re-elected the members of the board of directors and has replaced the responsibilities of the supervisors with those of the independent directors.

C. Remuneration of CEO and Vice Presidents:

Unit: NT$ Thousand

Job title	Name	Base compensation (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Expenses and Perquisites (D)				Sum of A+B+C+D and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chief Executive Officer	Cheng-Teng Hsu	11,716	11,716	0	0	3,250	3,250	3,520	0	3,520	0	18,486 18.03%	18,486 18.03%	None
Executive Vice President	Ying-Jyh Liao													
Vice President of Sales	Min-Shan Chuang (Note)													
Vice President of Business Development	Wan-Ying Yang													
Vice President of Finance, Accounting, and Administration	Pei-Chen Yang													

Remuneration Range Table for General Manager and Deputy General Manager

Ranges of remuneration paid to each of the Company's General Manager and Deputy General Managers	Name of General Manager and Deputy General Managers	
	The Company	The Parent Company and All Its Equity-Invested Affiliates
Less than NT$ 1,000,000		
NT$ 1,000,000 (incl.)～NT$ 2,000,000 (excl.)	Min-Shan Chuang (Note)	Min-Shan Chuang (Note)
NT$ 2,000,000 (incl.)~ NT$ 3,500,000 (excl.)	Ying-Jyh Liao, Wan-Ying Yang, Pei-Chen Yang	Ying-Jyh Liao, Wan-Ying Yang, Pei-Chen Yang
NT$ 3,500,000 (incl.)～NT$ 5,000,000 (excl.)		
NT$ 5,000,000 (incl.)～NT$ 10,000,000 (excl.)	Cheng-Teng Hsu	Cheng-Teng Hsu
NT$ 10,000,000 (incl.)～NT$ 15,000,000 (excl.)		
NT$ 15,000,000 (incl.)～NT$ 30,000,000 (excl.)		
NT$ 30,000,000 (incl.)～NT$ 50,000,000 (excl.)		
NT$ 50,000,000 (incl.)~NT$ 100,000,000 (excl.)		
NT$ 100,000,000		
Total	5 people	5 people

Note: Min-Shan Chuang, Vice President of Sales, resigned on May 31, 2025.

D. Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2025; Unit: NT$ Thousand

	Job Title	Name	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial	Chief Executive Officer	Cheng-Teng Hsu	0	3,520	3,520	3.43%
	Executive Vice President	Ying-Jyh Liao				
	Vice President of business development	Wan-Ying Yang				
	Vice President of Finance, Accounting, and Administration	Pei-Chen Yang				

(2) This section provides a comparative analysis of the total compensation paid to the directors, supervisors, general manager, and Vice Presidents of the Company and all companies included in the consolidated financial statements over the most recent two years, as a percentage of the after-tax net profit of the individual or separate financial reports. This section should also explain the compensation policy, standards, and structure, the procedures for determining compensation, and its relationship with business performance and future risks.

A. An analysis of the total remuneration paid by the Company and all entities within the consolidated financial statements to the Company’s directors, general manager, and deputy general managers over the past two years, as a percentage of the after-tax net profit of the individual or separate financial reports.

Unit: NT$ Thousand; %

Annual and Proportional Analysis / Position	2024				2025			
	The Company		All Consolidated Entities		The Company		All Consolidated Entities	
	Remuneration Total	Percentage of After-tax Net Profit	Remuneration Total	Percentage of After-tax Net Profit	Remuneration Total	Percentage of After-tax Net Profit	Remuneration Total	Percentage of After-tax Net Profit
Director	2,543	3.72%	2,543	3.72%	3,812	3.72%	3,812	3.72%
CEO and Vice President	16,079	23.52%	16,079	23.52%	18,486	18.03%	18,486	18.03%

B. The policy, standards, and composition of remuneration, the procedures for setting remuneration, and their correlation with business performance and future risks.

(A) The policy, standards, and composition of remuneration

a. The compensation and remuneration for the Company's directors and supervisors are handled in accordance with the Company's Articles of Incorporation and are distributed only after approval by the Board of Directors. The compensation for the general manager and Vice Presidents includes salary, bonuses, and employee benefits. It is determined based on the position held, responsibilities undertaken, and their contributions to the company, with reference to industry standards. Furthermore, if the Company is profitable in a given year, up to 3% of the profits are allocated for directors' remuneration as per Article 20 of the Articles of Incorporation (independent directors do not participate in the distribution of directors' remuneration). The actual allocation ratio and amount are proposed by the Compensation and Remuneration Committee based on an evaluation of business performance and submitted to the Board of Directors for approval. As for independent directors, their remuneration is determined by the Board of Directors as a fixed business execution fee, and they do not participate in the distribution of remuneration based on the company's profits.

b. The Company's executives handle business affairs in accordance with the business policies and key matters set by the Board of Directors. Their appointment and dismissal are governed by the company's Articles of Association and are decided by the Board of Directors. Executive compensation includes both fixed salary and bonus remuneration. The fixed salary is determined based on factors such as the executive's position, experience, professional abilities, seniority, and industry standards. The bonus remuneration is linked to the company's operational goals and is divided into: (1) Financial Objectives: This includes the Company's revenue and profitability targets, with reference to the achievement rate of those targets. (2) Non-Financial Objectives: These involve the implementation of KPIs based on the company's annual operational objectives and the design of forward-looking goals.

The four major operational goals of the company are:

i. Continuous growth in sales
ii. Enhancement of product performance
iii. Acceleration of product development
iv. Sustainable corporate management

Executive performance is assessed based on the above goals and their contributions to the overall company operations. This is periodically reviewed considering actual business conditions and relevant regulations. Recommendations are made by the Compensation and Remuneration Committee and submitted to the Board of Directors for approval.

(B) The Procedures for Setting Remuneration

The performance evaluations and compensation fairness for the Company's directors and executives are annually assessed and reviewed by the Compensation and Remuneration Committee and the Board of Directors. In addition to considering individual performance achievement and contributions to the company, the evaluation also takes into account the Company's overall operational performance, industry risks, and future development trends. The compensation system is regularly reviewed and adjusted based on actual business conditions and relevant regulations to ensure reasonable remuneration. The actual amount of compensation distributed to directors and executives each year is reviewed by the Compensation and Remuneration Committee and approved by the Board of Directors.

(C) Correlation with Business Performance and Future Risks.

a. The Company's compensation policy and related payment standards are reviewed primarily based on the company's operational status. The payment standards are determined according to performance achievement and contributions, with the goal of enhancing the effectiveness of the Board of Directors and the management team. Additionally, industry standards are referenced to ensure that the compensation for the company's management team is competitive within the industry, helping to retain talented management personnel.

b. The Company's management team sets individual risk controls based on financial and non-financial goals and manages and mitigates risks within their respective responsibilities. The compensation is linked to the evaluation results based on actual performance. When making important decisions, the management team fully considers various risk factors to ensure the stability of the decisions. Furthermore, the compensation of the management team is closely tied to their performance in risk management, which promotes the Company's stable operations and sustainable development.

3. Corporate Governance Operations

(1) Board of Directors' Operations

The Board of Directors of the Company held 5 meetings in the 2025 and up to the date of publication of this annual report for 2026 (A). The attendance of the directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	x In-person attendance rate (%) 【 B / A 】	Remarks
Chairman	Cheng-Teng Hsu	5	0	100%	-
Vice Director	Sheng-Chuan Cheng	5	0	100%	-
Director	Representative: Chun-Mu Huang Bai Jue Investment Limited	4	1	80%	-
Director	Representative: Jane SC Tsai Bo Bang Capital Co., Ltd.	4	0	100%	Note 1
	Representative: Hui-Jin Zeng Bo Bang Capital Co., Ltd.	1	0	100%	Note 1
Director	Representative: Yuh-Geng Tsay Vivo Panda Fund, L.P.	4	1	80%	-
Independent Director	Shao-Hua Wang	5	0	100%	-
Independent Director	Yu-Hsiang Wang	5	0	100%	-
Independent Director	Chieh-Hsiao Chen	5	0	100%	-
Independent Director	Tien-Tai Chou	5	0	100%	

Note 1:The institutional director, Bo Bang Capital Co., Ltd., reassigned Jane S.C. Tsai as its representative on May 12, 2025. Accordingly, Director Jane S.C. Tsai was required to attend four meetings, while the former representative of the institutional director, Hui-Jin Zeng, was required to attend one meeting.

Other Matters to be Disclosed:

1. If any of the following circumstances occur in the operation of the Board of Directors, the date, session, content of the proposal, all independent directors' opinions, and the company's handling of the independent directors' opinions should be stated:

(1) Matters approved by the 6th Board of Directors of the Company (including matters listed under Article 14-3 of the Securities and Exchange Act):

Board of Directors	Content of Proposals	Opinions of All Independent Directors and the Company's Handling of These Opinions
2025.02.24 the 6th meeting of the 6th term	■ Approved the distribution of employee compensation and director remuneration for 2024. ■ Approved the 2024 business report and financial statements. ■ Approved the profit distribution proposal for 2024. ■ Approved the distribution of profits in cash for 2024. ■ Approved the capital increase through profit capitalization and the issuance of new shares using capital reserves. ■ Approved the definition of entry-level employees. ■ Approved the proposal to issue the “Internal Control System Statement” for 2024, affirming that the internal control system design and execution were effective.	No such situation.

	■ Approved the appointment of the auditor, evaluation of their independence, and auditor's public expenses. ■ Approved the pre-approval for the signing of engagements with auditors, their firms, and related entities to provide non-assurance services to the Company and its subsidiaries. ■ Approved the amendment to the Company's "Articles of Incorporation". ■ Approved the amendments to the Company's various management guidelines. ■ Approved the remuneration for the 6th -term independent directors. ■ Approved the arrangement for convening the Company's 2025 shareholders' annual meeting.	
2025.05.12 the 7th meeting of the 6th term	■ Approved the consolidated financial report for Q1 of 2025. ■ Approved the proposed renewal of the credit facility with First Bank. ■ Approved the proposed renewal of the credit facility with Chang Hwa Bank.	No such situation.
2025.08.06 the 8th meeting of the 6th term	■ Approved the consolidated financial report for Q2 of 2025. ■ Approved the Company's 2024 Sustainability Report. ■ Approved the organizational restructuring of the Company. ■ Approved the setting of the ex-rights record date and related matters. ■ Approved the appointment of the Vice Chairman. ■ Approved the amendments to the Company's "Corporate Governance Best Practice Principles."	No such situation.
2025.11.10 the 9th meeting of the 6th term	■ Approved the consolidated financial report for Q3 of 2025. ■ Approved the Company's Audit Plan for 2026. ■ Approved the proposal of the Company's budget for 2026. ■ Approved the year-end bonuses for managers for 2025. ■ Approved the compensation of the Company's managers. ■ Approved the amendments to various internal management policies of the Company.	No such situation.
2026.03.03 the 10 meeting of the 6th term	■ Approved the distribution of employee compensation and directors' remuneration for 2025. ■ Approved the Company's 2025 Business Report and Financial Statements. ■ Approved the profit distribution proposal for 2025. ■ Approved the distribution of profits in cash for 2025. ■ Approved the capital increase through profit capitalization and the issuance of new shares using capital reserves. ■ Approved the definition of entry-level employees. ■ Approved the organizational restructuring of the Company. ■ Approved the appointment of managers. ■ Approved the proposal to issue the "Internal Control System Statement" for 2025, affirming that the internal control system design and execution were effective. ■ Approved the appointment of the auditor, evaluation of their independence, and auditor's public expenses. ■ Approved the pre-approval for the signing of engagements with auditors, their firms, and related entities to provide non-assurance services to the Company and its subsidiaries. ■ Approved the Company's Sustainability Chapter. ■ Approved the amendments to various management policies of the Company and its subsidiary, Bonraybio (Sichuan) Co., Ltd. ■ Approved the lifting of non-compete restrictions for directors and their representatives. ■ Approved the arrangement for convening the Company's 2026 shareholders' annual meeting.	No such situation.

(2) Except for the aforementioned matters, there are no board resolutions with recorded or written statements of opposition or reservations from independent directors.

2. Regarding the implementation of the avoidance of conflicts of interest by directors for related party matters, the following should be stated: the names of the directors, the content of the proposal, the reason for the conflict of interest avoidance, and their participation in the voting:

Board of Directors	Conflict of Avoiding Interest Proposal Content	Reason for Avoiding Conflict of Interest	Interested Parties	Voting Result
2025.02.24 the 6th meeting of the 6th term	■ Approved the distribution of employee compensation and director and supervisor remuneration for 2024	Party involved	All current directors.	This proposal, except for the parties involved who recused themselves individually due to conflicts of interest as required by regulations, was approved after the Chairman and the Vice Chairman consulted with the other attending directors and received their consent to proceed as proposed.
	■ Approved the compensation for the 6th-term independent directors.	Party involved	Chieh-Hsiao Chen Yu-Hsiang Wang Shao-Hua Wang Tien-Tai Chou	This proposal, except for the parties involved who recused themselves due to conflicts of interest as required by regulations, was approved after the Chairman consulted with the other attending directors and received no objections.
2025.08.06 the 8th meeting of the 6th term	■ Approved the appointment of the Vice Chairman.	Party involved	Sheng-Chuan Cheng	This proposal, except for the parties involved who recused themselves due to conflicts of interest as required by regulations, was approved after the Chairman consulted with the other attending directors and received no objections.
2025.11.10 the 9th meeting of the 6th term	■ Approved the year-end bonuses for managers for 2025.	Party involved	Cheng-Teng Hsu	This proposal, except for the parties involved who recused themselves due to conflicts of interest as required by regulations, was approved after the Vice Chairman consulted with the other attending directors and received no objections.
	■ Approved the Company's executive compensation proposal.	Party involved	Cheng-Teng Hsu	This proposal, except for the parties involved who recused themselves due to conflicts of interest as required by regulations, was approved after the Vice Chairman consulted with the other attending directors and received no objections.
2026.03.03	■ Approved the distribution of employee compensation and	Party involved	All current directors.	This proposal, except for the parties involved who

the 10 meeting of the 6th term	directors' remuneration for 2025.			recused themselves individually due to conflicts of interest as required by regulations, was approved after the Chairman and the Vice Chairman consulted with the other attending directors and received their consent to proceed as proposed.
	■ Approved the lifting of non-compete restrictions for directors and their representatives.	Party involved	Jane SC Tsai Yu-Hsiang Wang Tien-Tai Chou	This proposal, except for the parties involved who recused themselves due to conflicts of interest as required by regulations, was approved after the Chairman consulted with the other attending directors and received no objections.

3. TWSE/TPEx Listed Companies should disclose information regarding the Board of Directors' self-assessment (or peer evaluation), including the evaluation cycle and period, scope of evaluation, methods, and evaluation content. Additionally, the execution status of the board evaluation should be provided:
To implement corporate governance and enhance the functions of the Board of Directors, the Company approved the "Board of Directors Performance Evaluation Policy" on July 3, 2023. Starting from 2024, an internal evaluation is conducted at least once a year, and an external evaluation is expected to be carried out once every three years. In 2026, the 2025 performance of the Board of Directors and individual board members was evaluated using internal questionnaires. The execution status of the evaluation is shown in the table below:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Conducting once annually	Performance evaluation was the period from January 1, 2025, to December 31, 2025	Overall performance of Board of Directors	Board members' self-assessment	1. Level of involvement in the Company operations 2. Improvement of board decision-making quality 3. Board composition and structure 4. Selection and continuing education of directors 5. Internal control
Conducting once annually	Performance evaluation was the period from January 1, 2025, to December 31, 2025	Overall performance of Board members	Board members' self-assessment	1. Understanding of the Company goals and objectives 2. Awareness of directors' responsibilities 3. Level of involvement in the Company operations 4. Management and communication of internal relationships 5. Directors' expertise and continuing education 6. Internal control
Conducting once annually	Performance evaluation was the period from January 1, 2025, to December 31, 2025	Overall performance of Audit Committee	Independent directors' self-assessment	1. Level of involvement in the Company operations 2. Awareness of the Audit Committee's responsibilities 3. Improvement of the Functional Committee's decision-making quality 4. Composition and member selection of the Audit Committee 5. Internal control

Conducting once annually	Performance evaluation was the period from January 1, 2025, to December 31, 2025	Overall performance of Compensation and Remuneration Committee	Independent directors' self-assessment	1. Level of involvement in the Company operations 2. Awareness of the Compensation and Remuneration Committee's responsibilities 3. Improvement of the Compensation and Remuneration Committee’s decision-making quality 4. Composition and member selection of the Compensation and Remuneration Committee 5. Internal control

The overall performance average score of the Board of Directors for 2025 was 4.98 points (out of a maximum of 5 points).
The overall performance average score of the Board members for 2025 was 4.98 points (out of a maximum of 5 points).
The overall performance average score of the Audit Committee for 2025 was 4.99 points (out of a maximum of 5 points).
The overall performance average score of the Remuneration Committee for 2025 was 4.99 points (out of a maximum of 5 points).
The evaluation results were reported at the 10 meeting of the 6th Board of Directors on March 3, 2026.

4. The goals for strengthening the functions of the Board of Directors for the current and most recent year (such as establishing an audit committee, enhancing information transparency, etc.) and the evaluation of their implementation:
   (1) To enhance the Company's supervisory functions and strengthen the management mechanism, the company conducted a full re-election of 9 directors, including 4 independent directors, at the 2024 Annual General Meeting. An Audit Committee was established to replace the functions of the Supervisors. The Company also formulated the “Audit Committee Organization Regulations” and the “Audit Committee Operational Management Regulations.”
   (2) The Company has established the “Board of Directors Meeting Rules” and the “Board Performance Evaluation Regulations” to strengthen the functionality of the Board of Directors. The performance of the Board of Directors and its members for 2025 was evaluated in 2026.

(2) Audit Committee Operations

A. Audit Committee Operations

The Company established the Audit Committee on June 19, 2023. The second-term Audit Committee was re-elected on June 24, 2024. The committee is composed entirely of independent directors, with one member having financial expertise. The members serve a three-year term, which may be extended for up to three terms. According to the company's Audit Committee Charter, the committee meets at least once per quarter and may convene additional meetings as needed. Resolutions of the committee require the approval of more than half of the members.

The main objectives of the committee's work are to oversee the following matters:

(A) The fair presentation of the Company's financial statements.
(B) The appointment (or removal) of the certified public accountant, as well as their independence and performance.
(C) The formulation and effective implementation of the Company's internal controls.
(D) The Company's compliance with applicable laws and regulations.
(E) The management of existing or potential risks facing the Company.
(F) Matters specified under Article 14-5 of the Securities Exchange Act.

B. Attendance of the Audit Committee:

The Company's Audit Committee held 5 meetings in 2025 and up to the date of publication of this annual report for 2026 (A). The attendance of the independent directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A)	Remarks
Independent Director (Convener)	Tien-Tai Chou	5	0	100%	-
Independent Director	Chieh-Hsiao Chen	5	0	100%	-
Independent Director	Yu-Hsiang Wang	5	0	100%	-
Independent Director	Shao-Hua Wang	5	0	100%	-

C. Content of Audit Committee Proposals, Conflict of Interest Avoidance, Opinions or Recommendations, and Resolutions:

(A) The following is the information on the proposals discussed by the Audit Committee for the year 2025 and up to the date of publication of this annual report in 2026:

Audit Committee	Content of Proposals	Matters Listed Under Article 14-5 of the Securities Exchange Act	Reason for Avoiding Conflict of Interest	Resolution and Recommendations
2025.02.24 the 5th meeting of the 2nd term	■ Approved the business report and financial statements for 2024.	V	No such situation	Passed without objection
	■ Approved the profit distribution for 2024.	V	No such situation	Passed without objection
	■ Approved the distribution of earnings for 2024 in cash.	V	No such situation	Passed without objection
	■ Approved the proposal for capital increase from earnings and issuance of new shares through capital surplus.	V	No such situation	Passed without objection
	■ Approved the definition of entry-level employees.	V	No such situation	Passed without objection
	■ Approved the proposal to issue a "Statement on Internal Control System" for 2024, confirming the effectiveness of the internal control system.	V	No such situation	Passed without objection

Audit Committee	Content of Proposals	Matters Listed Under Article 14-5 of the Securities Exchange Act	Reason for Avoiding Conflict of Interest	Resolution and Recommendations
	■ Approved the appointment of auditors, independence assessment, and auditors' professional fees.	V	No such situation	Passed without objection
	■ Approved the pre-approval for the certification of accountants and their firms to provide non-assurance services to the company and its subsidiaries.	V	No such situation	Passed without objection
	■ Approved the revision of the Company's "Articles of Incorporation".	V	No such situation	Passed without objection
	■ Approved the revision of the Company's various management procedures.	V	No such situation	Passed without objection
2025.05.12 the 6th meeting of the 2nd term	■ Approved the consolidated financial report for Q1 of 2025.	V	No such situation	Passed without objection
2025.08.06 the 7th meeting of the 2nd term	■ Approved the consolidated financial report for Q2 of 2025.	V	No such situation	Passed without objection
	■ Approved the amendments to the Company's "Corporate Governance Best Practice Principles."	V	No such situation	Passed without objection
2025.11.10 the 8th meeting of the 2nd term	■ Approved the consolidated financial report for Q3 of 2025.	V	No such situation	Passed without objection
	■ Approved the Company's Audit Plan for 2026.	V	No such situation	Passed without objection
	■ Approved the proposal of the Company's budget for 2026.	-	No such situation	Passed without objection
	■ Approved the amendments to various internal management policies of the Company.	V	No such situation	Passed without objection
2026.03.03 the 9th meeting of the 2nd term	■ Approved the Company's 2025 Business Report and Financial Statements.	V	No such situation	Passed without objection
	■ Approved the profit distribution proposal for 2025.	V	No such situation	Passed without objection
	■ Approved the distribution of profits in cash for 2025.	V	No such situation	Passed without objection
	■ Approved the capital increase through profit capitalization and the issuance of new shares using capital reserves.	V	No such situation	Passed without objection
	■ Approved the definition of entry-level employees.	V	No such situation	Passed without objection
	■ Approved the proposal to issue the "Internal Control System Statement" for 2025, affirming that the internal control system design and execution were effective.	V	No such situation	Passed without objection
	■ Approved the appointment of the auditor, evaluation of their independence, and auditor's public expenses.	V	No such situation	Passed without objection
	■ Approved the pre-approval for the signing of engagements with auditors, their firms, and related entities to provide non-assurance services to the Company and its subsidiaries.	V	No such situation	Passed without objection
	■ Approved the amendments to various management policies of the Company and its subsidiary, Bonraybio (Sichuan) Co., Ltd.	V	No such situation	Passed without objection
	■ Approved the lifting of non-compete restrictions for directors and their representatives.	V	No such situation	Passed without objection

(B) Except for the aforementioned matters, there are no resolutions that were not approved by the Audit Committee but were agreed upon by more than two-thirds of all directors: No such matters.

D. Communication Between Independent Directors, Internal Audit Supervisor, and Acountants:

(A) Communication with the Internal Audit Supervisor in 2025 and up to the date of publication of this annual report for 2026:

Audit Committee	Communication Issues	Communication Results	Suggestions
2025.02.24 the 5th meeting of the 2nd term	■ Proposed to issue the "Internal Control System Statement" for 2024, affirming that the internal control system design and execution were effective.	Passed without objection	No suggestions.
	■ Proposed the amendment of the Company's "Articles of Incorporation".	Passed without objection	No suggestions.
	■ Proposed the amendment of the Company's various management guidelines.	Passed without objection	No suggestions.
2025.08.06 the 7th meeting of the 2nd term	■ Proposed the amendments to the Company's "Corporate Governance Best Practice Principles."	Passed without objection	No suggestions.
2025.11.10 the 8th meeting of the 2nd term	■ Proposed the 2026 audit plan.	Passed without objection	No suggestions.
	■ Proposed the amendments to various internal management policies of the Company.	Passed without objection	No suggestions.
2026.03.03 the 9th meeting of the 2nd term	■ Proposed to issue the "Internal Control System Statement" for 2025, affirming that the internal control system design and execution were effective.	Passed without objection	No suggestions.
	■ Proposed the amendments to various management policies of the Company and its subsidiary, Bonraybio (Sichuan) Co., Ltd.	Passed without objection	No suggestions.

(B) Communication with the Accountants in 2024 and up to the date of publication of this annual report for 2025:

Audit Committee	Communication Issues	Communication Results	Suggestions
2025.02.24 the 5th meeting of the 2nd term	■ The accountant provided an explanation on the audit of the Company's 2024 business report and financial statements.	Passed without objection	No suggestions.
	■ The accountant provided an explanation on their independence assessment and public expenses.	Passed without objection	No suggestions.
	■ The accountant provided an explanation on the non-assurance services provided by their firm and affiliated entities to the Company and its subsidiaries.	Passed without objection	No suggestions.
2025.05.12 the 6th meeting of the 2nd term	■ The accountant provided an explanation on the review of the Company's Q1 2025 consolidated financial report.	Passed without objection	No suggestions.
2025.08.24 the 7th meeting of the 2nd term	■ The accountant provided an explanation on the audit of the Company's Q2 2025 consolidated financial report.	Passed without objection	No suggestions.
2025.11.10 the 8th meeting of the 2nd term	■ The accountant provided an explanation on the review of the Company's Q3 2025 consolidated financial report.	Passed without objection	No suggestions.
2026.03.03 the 9th meeting of the 2nd term	■ The accountant provided an explanation on the audit of the Company's 2025 business report and financial statements.	Passed without objection	No suggestions.
	■ The accountant provided an explanation on their independence assessment and public expenses.	Passed without objection	No suggestions.
	■ The accountant provided an explanation on the non-assurance services provided by their firm and affiliated entities to the Company and its subsidiaries.	Passed without objection	No suggestions.

(3) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has established and obtained approval from the Board of Directors for the "Corporate Governance Best Practice Principles," which has been disclosed on the company's official website.	No significant deviation.
2. Shareholding Structure and Shareholders' Rights				
(1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		The Company has established a spokesperson and deputy spokesperson system to record and address shareholder suggestions, concerns, and disputes.	No significant deviation.
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		The Company's daily shareholder affairs are handled by a professional shareholder services agency, with dedicated personnel responsible for managing related matters. The company also keeps track of the list of major shareholders and ultimate controllers of the Company. Additionally, the Company's official website discloses the list of the top ten shareholders.	No significant deviation.
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		1. The Company has established the "Subsidiary Supervision Management Guidelines" and the "Group Enterprises, Related Parties, and Specific Person Transaction Procedures" for transactions with related enterprises, and internal auditors regularly conduct audits. 2. The Company has assigned cybersecurity personnel to implement a firewall mechanism to block unauthorized external connections.	No significant deviation.
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		The Company has established the "Measures to Prevent Insider Trading." In addition to being posted on the Company's official website, the company conducts irregular annual awareness campaigns for employees and insiders to prohibit insider trading. In September and October 2025, the Company conducted awareness programs on the prohibition of insider trading and its related practices.	No significant deviation.
3. Composition and responsibilities of the board of directors				
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		The composition of the Board of Directors emphasizes diversity. Board members possess expertise across business management, the biotechnology and healthcare industry, financial accounting, legal affairs, marketing, and sustainable development. They collectively demonstrate the knowledge, skills, and professional competence required to perform their duties, along with extensive experience in management and operational decision-making, thereby leading the Company to maximize shareholder value. For further details, please refer to the "Board Diversity and Independence" section of this Annual Report.	No significant deviation.

Evaluation item		Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
		Yes	No	Summary description	
(2)	Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		V	The Company has established a Compensation Committee and an Audit Committee in accordance with the law. Currently, no other functional committees have been established, but the company will evaluate the need for additional committees in the future.	Planning stage.
(3)	Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		The Company has established the “Board of Directors Performance Evaluation Guidelines” and conducts an annual evaluation of the board's performance. The results of the performance evaluation are reported to the board and used as a reference for individual director compensation and the nomination for reappointment.	No significant deviation.
(4)	Does the Company regularly evaluate its external auditors’ independence?	V		The Company regularly evaluates the independence of the certified public accountants (Note 1) and the audit quality indicators (AQIs) (Note 2) provided by the accountants every year. The evaluation results are submitted to the Audit Committee for review and approval, and then reported to the Board of Directors for resolution and approval. In the 2026 fiscal year, the independence and qualifications of the certified public accountants were approved by the Board of Directors on March 3, 2025.	No significant deviation.
4.	Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		The Company established the position of Corporate Governance Officer, which was approved by the Board of Directors on March 18, 2024. Currently, the Vice President of the Finance and Administration Department is responsible for corporate governance-related matters.	No significant deviation.
5.	Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important corporate social responsibility issues?	V		The Company has set up a stakeholder section on its official website, providing multiple communication channels. Dedicated personnel are assigned to respond to the concerns of stakeholders and record these issues for regular reporting to the Board of Directors. In accordance with regulations, the company uploads relevant information to the Market Observation Post System (MOPS), ensuring that stakeholders have sufficient information to make informed decisions and protect their interests.	No significant deviation.
6.	Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company has appointed First Securities Inc. Shareholder Services Department to handle related matters.	No significant deviation.
7.	Information Disclosure				

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		The Company has an official website that provides information about its business operations and corporate governance. In accordance with regulations, financial, business, and corporate governance information is disclosed on the Market Observation Post System (MOPS).	No significant deviation.
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		Since its public offering, the Company has complied with the regulations of the competent authorities and relevant laws regarding the announcement and filing of various information. The Company has designated personnel responsible for collecting company information and has implemented a spokesperson and deputy spokesperson system in accordance with regulations.	No significant deviation.
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		The Company currently announces and files financial reports and monthly operational updates within the statutory timeframes, as required by regulations.	No significant deviation.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		1.Employee Rights**:** The Company complies with the Labor Standards Act and relevant laws to ensure the rights and benefits of employees. Regular labor-management meetings are held to establish effective communication channels between labor and management, and regular employee health check-ups are conducted. In alignment with the company's goals, business plans, and the overall development of employee capabilities, a variety of training programs are provided. The company values the quality of employee training and, in 2022, passed the Talent Development Quality Management System (TTQS) evaluation for business organizations, conducted by the Ministry of Labor's Workforce Development Agency. This reflects the company's commitment and effectiveness in training. Each year, diverse courses are arranged for employees to choose from, helping them develop their skills, accumulate knowledge, and cultivate diverse interests. 2.Employee Welfare: The Company has established an Employee Welfare Committee, which provides various subsidies for marriage, bereavement, celebrations, and childbirth. Additionally, the company organizes regular gatherings, travel activities, birthday parties, and festive events to promote the physical and mental well-being of employees, enhance interaction and emotional bonds among employees. 3.Investor Relations: The Company has implemented a spokesperson system responsible for communication with external parties. The company regularly discloses financial information on the Market Observation Post System and the Company's official website for investors to reference and evaluate. 4.Supplier Relations: The Company regularly evaluates its suppliers and maintains long-term, strong cooperative relationships with them. 5.Stakeholder Rights: To protect the rights of stakeholders, the company has established various	No significant deviation.

Evaluation item	Implementation status: Yes	Implementation status: No	Implementation status: Summary description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
			effective and smooth communication channels. Upholding the principles of integrity and responsibility, the company appropriately handles stakeholder concerns and has set up a dedicated stakeholder section on its official website. 6. Director Continuing Education: All directors of the company have completed continuing education and reporting in accordance with relevant regulations. 7. Risk Management Policy and Risk Measurement Standards Implementation: (1) Risk Management Organizational Structure The company's risk management is overseen by the Board of Directors as the highest management and decision-making body. The Board approves risk management policies and procedures based on the Company's business strategies and industry environment. Currently, the Vice President of the Finance and Administration Division is responsible for sustainability matters, and management at all levels, along with employees, are involved in promoting and implementing risk management. At least once a year, a comprehensive report on overall risk analysis, prevention, monitoring, and major risk control issues is submitted to the Board. (2) Risk Management Policies and Procedures In 2023, the Company's Board of Directors approved the "Risk Management Practices Code." The Board, management at all levels, and employees collectively participate in its implementation. The company regularly identifies significant risks related to operations each year, appropriately evaluates and controls potential risks, and uses the results to inform business strategy formulation. (3) Risk Management Scope Risk management primarily involves identifying the risks that may be faced during operations. To effectively control various risk factors, the company has broadly classified and defined the following: A. Financial Risks**:** Risks to the Company's financial and business performance due to factors such as domestic and international economic conditions, industry changes, interest rates, exchange rates, and credit risks. B. Operational Risks**:** Risks that affect the Company's normal operations, including customer rights, medical device safety, procurement, supply chains, trade secrets, intellectual property rights, and talent recruitment and training. C. Strategic Risks: Risks related to business strategies, such as legal regulations, product development and market introduction, and marketing and market-related risks. D. Health and Safety Risks**:** Risks from internal and external factors that could endanger employee health and safety, leading to company losses. E. Climate Change-Related Risks: Risks from physical impacts of climate change (e.g., floods, droughts) due to global warming, which create operational pressures and shocks for businesses. Additionally, risks from government regulations and international initiatives to increase the use of renewable energy, leading to higher costs (e.g., higher electricity prices in Taiwan due to increased renewable energy use).	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			F. Other Risks (4) Risk Measurement Standards Implementation The Company evaluates and analyzes significant proposals related to operational policies, investment projects, guarantees, loans, and bank financing by the appropriate departments. These proposals are then consolidated by the Finance and Administration Division, submitted to the Audit Committee for approval, and subsequently forwarded to the Board for resolution and execution. The Audit Department prepares the annual audit plan based on the risk assessment results and submits it to the Audit Committee and the Board for approval. The Audit Department reports quarterly audit findings, audit recommendations, and subsequent improvements to the Audit Committee and the Board. The Audit Department consolidates the internal control assessments and audit results from various departments, with no significant internal control failures found for 2025. The effective internal control system assessment for 2025 was submitted to and approved by the Audit Committee and the Board. Through the oversight of the Audit Committee and the Board, the company effectively manages the execution of various risk management measures, ensuring compliance and minimizing non-compliance risks. (5) Operational Status The company reports its operational status to the Board at least once a year. On March 3, 2026, the following matters were reported to the Board: A. 2026 Risk Management Execution Report and Sustainability Development Plan B. The Audit Department prepares the annual audit plan based on the risk assessment results, reports quarterly audit findings, audit recommendations, and subsequent improvements to the Audit Committee and the Board. No significant internal control failures were found for 2025, and the internal control declaration for the effective internal control system for 2025 was submitted to and approved by the Audit Committee and the Board on March 3, 2026. 8. Customer Policy Implementation: The Company maintains stable and good relationships with customers to generate profits for the Company. 9. Director Liability Insurance: The Company has purchased director and officer liability insurance for all directors and key personnel of the 6th term, with the insurance period from July 1, 2025, to July 1, 2026. The coverage amount is USD 1.5 million. 10. Intellectual Property Management Plan: Bonraybio places great importance on the operation of its intellectual property. Whenever the R&D team comes up with new technological ideas or inspirations, after initial experiments and trials confirm feasibility, the intellectual property officer conducts a patent search to investigate the technical status. This includes confirming two major indicators: Freedom-To-Operate (FTO): Ensuring that the technology does not infringe on existing patents and can be implemented without risk.	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			Patentability: Ensuring that the technology has not been disclosed in prior cases, increasing the likelihood of patent approval. If the technology has Freedom-To-Operate, it proceeds to subsequent product development, manufacturing, and sales. Further, if the technology is patentable, patent applications are made for the major global markets (such as Taiwan, Mainland China, the United States, and Europe) to secure patent protection for the new technology. The Company has established an "Intellectual Property Management Procedure" to protect operations and enhance corporate value. Additionally, through a review mechanism within the operational units, the company reduces the risk of infringement and respects others' intellectual property. The Company reports relevant matters to the Board of Directors at least once a year. The report for 2026 is expected to include the following: (1) Patent Acquisition Results: As of the publication date of the annual report, the Company has filed a total of 130 patents worldwide, of which 111 have been granted, and 19 are still under application. (2) Trademark Registration Results: As of the publication date of the annual report, the Company has filed a total of 120 trademarks worldwide, of which 101 have been granted, and 19 are still under application. (3) Trade Secret Protection Results: The company has implemented the "Intellectual Property Management Procedure," requiring customers, suppliers, and other relevant parties to sign non-disclosure agreements. Additionally, new employees sign labor contracts that include confidentiality obligations and responsibilities. (4) Patent Rights Status for 2025: As of the publication date of the annual report, there are no issues regarding parental rights for newly acquired patents in 2025. 11. Privacy Policy: The Company places great emphasis on privacy rights and has designated the Finance and Accounting Management Division as the responsible unit to ensure compliance with all relevant privacy and personal data protection laws in Taiwan. To safeguard personal privacy, the company has established a Personal Data Protection Management Regulation and regularly promotes personal data protection awareness and practices among all employees. The regulation outlines how the company collects, processes, and utilizes personal data. In addition to committing not to disclose any personally identifiable information to third parties, individuals also have the right, in accordance with Article 3 of the Personal Data Protection Act, to request access, review, copy, supplement, correct, suspend the collection/processing/use, or delete their personal data. In 2025, there were 0 incidents of personal data breaches. In 2025, there were 0 requests from individuals for their personal data.	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. The Company was officially listed on December 6, 2024, and participated for the first time in the 12th Corporate Governance Evaluation in 2025. The Company has proactively conducted a self-assessment based on the evaluation criteria, identified areas that have yet to meet the standards, and designated responsible personnel to formulate and implement improvement measures, with the aim of further enhancing the quality of corporate governance.				

Note 1: Accountant Independence Assessment Table

No.	Evaluation Item	Evaluation Result	Compliance with Independence
1	Does the accountant have a direct or significant indirect financial interest in the Company?	No	Yes
2	Does the accountant have any financing or guarantee activities with the Company or its directors?	No	Yes
3	Does the accountant have any close business relationships or potential employment relationships with the Company?	No	Yes
4	Did the accountant or any member of the audit team hold any position as a director, manager, or any other role with significant influence on the audit work during the audit period?	No	Yes
5	Has the accountant provided any non-audit services that could directly affect the audit work for the Company?	No	Yes
6	Has the accountant acted as an intermediary for the Company in issuing stocks or other securities?	No	Yes
7	Has the accountant acted as the Company's defense counsel or represented the company in resolving conflicts with other third parties?	No	Yes
8	Does the accountant have any familial relationships with the Company's directors, managers, or personnel with significant influence on the audit work?	No	Yes

Note 2: The appropriateness of the audit quality indicators (AQIs) for the auditor is evaluated based on five main dimensions and thirteen indicators, as listed below:

	Professionalism	Quality Control	Independence	Supervision	Innovation Capability
Dimensions	1. Audit experience 2. Training hours 3. Turnover rate 4. Professional support	1. Auditor workload 2. Audit investment 3. Engagement Quality Control Review (EQCR) 4. Quality control support capabilities	1. Non-audit services paid by the client 2. Client familiarity	1. External inspection deficiencies and sanctions 2. Regulatory authority's improvement letters	1. Initiatives or plans to improve audit quality in the past three years or upcoming plans
Evaluation Results	Meets industry standards	Meets industry standards	Meets independence requirements	No deficiencies or areas for improvement in the past two years	Plans are formulated and implemented.

(4) If the Company has established a Remuneration Committee or a Nomination Committee, it should disclose the composition and operation of these committees.

A. Information on Remuneration Committee Members

Title	Name	Professional qualifications and experience	Independence analysis	Relevant Work Experience	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (convener)	Yu-Hsiang Wang	The Company’s Compensation Committee is composed of all four independent directors. For information regarding the professional qualifications, experience, and independence of the committee members, please refer to the “Disclosure of Professional Qualifications and Independence of Independent Directors” section in this annual report.		Over 20 years	3
Independent Director	Shao-Hua Wang			Over 30 years	0
Independent Director	Chieh-Hsiao Chen			Over 20 years	0
Independent Director	Tien-Tai Chou			Over 20 years	0

B. The Operation of the Remuneration Committee:

The Company established the Remuneration Committee on August 7, 2023. The committee is composed of all independent directors, including professionals such as accountants, lawyers, and individuals with relevant experience in the Company's business operations. According to the company's Remuneration Committee Organization Regulations, the committee shall meet at least twice a year and may convene additional meetings as necessary. Decisions made by the committee require the agreement of more than half of the total members.

The main objectives of the Committee's work are as follows:

(A) To establish and regularly review the performance evaluation criteria for the Company's directors and executives, as well as the annual and long-term performance goals, and to determine the policies, systems, standards, and structure for compensation and remuneration.

(B) To regularly assess the performance of the Company's directors and executives in achieving their performance goals, and based on the evaluation results derived from the performance evaluation criteria, determine the content and amount of their individual compensation and remuneration.

C. Attendance of the Remuneration Committee:

The Company’s Remuneration Committee consists of 4 members, with the current term of office running from June 24, 2024, to June 23, 2027. From the fiscal year 2025 to the publication date of the 2026 annual report, the Compensation Committee held 3 meetings (A). The attendance of independent directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A)	Remarks
Independent Director	Yu-Hsiang Wang	3	0	100%	-
Independent Director	Chieh-Hsiao Chen	3	0	100%	-
Independent Director	Shao-Hua Wang	3	0	100%	-
Independent Director	Tien-Tai Chou	3	0	100%	-

D. Content of Compensation and Remuneration Committee Proposals, Conflict of Interest, Opinions or Recommendations, and Resolutions:

(A) The following is the information on the proposals discussed by the Compensation and Remuneration Committee for 2025 and up to the date of this annual report for 2026:

Compensation and Remuneration Committee	Content of Proposals	Reason for Avoiding Conflict of Interest	Resolution and Recommendations
2025.2.24 the 2nd meeting of the 2nd term	■ Approved the distribution of employee compensation and director remuneration for 2024.	No such situation	Passed without objection
	■ Approved the remuneration for the 6th-term independent directors.	Recusal based on personal conflicts of interest	Passed without objection
2025.11.10 the 3rd meeting of the 2nd term	■ Approved the Company's year-end bonuses for managers for 2025..	No such situation	Passed without objection
	■ Approved the compensation of the Company's managers.	No such situation	Passed without objection
2026.3.3 the 4th meeting of the 2nd term	■ Approved the distribution of employee compensation and directors' remuneration for 2025.	No such situation	Passed without objection
	■ Approved the Company's Sustainability Chapter.	No such situation	Passed without objection

(B) If the Board of Directors does not adopt or amend the recommendations of the Compensation and Remuneration Committee, it should specify the board meeting date, period, the content of the proposal, the resolution result, and how the opinions of the Compensation and Remuneration Committee were handled: No such case.

(C) For any resolutions made by the Compensation and Remuneration Committee, if any member has opposing or reserved opinions, and such opinions are recorded or provided in writing, it should specify the committee meeting date, period, the content of the proposal, and how the opinions of all members were handled: No such case.

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companiesand the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The Company has adopted the **"**Sustainable Development Practice Guidelines" approved by the Board of Directors in 2023 and has implemented specific actions related to corporate social responsibility. The Vice President of the Finance and Administration Division is responsible for managing sustainable development matters, with the Chairman and CEO serving as the highest responsible authority. Based on the operational significance, sustainability matters are linked to the functions of various departments, with department-level managers assuming responsibility for setting objectives for each issue. These managers lead the execution teams and foster cross-departmental collaboration. Progress is reported annually. Sustainable development matters include regular reviews and reports on implementation effectiveness and improvement directions. At least once a year, the company presents the sustainability progress and future work plans to the Board of Directors.	No significant deviation.
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		The Company has established the "Risk Management Practice Guidelines" and the "Sustainable Development Practice Guidelines"**,** both of which were approved by the Board of Directors and are published on the company's official website and the Market Observation Post System for public reference. The corporate governance officer assesses ESG-related risks based on the company's operational activities and goals and provides at least an annual report to the Board of Directors.	No significant deviation.
3. Environmental Issues				
(1) Has the Company set an environmental management system designed to industry characteristics?	V		The Company is in the medical device industry. Although the production process of our existing products does not cause major environmental pollution, we are committed to sustainable development and environmental protection. We have established the "Sustainable Development Practice Guidelines", which are published on our official website, and we adhere to relevant domestic environmental, health, and safety regulations.	No significant deviation.
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		The Company is committed to preserving Earth's resources and protecting environmental health. In addition to daily activities such as reducing office waste, conserving paper, and recycling resources, we have also gradually transitioned our product packaging from plastic materials to paper.	No significant deviation.
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		The Company has assessed the potential risks and opportunities of climate change for both the present and future, conducted by department-level managers and the management team, and has planned corresponding response measures.	No significant deviation.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companiesand the Reasons
	Yes	No	Summary description	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		The Company has compiled statistics on its greenhouse gas emissions, water consumption, and total waste generation over the past two years, which have been disclosed on its official website. Relevant targets and management policies have also been established.	No significant deviation.
4. Social Issues				
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		The Company complies with all relevant labor regulations and provides labor and health insurance, as well as contributing to labor retirement funds, to ensure the rights and benefits of our employees. Additionally, we offer group accident insurance and other commercial insurance for all employees. These are fully outlined in our personnel management regulations.	No significant deviation.
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		The Company has established and implemented reasonable employee welfare measures and provides appropriate rewards and compensation based on business performance.	No significant deviation.
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		In accordance with the Occupational Safety and Health Act**,** the Company promotes labor safety and health initiatives to prevent occupational hazards and ensure the safety and health of employees. We regularly conduct safety awareness training for employees and implement fire safety drills. Additionally, we schedule periodic health check-ups for all employees to maintain their safety and well-being. As of the date of issuance of this Annual Report, the Company has recorded zero fire incidents, with zero casualties or injuries. In addition to regularly promoting emergency evacuation routes and the locations of fire extinguishers, the Company conducted related awareness activities in October 2025 and held a self-defense fire safety drill on November 20 of the same year.	No significant deviation.
(4) Has the Company established effective career development training programs for employees?	V		To enhance employees' professional skills, management knowledge, and core competencies, the Company has established the “Bonray Academy”. Each year, we carefully plan a variety of courses, covering professional skills training, management development, corporate culture learning, and other growth programs. In addition to mandatory courses for specific departments, other courses are available for employees to choose freely. The Human Resources Department records and evaluates the participation of each department. This program not only focuses on the comprehensive development of employees but also supports diverse career growth, enabling both individual and company growth.	No significant deviation.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companiesand the Reasons
	Yes	No	Summary description	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		Regarding customer health and safety, privacy, marketing, and labeling of products and services, in addition to complying with relevant regulations and international standards, the following measures are also in place: 1. The Company has established a Customer Service Management Procedure to handle and resolve customer complaints and protect customer rights. Customers can also provide feedback through the complaint hotline: (04) 2491-2385#260 or by email: ir@bonraybio.com. 2. Our company has purchased product liability insurance to safeguard consumer rights. 3. Our company has established a Personal Data Protection Management Policy. When collecting personal data, we inform individuals of their rights in advance and strictly control the data collection units to ensure that personal data is not handled or used improperly. In 2025, there were 0 incidents of personal data breaches.	No significant deviation.
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		The Company has established a Supplier Management Policy, which requires suppliers to comply with government regulations and adhere to all relevant standards. In the event of violations of these regulations, our company will consider suspending or terminating business relations with the supplier.	No significant deviation.
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		The Company has prepared a sustainability report in accordance with international reporting standards and guidelines (such as GRI and SASB) and has disclosed it on the website and the Market Observation Post System (MOPS). We expect to release a sustainability report verified by a third party in 2028.	The Company also plans to engage a third party to conduct assurance in 2028.

6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company’s operations: No deviation.

7. Other important information to facilitate better understanding of the Company’s promotion of sustainable development:
   The Company values governance, social responsibility, and environmental sustainability standards. The detailed policies and implementation status are as follows:
   (1) Sustainable Development - Human Rights Policy:
   To fulfill our corporate social responsibility and safeguard the basic human rights of all employees and stakeholders, our company voluntarily adheres to international standards, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization (ILO) Conventions**.** We respect internationally recognized basic human rights and comply with Taiwan's labor laws. Based on the principles outlined in these standards, we have developed our Human Rights Policy.
   Considering the nature and operations of our business, the following human rights issues and policies are of concern:
   (A) Diversity, Inclusion, and Equal Opportunity:
   We ensure there is no unfair or discriminatory treatment based on gender, race, socio-economic status, nationality, age, marital status, family situation, language, religion, political affiliation, appearance, height, or physical/mental disabilities.
   (B) Prohibition of Forced and Compulsory Labor:
   We respect the will of our employees and prohibit forced labor in any form.
   (C) Child Labor Prohibition:
   In compliance with government labor regulations, the Company does not employ child labor.
   (D) Health and Safety in the Workplace:

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companiesand the Reasons
	Yes	No	Summary description	

We are committed to providing a safe and healthy work environment, reducing workplace health and safety risks collaboratively, promoting employees' physical and mental well-being, and achieving a work-life balance.

(E) Implementation of Information Security:
To respect the privacy rights of stakeholders and ensure the lawful collection and use of personal data, our company adheres to personal data protection laws and our internal privacy management regulations. We have established a comprehensive information security management system to control data access and prevent data breaches.

(F) Human Rights Policy Implementation Status:

Item	Implementation Status
Diversity, Inclusion, and Equal Opportunity	1. The Company ensures no discrimination based on gender, race, age, marital status, family situation, or other factors in hiring practices. Employees in the same position receive equal pay regardless of gender, and all employees are protected by the Labor Standards Act. Female Diversity Indicators: Indicator / Percentage Female Employee Proportion: 58.2% Female Proportion of Supervisors: 50.0% Pay Equality Indicator / Percentage Difference in Average Pay Between Genders: 33.4% Difference in Median Pay Between Genders: 41.0% 2. The Company strictly complies with the Disability Rights Protection Act to hire employees with disabilities who are capable of work. All such employment complies with legal regulations. Currently, the Company employs one individual with a severe disability. In accordance with applicable regulations, this is counted as two individuals for quota purposes, representing 1.71% of the workforce.
Prohibition of Forced and Compulsory Labor	We strictly adhere to local labor laws, international standards, and our Human Rights Policy, respecting the will of employees and prohibiting forced labor. We have also established a grievance channel. Grievance Email: HR@bonraybio.com Grievance Hotline: (04) 2491-2385
Prohibition of Child Labor	The Company complies with labor regulations and respects internationally recognized labor rights principles, not employing child labor. In addition, for supply chain management, we evaluate whether potential suppliers comply with local labor laws, labor safety, and other related labor regulations before forming partnerships.
Health and Safety in the Workplace	We are committed to creating a safe and healthy work environment, collaboratively reducing health and safety risks in the workplace, promoting employees' physical and mental health, and achieving a balance between work and life. 1. The Company has established the Workplace Environment Management Regulations**.** 2. New employees are provided with information on sexual harassment prevention and the related complaint hotline, and posters about sexual harassment prevention are displayed in the workplace. No complaints were received in 2024 (as of the printing date of this report). 3. We promote a workplace-friendly environment and send out monthly educational themes to all employees via email. This program has been running without interruption since 2021.
Implementation of Information Security	To safeguard stakeholders' privacy, our company complies with the Personal Data Protection Act and our internal Personal Data Protection Management Regulations regarding the collection, processing, and use of personal data. We do not misuse customer data for unrelated marketing or promotional purposes.Additionally, we have established a robust IT system and equipment, implementing an information security management system to control data access and prevent data breaches. As of 2025 (up to the printing date of this report), there have been no incidents of personal data breaches.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companiesand the Reasons
	Yes	No	Summary description	
8.				

(6) Climate-Related Information of TWSE/TPEx Listed Company:

1. Implementation of Climate-Related Information

Items		Implementation Status
1.	Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	The Company's Board of Directors holds ultimate oversight responsibility for the consolidated entities' climate-related risks and opportunities. This oversight includes addressing the impact of climate change on the consolidated entities' business models and enhancing the effectiveness of the Company's climate-related risk management mechanisms. The Chairman and General Manager serves as the highest responsible officer for sustainability matters, and has delegated the coordination of related planning and execution to the Vice President of the Finance, Accounting, and Administration Division and his team. Based on the materiality of operations and in alignment with the functions of the Company's various departments, a first-level manager serves as the responsible manager. This individual sets objectives for each issue, leads the implementation by staff and facilitates cross-departmental collaboration, and conducts annual reviews and reports on implementation results and areas for improvement. At least once a year, the responsible manager reports to the Board of Directors on the results of sustainability initiatives and future work plans.
2.	Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short, medium, and long-term).	For more details, please refer to the attached "Sustainability Section."
3.	Describe the financial impact of extreme climate events and transformation actions.	**Financial Impact** Extreme weather events may cause supply chain disruptions or production shutdowns, affecting raw material supply and operational stability, and may lead to reduced revenue and increased operating costs. Additionally, to strengthen operational resilience, the Company may invest in backup power or disaster prevention equipment, thereby increasing capital expenditures and maintenance costs. **Transformation Actions** Implementing energy-saving, carbon-reduction, and green supply chain management initiatives, among other transformation actions, may result in increased equipment upgrade and management costs in the short term; however, in the long term, these actions can enhance energy efficiency, reduce operating costs, and help improve market competitiveness.
4.	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Sustainable Development Team and management at all levels review historical events and current conditions, and consider projections for future scenarios to identify, assess, prioritize, and monitor climate-related risks and opportunities. The specific process is as follows: a. Identification: Each year, through cross-departmental collaboration and by integrating industry trends, policy changes, and internal operational data, we identify climate-related risks that may impact the company. b. Assessment and Scenario Analysis: Following identification, the Sustainable Development Team conducts qualitative and quantitative risk assessments and evaluates potential impacts under different policy and climate pathways through climate scenario analysis. c. Prioritization and Response Plan Development: Based on the results of the risk assessment, high-risk items are identified, and corresponding response strategies are formulated. d. Monitoring and Improvement: A monitoring system is established to track changes in risk indicators and the effectiveness of response measures.
5.	If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	We have examined the physical and transition risks we may face under the five climate scenarios outlined in the IPCC AR6 (SSP1, SSP2, SSP3, SSP4, and SSP5), and analyzed the potential financial impacts of climate risks. The scenario descriptions, results of the transition and physical risk assessments, and the response measures taken are as follows: 1.Scenario Overview and Assumptions Scenario: SSP1-2.6 Overview: Sustainable development path with rapid global carbon reduction, limiting temperature rise to within 1.5–2℃. Key Assumptions: Strict carbon reduction policies, rising carbon fees, rapid technological transition, and enhanced ESG standards Scenario: SSP2-4.5 Overview: Intermediate path with gradual global carbon reduction, resulting in a temperature rise of approximately 2.5℃. Key Assumptions: Gradual implementation of carbon neutrality; limited policy progress; moderate increase in the frequency of climate events

		Scenario: SSP3-7.0 Overview: Regional conflict path; failure of climate agreements; temperature rise exceeding 3℃. Key Assumptions: Insufficient international cooperation; unstable carbon prices; increased frequency of extreme climate events Scenario: SSP4-6.0 Overview: Highly unequal development; wealthy nations have strong climate governance capabilities, while poor and vulnerable nations face severe impacts Key Assumptions: Significant disparities in regulations and adaptive capacity; expanding supply chain risks Scenario: SSP5-8.5 Overview: Fossil fuel-driven, continued high-carbon economy, temperature rise exceeding 4℃. Key Assumptions: No substantial carbon reduction, dramatic increase in extreme weather and water resource risks, and severe energy price volatility. 2. Main Financial Impacts (1) Increased operating costs: The tranformation requires additional expenditures on carbon audits, equipment upgrades, and green energy procurement. (2) Increased risk of asset damage: Extreme weather events may cause physical damage to equipment, impacting production capacity and asset depreciation on financial statements. (3) Constraints on sales and competitiveness: Customers increasingly prioritize green supply chains; failure to comply with regulations and environmental requirements may result in order loss.
6.	If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	The plan is based on the key assumption that global and Taiwanese regulations regarding GHG management, energy structure, and environmental compliance will continue to tighten, and the demand for corporate climate transparency from stakeholders will increase. Therefore, climate-related risks and opportunities will be integrated into the overall corporate risk management framework and strategic planning processes. Key planning elements include: 1. Climate Risk and Opportunity Identification and Assessment Mechanism: Identify climate-related issues each year based on empirical data, industry trends, and changes in external policies, and assess their impact on operating costs, capital expenditures, supply chain resilience, and market opportunities. 2. GHG Emissions Management and Inventory: Continuously maintain Scope 1 and Scope 2 emissions inventory processes in accordance with standards, serving as the foundation for designing mitigation strategies. We plan to establish a Scope 3 emissions inventory process in accordance with relevant standards by 2028. 3. Cross-Departmental Collaboration and Sustainability Governance Framework: The Board of Directors approves the Sustainable Development Best Practices Principles and Risk Management Guidelines, with the Vice President of the Finance, Accounting, and Administration Division leading and coordinating implementation to ensure strategy execution and cross-departmental integration. We plan to establish a Sustainable Development Committee by 2026. This transformation plan integrates climate-related disclosures into the overall corporate governance process, and requires annual reporting to the board of directors on progress and the implementation status of targets to ensure strategic alignment and the effectiveness of resource allocation.
7.	If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	We have not yet implemented an internal carbon pricing system, mainly due to the Company evolving from a research-driven startup into a stage of initial revenue growth. Currently, our operational scale and carbon emissions are relatively limited, and we have not yet faced substantial pressure from carbon taxes or carbon trading costs. However, the Company fully recognizes that carbon pricing is a critical tool for future transition risk management and sustainable corporate operations, and will continue to monitor relevant policy developments regarding domestic and international carbon fees, carbon credits, and the Carbon Border Adjustment Mechanism (CBAM). In the future, as our operational scale expands and the regulatory environment evolves, the Company will assess the feasibility of implementing "internalization of carbon impact costs" as a reference for project investment, procurement decisions, and product design evaluations. We will also explore the establishment of an internal carbon pricing mechanism to gradually integrate low-carbon operational thinking, thereby strengthening our climate resilience and competitiveness.
8.	If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, it should be explained In exchange for the source and quantity of carbon	To achieve our strategic objectives: "Net-Zero Emissions and Low-Carbon Transition by 2050," "Smart Engineering," and "Sustainable Development," we have established specific sub-goals under each strategic objective and defined performance metrics for these sub-goals. The Sustainable Development Team holds regular review meetings to monitor progress toward these goals, enabling us to gradually achieve our strategic objectives. For more details, please refer to the attached "Sustainability Section"

reduction credits or quantity of Renewable Energy Certificates (RECs)

9. GHG inventory and confirmation status, and carbon reduction goals, strategies and specific action plans.

(1) Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

a. Greenhouse Gas Emissions:

Item \ Year	2024	2025	Difference
Direct Emissions (Metric Tons CO_2e/Year) Note 1	21.0251	17.3974	(3.6777)
Energy Indirect Emissions (Metric Tons CO_2e/Year) Note 1	96.1594	102.9849	6.8255
Other Indirect Emissions (Metric Tons CO_2e/Year) Note 1	0.2265	0.2055	(0.021)
Total Emissions (Metric Tons CO_2e/Year)	117.461	120.588	3.127
Emission intensity (tCO_2e per million in revenue)	0.5267	0.3941	(0.1326)

Note 1:Direct Emissions (Scope 1): Emissions directly from sources owned or controlled by the company. Energy Indirect Emissions (Scope 2): Emissions from the generation of purchased electricity consumed by the company. Other Indirect Emissions (Scope 3): Emissions from activities not included in Scope 2, arising from sources owned or controlled by other companies.
Note 2: The data coverage scope is consistent with the consolidated entities in the consolidated financial statements and includes: (Parent Company) Bonraybio Co., Ltd., (Subsidiary) BONRAYBIO HOLDING (SAMOA) CO., LTD., (Subsidiary) BONRAYBIO USA CORP., and (Sub-subsidiary) Bonraybio (Sichuan) Medical Technology Co., Ltd.

b. Electricity Consumption Data for the Past Two Years:

Item \ Year	2024	2025	Difference
Electricity Consumption (kWh/Year) Note 1	202.868	252,509	49,641
Electricity-related Carbon Emissions (Metric Tons CO_2e/Year) Note 2	100.2168	102.9849	2.7681

Note 1: The data coverage scope is consistent with the consolidated entities in the consolidated financial. statements and includes: (Parent Company) Bonraybio Co., Ltd., (Subsidiary) BONRAYBIO HOLDING (SAMOA) CO., LTD., (Subsidiary) BONRAYBIO USA CORP., and (Sub-subsidiary) Bonraybio (Sichuan) Medical Technology Co., Ltd.
Note 2: Electricity-related CO_2e emissions are calculated based on the latest annual grid emission factors published by the Bureau of Energy, Ministry of Economic Affairs (Taiwan), and the Ministry of Ecology and Environment of the People's Republic of China.

c. Water Consumption Data for the Past Two Years:

Item \ Year	2024	2025	Difference
Water Consumption (Tonnes/Year) Note 1	668	1,452	784
Water-related Carbon Emissions (Metric Tons CO_2e/Year) Note 2	0.1556	0.226	0.0704

Note 1: The data coverage scope is consistent with the consolidated entities in the consolidated financial. statements and includes: (Parent Company) Bonraybio Co., Ltd., (Subsidiary) BONRAYBIO HOLDING (SAMOA) CO., LTD., (Subsidiary) BONRAYBIO USA CORP., and (Sub-subsidiary) Bonraybio (Sichuan) Medical Technology Co., Ltd.
Note 2: Water-related CO_2e emissions are calculated based on the emission factors disclosed on the Taiwan Water Corporation website and China's product life-cycle greenhouse gas emission factors, using the latest available CO_2 equivalent emissions per unit of water consumption.

d. Waste Information

The Company does not engage in any environmentally polluting processes. Therefore, the general business waste and. biomedical waste generated from our operations pose no environmental pollution concerns, and therefore no hazardous waste is generated.
Currently, we entrust the qualified professional waste collection and disposal company, licensed by environmental protection authorities, to handle the collection and disposal of such waste.
Below is the total weight of waste collected for the past three years:

Item \ Contract Collection Year	2023	2024	2025	Difference
General business waste collected (metric tons)	7.20	8.88	8.64	(0.24)
Biomedical waste collected (metric tons)	0.379	0.396	0.467	0.071

Note: The inventory scope covers (Parent Company) Bonraybio Co., Ltd.

(2) Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan
a. Sustainability Governance
The highest-ranking officer responsible for sustainability-related matters is the Chairman of the

		Board and General Manager, who has delegated the Vice President of the Finance, Accounting, and Administration Division to coordinate and lead the planning and handling of such matters with their team. Based on operational materiality, the Company links sustainability efforts with the functions of various departments. First-level supervisors serve as responsible officers for their respective areas, setting targets for each issue, leading their teams in implementation and cross-departmental collaboration, and conducting annual reviews and reports on implementation performance and areas for improvement progress reports and future work plans are presented to the Board of Directors at least once a year. b. Reduction Targets The Company actively responds to climate change-related issues, is committed to reducing the environmental impact of its operations, and takes concrete actions to achieve its corporate sustainability goals. To strengthen greenhouse gas (GHG) emissions management, the Company has established comprehensive management systems and operational procedures. The year 2025 has been selected as the base year for GHG inventory, serving as the benchmark for subsequent emissions monitoring, target setting, and performance evaluation. This aligns with the national 2050 net-zero emissions policy and continues to enhance the Company's environmental governance and operational resilience. The reduction target established by the Company is to achieve a cumulative 3% carbon reduction from 2025 to 2029, with an annual reduction of 0.5% to 1%. c. Strategies and Concrete Action Plans As of the date of publication of this annual report, the progress of the Company's GHG reduction targets is described below: (a) The year 2025 marks the first year of the Company's GHG management system establishment, including the phased introduction and implementation of inventory processes, internal training, emissions source identification, and data collection mechanisms. (b) Reduction targets have been pre-established (cumulative 3% reduction from 2025 to 2029, with annual reductions of 0.5% to 1%). However, as data for 2026 has not yet been disclosed, only year-over-year comparisons and progress assessments are provided. (c) Target achievement status and review: Total GHG emissions in 2025 were 120.588 metric tons CO2e/year, an increase of 3.127 metric tons CO2e/year compared to 117.461 metric tons CO2e/year in 2024. This increase was primarily due to business expansion, which led to the purchase of office and production equipment, resulting in higher electricity usage (Scope 2). However, Scope 1 and Scope 3 emissions were effectively controlled and reduced. The Company will continue to prioritize energy management, control GHG emissions, and promote energy conservation and carbon reduction awareness For more details, please refer to the attached "Sustainability Section." (3) Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion: No assurance has been conducted to date.

(7) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		The Company's Board of Directors approved the establishment of the "Code of Integrity Management," "Operating Procedures and Behavioral Guidelines for Integrity Management," and the "Code of Ethical Conduct" on May 9, 2023. These documents clearly stipulate that the Company's directors, managers, employees, or those with substantial control over the company must not directly or indirectly offer, promise, request, or accept any improper benefits, nor engage in other dishonest acts such as illegal activities or violations of fiduciary duties that may harm the company's interests and reputation. The Company aims to establish and actively implement a corporate culture of integrity management. The Company's Code of Integrity Management and related policies have been disclosed on the company website and the Market Observation Post System.	No significant deviation.
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		In accordance with the regulations established by the Board of Directors in the "Code of Ethical Management" and the "Operating Procedures and Behavioral Guidelines for Ethical Management," the Company has created a risk assessment mechanism for dishonest behavior. The Company regularly analyzes and evaluates business activities within its operational scope that carry a higher risk of dishonest behavior. This includes preventive measures for behaviors outlined in Article 7, Paragraph 2, of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and is used to formulate plans to prevent dishonest behavior. The Company has designated the Finance and Administration Department as the responsible unit to assess and review whether the current rules and regulations effectively reduce the risk of dishonest behavior. The risk assessment for dishonest behavior in 2025 was deemed to be of low risk.	No significant deviation.
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		The Company has clearly outlined relevant operating procedures and behavioral guidelines in the "Operating Procedures and Behavioral Guidelines for Ethical Management" to prevent dishonest behavior. Additionally, Article 23 of the "Operating Procedures and Behavioral Guidelines for Ethical Management" and the Company's "Reward and Punishment Management Regulations" establish related disciplinary and grievance mechanisms. The Company has a zero-tolerance policy for corruption and does not allow any bribery, fraud, abuse of company assets, or	No significant deviation.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			actions that sacrifice the Company's interests for personal gain. To strengthen and implement integrity management, the company has designated the "Finance and Administration Department" as the dedicated unit for integrity management. This unit is responsible for timely establishing or revising various codes and operating procedures related to corporate governance and integrity management, as well as regularly conducting risk assessments and revisions of prevention plans for dishonest behavior. The unit also regularly reports the progress to the Board of Directors. In 2025, there were zero cases of dishonest behavior discipline or grievance proceedings.	
2. Ethical Management Practice				
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		The Company conducts its business activities in compliance with fair ethics and adheres to relevant laws, regulations, and contractual terms. In addition, the company follows the "Code of Ethical Conduct" and the "Supplier Management Procedures" to assess the integrity records of business partners. Contracts signed with trading counterparts clearly specify integrity behaviors and prohibit any improper business practices such as bribery, corruption, or extortion, ensuring compliance with anti-corruption regulations.	No significant deviation.
(2) Has the Company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?		V	The Company has currently designated the "Finance and Administration Department" as the dedicated unit for promoting corporate integrity management. This unit reports on the implementation of integrity management to the Board of Directors at least once a year. Future adjustments will be made based on the development of the organization. On November 10, 2025, the implementation status of ethical management has been reported to the Board of Directors.	No significant deviation.
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		The Company has established conflict-of-interest provisions in both the "Code of Ethical Management" and the "Corporate Governance Best Practice Principles," requiring directors, managers, and all employees to avoid conflicts of interest. They are prohibited from using their position or influence within the Company to obtain improper benefits for themselves or others. The Company has also implemented a robust internal control system and operational regulations. All employees receive training based on their job scope to ensure the proper execution of functional duties and prevent internal conflicts of interest. If any violations of integrity regulations are discovered, employees can file complaints or reports through publicly available whistleblowing channels, a fair and impartial investigation mechanism, and	No significant deviation.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			a system for individuals to present their statements. This further reduces the likelihood and impact of conflicts of interest.	
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		The Company follows the Financial Reporting Standards for Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards, Interpretations, and Announcements (IFRSs) to establish its accounting system and prepare financial reports. The Company has entrusted PricewaterhouseCoopers Taiwan to audit and certify the financial reports. The Company has established internal control systems related to integrity management, and the internal audit unit formulates audit plans based on the risk assessment results of dishonest behavior. These plans include the audit subjects, scope, items, frequency, and other details. The audit results are compiled into audit reports and submitted to the Audit Committee and the Board of Directors, allowing management to understand the execution of the Company's internal controls to achieve effective management.	No significant deviation.
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		The Company regularly promotes the importance of integrity management to employees through meetings, training sessions, and occasional awareness campaigns. The content includes ethical standards, confidentiality agreements, rules and regulations, and grievance and whistleblowing mechanisms.	No significant deviation.
3. Implementation of Complaint Procedures				
(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	V		The Company supports a culture of integrity and transparency, encouraging both internal employees and external parties to report any actions that violate laws or the Company's policies through relevant reporting channels, with the option to report anonymously. The "Code of Ethical Management" and the "Operating Procedures and Behavioral Guidelines for Integrity Management" establish a reporting system, detailing specific reporting channels, reward systems, and the responsible handling units as follows: 1.Reporting Channels: (1) Whistleblowing and Complaint Hotline: 04-24912385 (2) Whistleblowing and Complaint Email: ir@bonraybio.com 2.Responsible Handling Unit: The Company has designated the Finance and Administration Department to collect and handle reports, which will be submitted for the General Manager's approval before closure.	No significant deviation.
(2) Has the company established standard operation procedures for investigating the	V		The Company's "Operating Procedures and Behavioral Guidelines for Integrity	No significant deviation.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?			Management” establish standard operating procedures for handling reported issues, the follow-up actions to be taken after an investigation is completed, and related confidentiality declarations. All personnel with knowledge of the case details must strictly adhere to confidentiality principles. Any leaks or breaches of confidentiality will result in severe disciplinary action in accordance with the company's disciplinary regulations, to prevent retaliation or improper treatment of the whistleblower.	
(3) Has the Company adopted proper measures to protect whistle- blowers from retaliation for filing complaints?	V		The Company's “Operating Procedures and Behavioral Guidelines for Integrity Management” have established confidentiality mechanisms for the reporting process, prohibiting retaliation or improper treatment of whistleblowers acting in good faith.	No significant deviation.
4. Strengthening Information Disclosure				
Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company has disclosed the “Code of Ethical Management” and its implementation status on the Company’s official website.	No significant deviation.
5. If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: No such deviation.				
6. Other important information that helps understand the Company's ethical management operations: Ethical management is the core value and foundation of the Company’s operations. The Company’s Board of Directors has approved the establishment of the “Code of Ethical Conduct,” “Ethical Corporate Management Best Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” “Procedures for the Prevention of Insider Trading,” and “Rules Governing Financial and Business Matters Between the Company and its Related Parties” as the guidelines for all directors, employees, and business partners to follow. Responsibilities of the Ethical Corporate Management Unit: 1. Plan and implement the company’s ethical corporate management policies, and continuously review and revise relevant systems, such as the “Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct,” and the “Codes of Ethical Conduct.” 2. Establish and regularly implement a risk assessment mechanism for unethical conduct to identify potential risks of unethical behavior in operational activities and develop preventive measures. 3. Promote training and awareness campaigns related to ethical management to enhance compliance and ethical awareness among directors, managers, and employees. 4. Establish a whistleblowing and grievance mechanism to handle internal and external reports, and conduct investigations, handle cases, and ensure confidentiality in accordance with regulations. 5. Coordinate with all departments to implement internal control systems related to ethical management, and cooperate with the internal audit unit to review the implementation of these systems. 6. Regularly compile the results of ethical management initiatives and report on their implementation to the Board of Directors at least once a year. Annual Work Plan of the Ethical Corporate Management Unit: 1. Regularly review and update regulations, systems, and operational procedures related to ethical management. 2. Conduct annual training and awareness programs on ethical management and compliance. 3. Conduct risk assessments for unethical behavior and develop prevention plans. 4. Maintain whistleblowing and grievance channels to ensure the effectiveness of case intake, investigation, and confidentiality mechanisms. 5. Collaborate with internal audit and internal control systems to review the implementation of the ethical management framework. 6. Compile annual implementation outcomes and report to the Board of Directors to strengthen corporate governance and an ethical culture. The implementation status of the Ethical Corporate Management Unit is as follows: 1. Board of Directors (1) Annual regular briefings are provided to all directors on insider trading prevention, ethical management, and ethical conduct. (2) In September 2025, all directors (9 in total) were briefed on measures to prevent insider trading, the blackout periods for insider trading, and the legal liabilities for violations of insider trading regulations.				

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">(3) Directors shall complete the required continuing education hours each year as prescribed by law, with course content including, but not limited to, the prevention of insider trading and corporate governance.
2. Employees
(1) Upon joining the Company, all new employees shall receive training on the Code of Ethical Conduct and the Ethical Management outlined in their employment contract and shall sign to acknowledge their responsibility.
(2) During regular meetings, the importance of ethical management shall be emphasized to all employees, including the prohibition of improper banquets, kickbacks, bribes, or hospitality, and the procedures for filing complaints and making reports.
(3) All employees have a responsibility to report unethical or improper conduct to the Company through appropriate channels. Reporting and complaint channels include: internal suggestion boxes, a dedicated whistleblowing and grievance hotline, and submitting feedback via email or the website.
(4) The Company's “Procedures for Ethical Management and Guidelines for Conduct” clearly stipulate that employees are protected from unfair retaliation or treatment when reporting misconduct or participating in investigations.
(5) In 2025, there were zero complaints or reports (including anonymous reports) related to ethical management.
3. Business Partners:
(1) Prior to establishing a business relationship with distributors, suppliers, or other business partners, the Company must first assess the legality and reasonableness of their business conduct and evaluate whether they have any history of violating ethical management. During business processes, the Company explicitly refuses to directly or indirectly offer, promise, request, or accept any form or type of improper benefit. Once any unethical conduct is discovered, the Company will immediately cease all business dealings.
(2) The Company's website provides a dedicated hotline and email address for whistleblowing and grievances, allowing business partners to submit reports and complaints, which are handled by designated personnel. Case investigators conduct inquiries in accordance with confidentiality principles to protect whistleblowers and complainants; disclosure of case details to unauthorized personnel is strictly prohibited. When conducting investigations with relevant personnel, discussions are limited to matters directly related to the case to ensure the rights of whistleblowers are safeguarded. In 2025, there were zero related complaints and reports (including anonymous reports).
4. Board of Directors' Oversight Actions
(1) The Board of Directors has adopted the “Code of Ethical Conduct,” “Code of Ethical Management,” “Procedures for Ethical Management and Guidelines for Conduct,” “Procedures for the Prevention of Insider Trading,” and “Rules Governing Financial and Business Matters Between the Company and its Related Parties” to demonstrate its commitment to upholding ethical management and ethical values.
(2) The Company's dedicated ethical management unit regularly reports to the Board of Directors and reports immediately upon the discovery of any non-compliance, assisting the Board in understanding the implementation status of the Company's ethical management and the upholding of ethical values.
(3) The planned reporting to the Board of Directors regarding the implementation of ethical management and ethical values for 2026 is as follows:
● New hires and all employees have signed provisions related to ethical management and ethical values in their employment contracts.
● A suggestion box has been placed in the pantry. As of the publication date of the 2025 annual report, there have been zero reports of violations related to ethical management.
● Disclosure of the implementation status of ethical management and ethical values on the website, in the annual report, and in public statements.
● Internal control self-assessments for all departments were completed in December 2025, with no significant deficiencies or irregularities identified.
● A letter promoting the prevention of insider trading was issued to all directors. The actual promotion month was September 2025.
● An educational and awareness letter on “Ethical Management, Prevention of Insider Trading, and Handling of Material Information” was issued to all employees and managers. The content included: the importance of ethical management; the scope and elements of insider trading; legal liabilities for violations; regulations regarding material internal information; and illustrative examples. The actual promotion months were September and October 2025.</td></tr>
</table>

(8) Other Important Information to Enhance Understanding of the Company’s Governance Operations: None

(9) Internal Control System Implementation Status:

A. Internal Control Declaration: Please refer to the next page.

B. Audit Report by Certified Public Accountant (CPA) on the Internal Control System: None

BONRAYBIO CO., LTD.

Internal Control System Statement

Date: March 3, 2026

Based on the results of the self-assessment, the Company hereby makes the following statement regarding its internal control system for the fiscal year 2025:

1. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibility of the Company's Board of Directors and management. The Company has already established this system. Its purpose is to provide reasonable assurance in achieving the goals of effective and efficient operations (including profitability, performance, and asset security), reliable, timely, and transparent reporting, and compliance with relevant laws, regulations, and standards.
2. The internal control system has inherent limitations. Regardless of how well-designed the system may be, an effective internal control system can only provide reasonable assurance regarding the achievement of the aforementioned three objectives. Additionally, due to changes in the environment and circumstances, the effectiveness of the internal control system may vary. However, the Company has implemented a self-monitoring mechanism within its internal control system, and any identified deficiencies will be addressed through corrective actions.
3. The Company evaluates the effectiveness of its internal control system's design and execution based on the criteria stipulated in the "Guidelines for the Establishment of Internal Control Systems for Public Companies" (hereinafter referred to as the "Guidelines"). The internal control evaluation criteria adopted by the Guidelines are based on the management control process, dividing the internal control system into five components: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring activities. Each component includes various items. Please refer to the relevant provisions of the "Guidelines" for these items.
4. The Company has adopted the internal control evaluation criteria mentioned above to assess the effectiveness of the design and execution of the internal control system.
5. Based on the results of the above assessment, the Company believes that its internal control system as of December 31, 2025 (including the supervision and management of subsidiaries) is effective in achieving the goals of understanding operational effectiveness and efficiency, ensuring reliable, timely, transparent reporting, and compliance with relevant laws and regulations. The design and execution of the internal control system can reasonably ensure the achievement of these objectives.
6. This statement will be included as a major part of the Company's annual report and prospectus and will be made publicly available. If any of the public content is found to be false, concealed, or illegal, it will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Company's Board of Directors on March 3, 2026, with 9 directors present. Among them, 0 director(s) expressed dissenting opinions, and the remaining directors agreed with the content of this statement, and hereby make this declaration.

BONRAYBIO CO., LTD. 邦睿生技股份有限公司

Chairman: Cheng-Teng Hsu 徐振騰

General Manager: Cheng-Teng Hsu 徐振騰

(10) Important Resolutions of the Shareholders' Meeting and Board of Directors in Recent Years and as of the Date of Publication of the Annual Report

A. Important Resolutions of the Shareholders' Meeting

Meeting Date	Important Resolutions
2025.05.27 2025 Annual Shareholders' Meeting	Matters for Approval and Discussion: (1) Approval of the 2024 Business Report and Financial Statements. (2) Approval of the distribution of earnings and capital surplus for 2024. (3) Proposal for capital increase through the transfer of retained earnings and capital surplus, and the issuance of new shares. (4) Approved the amendment to the Company's "Articles of Incorporation". (5) Approved the amendment to the Company's "Procedures for Acquisition or Disposal of Assets."

B. Important Resolutions of the Board of Directors

Meeting Date	Important Resolutions
2025.02.24	(1) Approved the distribution of employee compensation and director remuneration for 2024. (2) Approved the 2024 business report and financial statements. (3) Approved the profit distribution proposal for 2024. (4) Approved the distribution of profits in cash for 2024. (5) Approved the capital increase through profit capitalization and the issuance of new shares using capital reserves. (6) Approved the definition of entry-level employees. (7) Approved the proposal to issue the "Internal Control System Statement" for 2024, affirming that the internal control system design and execution were effective. (8) Approved the appointment of the auditor, evaluation of their independence, and auditor's public expenses. (9) Approved the pre-approval for the signing of engagements with auditors, their firms, and related entities to provide non-assurance services to the Company and its subsidiaries. (10) Approved the amendment to the Company's "Articles of Incorporation". (11) Approved the amendments to the Company's various management guidelines. (12) Approved the remuneration for the 6th -term independent directors. (13) Approved the arrangement for convening the Company's 2025 shareholders' annual meeting.
2025.05.12	(1) Approved the consolidated financial report for Q1 of 2025. (2) Approved the proposed renewal of the credit facility with First Bank. (3) Approved the proposed renewal of the credit facility with Chang Hwa Bank.
2025.08.06	(1) Approved the consolidated financial report for Q2 of 2025. (2) Approved the Company's 2024 Sustainability Report. (3) Approved the organizational restructuring of the Company. (4) Approved the setting of the ex-rights record date and related matters. (5) Approved the appointment of the Vice Chairman. (6) Approved the amendments to the Company's "Corporate Governance Best Practice Principles."
2025.11.10	(1) Approved the consolidated financial report for Q3 of 2025. (2) Approved the Company's Audit Plan for 2026. (3) Approved the proposal of the Company's budget for 2026. (4) Approved the year-end bonuses for managers for 2025. (5) Approved the compensation of the Company's managers. (6) Approved the amendments to various internal management policies of the Company.
2026.03.03	(1) Approved the distribution of employee compensation and directors' remuneration for 2025. (2) Approved the Company's 2025 Business Report and Financial Statements. (3) Approved the profit distribution proposal for 2025. (4) Approved the distribution of profits in cash for 2025.

Meeting Date	Important Resolutions
	(5) Approved the capital increase through profit capitalization and the issuance of new shares using capital reserves. (6) Approved the definition of entry-level employees. (7) Approved the organizational restructuring of the Company. (8) Approved the appointment of managers. (9) Approved the proposal to issue the “Internal Control System Statement” for 2025, affirming that the internal control system design and execution were effective. (10) Approved the appointment of the auditor, evaluation of their independence, and auditor’s public expenses. (11) Approved the pre-approval for the signing of engagements with auditors, their firms, and related entities to provide non-assurance services to the Company and its subsidiaries. (12) Approved the Company’s Sustainability Chapter. (13) Approved the amendments to various management policies of the Company and its subsidiary, Bonraybio (Sichuan) Co., Ltd. (14) Approved the lifting of non-compete restrictions for directors and their representatives. (15) Approved the arrangement for convening the Company’s 2026 shareholders' annual meeting.

(11) For the most recent fiscal year and up to the date of the annual report’s printing, if any director or supervisor has expressed dissenting opinions on important resolutions passed by the board of directors, and such dissent has been recorded or provided in writing, the main content is as follows: No such matters.

4. Information on CPA (External Auditor) Professional Fees

Unit: NT$ Thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees (Note)	Total	Remarks
PwC Taiwan (PricewaterhouseCoopers Taiwan)	Jane Wang	2025.1.1~2025.12.31	1,800	883	2,683	-
	Mei-Lan Liu					

Note: Non-audit fees consist of NT$200 thousand for tax certification, NT$500 thousand for internal control project review, NT$50 thousand for services related to the gratuitous issuance of new shares, and NT$133 thousand for capital increase registration and related changes.

(1) If there is a change in the accounting firm and the audit fees for the current year are lower than those for the previous year: No such matter.

(2) If audit fees have decreased by more than 10% compared to the previous year: No such matter.

5. Change of Auditor Information: No such matter.
6. Within the past year, if the Chairman, CEO, the executive responsible for financial or accounting matters, or any manager has held a position in an accounting firm or its affiliated entities that provided audit services: No such matter.
7. For the most recent fiscal year and up to the date of the annual report's printing, details regarding the transfer of shares and changes in the pledge of shares by directors, supervisors, executives, and shareholders holding more than 10% of the company's shares:

(1) Changes in the shareholding of directors, supervisors, executives, and major shareholders.

Unit: Share

Job Title	Name	2025		2026 (as of March 31)	
		Number of Shares Held Increase (Decrease)	Number of Pledged Shares Increase (Decrease)	Number of Shares Held Increase (Decrease)	Number of Pledged Shares Increase (Decrease)
Chairman and CEO	Cheng-Teng Hsu	152,752	-	-	-
Vice Chairman	Sheng-Chuan Cheng	25,875	-	-	-
Director and Shareholder with Over 10% Ownership	Representative: Yuh-Geng Tsay	-	-	-	-
	Vivo Panda Fund, L.P.	417,762	-	-	-
Director and Shareholder with Over 10% Ownership	Representative: Jane SC Tsai	-	-	-	-
	Bo Bang Capital Co., Ltd.	514,912	-	-	-
Director	Representative: Chun-Mu Huang	-	-	-	-
	Bai Jue Investment Limited	147,860	-	-	-
Independent DirectorIndependent Director	Yu-Hsiang Wang	-	-	-	-
Independent Director	Shao-Hua Wang	-	-	-	-
Independent Director	Chieh-Hsiao Chen	-	-	-	-
Vice President and Head of R&D	Ying-Jyh Liao	32,221	-	-	-

Job Title	Name	2025		2026 (as of March 31)	
		Number of Shares Held Increase (Decrease)	Number of Pledged Shares Increase (Decrease)	Number of Shares Held Increase (Decrease)	Number of Pledged Shares Increase (Decrease)
Vice President of Business Development	Wan-Ying Yang	21,600	-	-	-
Vice President and Head of Finance, Accounting, and Corporate Governance	Pei-Chen Yang	13,800	-	-	-
Shareholder with Over 5% Ownership	CDIB Capital Healthcare Ventures II Limited Partnership	147,860	-	-	-
Shareholder with Over 5% Ownership	BIONIME CORPORATION	165,600	-	-	-

(2) Information on share transfers to related parties: No such matter.

(3) Information on share pledges to related parties: No such matter.

8. Information on the top 10 shareholders and whether they are related parties or have a spousal or within-second-degree family relationship with each other.

2026.03.31. Unit: Share/%

<table>
<tr><th rowspan="2">Name</th><th colspan="2">Shareholding</th><th colspan="2">Shareholding of spouse and minor children</th><th colspan="2">Total shareholding by nominee arrangements</th><th colspan="2">Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree</th><th rowspan="2">Remarks</th></tr>
<tr><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Name of entity or individual</th><th>Relationship</th></tr>
<tr><td>Bo Bang Capital Co., Ltd.</td><td>3,947,662</td><td>15.92</td><td>–</td><td>0.00</td><td>–</td><td>0.00</td><td>Cheng-Teng Hsu</td><td>Cheng-Teng Hsu, Representative of Bo Bang Capital Co., Ltd.</td><td rowspan="2">None</td></tr>
<tr><td>Bo Bang Capital Co., Ltd. Representative: Cheng-Teng Hsu</td><td>1,170,531</td><td>4.72</td><td>15,870</td><td>0.06</td><td>3,947,662</td><td>15.92</td><td>Bo Bang Capital Co., Ltd.</td><td>Bo Bang Capital Co., Ltd. is a company wholly (100%) owned by Cheng-Teng Hsu, his spouse, and their children.</td></tr>
<tr><td>Vivo Panda Fund, L.P.</td><td>3,202,848</td><td>12.91</td><td>–</td><td>0.00</td><td>–</td><td>0.00</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Vivo Panda Fund, L.P. Representative: Mahendra Shah</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>None</td><td>None</td><td></td></tr>
<tr><td>CDIB Capital Healthcare Ventures II Limited Partnership</td><td>1,587,000</td><td>6.40</td><td>–</td><td>0.00</td><td>–</td><td>0.00</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>CDIB Capital Healthcare Ventures II Limited Partnership Representative: CDIB Capital Group</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>BIONIME CORPORATION</td><td>1,269,600</td><td>5.12</td><td>–</td><td>0.00</td><td>–</td><td>0.00</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>BIONIME CORPORATION Representative: Chun-Mu Huang</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>Bai Jue Investment Limited Representative: Da-You Huang</td><td>Da-You Huang is the son of Chun-Mu Huang.</td><td>None</td></tr>
<tr><td>Cheng-Teng Hsu</td><td>1,170,531</td><td>4.72</td><td>15,870</td><td>0.06</td><td>3,947,662</td><td>15.92</td><td>Bo Bang Capital Co., Ltd.</td><td>Bo Bang Capital Co., Ltd. is a company wholly (100%) owned by Cheng-Teng Hsu, his spouse, and their children.</td><td>None</td></tr>
<tr><td>Bai Jue Investment Limited</td><td>1,133,594</td><td>4.57</td><td>0</td><td>0.00</td><td>0</td><td>0.00</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Bai Jue Investment Limited Representative: Da-You Huang</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>BIONIME CORPORATION Representative: Chun-Mu Huang</td><td>Chun-Mu Huang is the father of Da-You Huang.</td><td>None</td></tr>
<tr><td>WK INNOVATION LTD</td><td>677,120</td><td>2.73</td><td>0</td><td>0.00</td><td>0</td><td>0.00</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>WK INNOVATION LTD Representative: Chia-Hsiang Chu</td><td>137,665</td><td>0.56</td><td>–</td><td>–</td><td>–</td><td>–</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Teyou Investment Co., Ltd.</td><td>574,916</td><td>2.32</td><td>0</td><td>0.00</td><td>0</td><td>0.00</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Teyou Investment Co., Ltd. Representative: Jun-Song Liu</td><td>5,700</td><td>0.03</td><td>–</td><td>–</td><td>–</td><td>–</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Sunny Ventures Limited</td><td>474,802</td><td>1.91</td><td>0</td><td>0.00</td><td>0</td><td>0.00</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Sunny Ventures Limited Representative: Chia-Hsiang Chu</td><td>137,665</td><td>0.56</td><td>0</td><td>0.00</td><td>0</td><td>0.00</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Jhih-Min Wang</td><td>498,000</td><td>2.01</td><td>–</td><td>–</td><td>–</td><td>–</td><td>None</td><td>None</td><td>None</td></tr>
</table>

9. The Number of Shares Held by the Company, Its Directors, Supervisors, Executives, and Businesses Directly or Indirectly Controlled by the Company in the Same Invested Company, and the Consolidated Shareholding Ratio

A.Total Ownership of Shares in Investee Enterprises

2025.12.31. Unit: Thousands Shares; %

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
BONRAYBIO HOLDING (SAMOA) CO., LTD.	996	100.00%	-	-	996	100.00%
BONRAYBIO USA CORP.	92	100.00%			92	100.00%
BONRAYBIO (Sichuan) Co., Ltd.	Note	100.00%	-	-	Note	100.00%

Note: It is a limited liability company established in Mainland China and does not issue shares.

III. Fundraising Status

1. Capital and Shares

(1) Sources of Capital

A. Process of Capital Formation

2026.03.31, Unit: Thousand Shares; NT$ Thousand

Month/Year	Issued price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital	Capital paid in by assets other than cash	Other
2016.01	1	50,000	50,000	5,000	5,000	Initial Establishment	None	2016.01.02 Taichung City Government Business license: No. 10507018260
2016.08	20	50,000	50,000	7,500	7,500	Cash Capital Increase: NT$2,500 thousand	None	2016.08.09 Taichung City Government Business license: No.10507781800
2017.08	35	50,000	50,000	11,786	11,786	Cash Capital Increase: NT$4,286 thousand	None	2017.08.29 Taichung City Government Business license: No.10607425790
2019.05	60	50,000	50,000	12,786	12,786	Cash Capital Increase: NT$1,000 thousand	None	2019.05.20 Taichung City Government Business license: No. 10807263060
2021.07	48 17.5	50,000	50,000	16,140	16,140	Cash Capital Increase: NT$3,300 thousand Employee Stock Option Conversion: NT$54 thousand	None	2021.07.12 Taichung City Government Business license: No. 11007394800
2022.02	17.5	50,000	50,000	16,586	16,586	Employee Stock Option Conversion: NT$446 thousand	None	2022.02.23 Taichung City Government Business license: No. 11107093440
2022.07	10	50,000	500,000	16,586	165,860	Capital Surplus Transferred to Capital: NT$149,274 thousand (Note 1)	None	2022.07.28 Taichung City Government Business license: No. 11107449770
2022.12	24	50,000	500,000	17,086	170,860	Employee Stock Option Conversion: NT$5,000 thousand	None	2022.12.01 Taichung City Government Business license: No. 11107719100
2024.08	10	50,000	500,000	19,649	196,489	Earnings Transferred to Capital: NT$17,086 thousand Capital Surplus Transferred to Capital: NT$8,543 thousand (Note 2)	None	2024.08.07 Taichung City Government Business license: No. 11307504400
2024.12	108	50,000	500,000	21,566	215,659	Cash Capital Increase and Issuance of New Shares: NT$19,170 thousand	None	2024.12.12 Taichung City Government Business license: No. 11307801230
2025.09	10	50,000	500,000	24,801	248,008	Earnings Transferred to Capital: NT$21,566 thousand Capital Surplus Transferred to Capital: NT$10,783 thousand (Note 3)	None	2025.09.09 Taichung City Government Business license: No. 11407577060

Note 1: On June 27, 2022, the shareholders' meeting resolved to approve the conversion of preferred stock into common stock and amend the Company’s articles of incorporation. Following these changes, the company's authorized capital was set at NT$500,000 thousand, divided into 50,000 thousand shares, each with a par value of NT$10, to be issued in multiple tranches. The paid-in capital was NT$16,586 thousand, divided into 1,658.6 thousand shares. The original shareholders' holdings were adjusted to 1 share for every 10 shares held. Additionally, NT$149,274 thousand was allocated from the capital surplus to be converted into capital, resulting in the issuance of 14,927.4 thousand new shares, each with a par value of NT$10. After the issuance of the new shares, the paid-in capital increased to NT$165,860 thousand, divided into 16,586 thousand shares.

Note 2: On June 24, 2024, the shareholders' meeting resolved to approve the transfer of earnings and capital surplus to capital and issue new shares. The company's authorized capital remained NT$500,000 thousand, divided into 50,000 thousand shares, each with a par value of NT$10, to be issued in multiple tranches. This time, NT$17,086 thousand was transferred from the distributable earnings of 2023 to capital, resulting in the issuance of 1,708.6 thousand new shares. Additionally, NT$8,543 thousand was allocated from the capital surplus to issue 854.3 thousand new shares, each with a par value of NT$10. After the issuance of the new shares, the paid-in capital increased to NT$196,489 thousand, divided into 19,648.9 thousand shares.

Note 3: On May 27, 2025, the shareholders' meeting resolved to approve the transfer of earnings and capital surplus to capital and issue new shares. The company's authorized capital remained NT$500,000 thousand, divided into 50,000 thousand shares, each with a par value of NT$10, to be issued in multiple tranches. This time, NT$21,566 thousand was transferred from the distributable earnings of 2024 to capital, resulting in the issuance of 2,156.6 thousand new shares. Additionally, NT$10,783 thousand was allocated from the capital surplus to issue 1,078.3 thousand new shares, each with a par value of NT$10. After the issuance of the new shares, the paid-in capital increased to NT$248,008 thousand, divided into 24,800.8 thousand shares.

B. Types of Issued Shares

2026.03.31

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered Common Shares	24,800,785 Shares	25,199,215 Shares	50,000,000 Shares	The Company was officially listed on the Taiwan Stock Exchange's Innovation Board on December 6, 2024.

C. Information related to the aggregated reporting system: Not applicable.

(2) List of Major Shareholders

2026.03.31, Unit: Share

Names of major shareholders / Shares	Shareholding (shares)	Shareholding
Bo Bang Capital Co., Ltd.	3,947,662	15.92%
Vivo Panda Fund, L.P.	3,202,848	12.91%
CDIB Capital Healthcare Ventures II Limited Partnership	1,587,000	6.40%
BIONIME CORPORATION	1,269,600	5.12%
Cheng-Teng Hsu	1,170,531	4.72%
Bai Jue Investment Limited	1,133,594	4.57%
WK INNOVATION LTD	677,120	2.73%
Teyou Investment Co., Ltd.	574,916	2.32%
Jhih-Min Wang	498,000	2.01%
Sunny Ventures Limited	474,802	1.91%

(3) Company's Dividend Policy and Implementation Status

A. Dividend Policy as Stipulated in the Articles of Incorporation

If the Company's annual financial results show a profit, taxes must first be paid, and any accumulated losses must be offset. Next, 10% of the profit must be allocated to the statutory surplus reserve. However, if the statutory surplus reserve has reached the company's paid-in capital, no further allocation is required. The remaining amount should be allocated or reversed according to the regulations on special surplus reserves. If there is still a remaining balance, the Board of Directors will propose a dividend distribution plan to the shareholders' meeting for approval to distribute dividends to shareholders.

Considering the Company’s environment and growth stage, the dividend policy follows a residual dividend policy. This policy addresses future funding needs and long-term financial planning while balancing shareholder interests. After reserving an appropriate amount for operational needs, the company will allocate the distributable earnings as dividends to shareholders. The dividends may be paid in cash or in stock, with the cash dividend proportion not being less than 10% of the total dividend distribution.

B. Proposed Dividend Distribution at the Upcoming Shareholders' Meeting

The Company's Board of Directors resolved on March 3, 2026, to distribute dividends for the 2025 fiscal year. The Company's retained earnings at the beginning of the year amounted to NT$10,262,948, and the net income after tax for the 2025 fiscal year was NT$102,504,677. After deducting NT$10,250,468 for the statutory surplus reserve, the Company will distribute stock dividends amounting to 37,201,170 shares, which will be converted to common stock and issued as 3,720,117 new shares, along with cash dividends of NT$37,201,178. After the distribution, the remaining undistributed earnings will be NT$28,114,809. This matter is scheduled for resolution at the shareholders' meeting on May 20, 2026.

C. Explanation of Significant Changes in the Expected Dividend Policy: There are no significant changes to the Company's dividend policy.

(4) Impact of the Proposed Stock Dividend on the Company’s Business Performance and Earnings per Share at the Upcoming Shareholders' Meeting: The Company has not disclosed the financial forecast for the 2026, therefore this is not applicable.

(5) Employee, Director, and Supervisor Remuneration

A. Amount or Range of Employee and Director Compensation as Stipulated in the Articles of Incorporation:

If the Company generates profits in the current year, 8%~12% of the profits shall be allocated as employees’ compensation, 1%~3% of the profits shall be appropriated as salary adjustment or as remuneration distribution for the junior employees and no more than 3% shall be allocated as director and supervisor compensation. However, if the company has accumulated losses, a portion should be reserved for loss offsetting. Employee compensation may be distributed in either stock or cash, and eligible recipients may include employees of subsidiary companies meeting certain criteria. Director compensation is paid only in cash. The decisions on the above must be made by the Board of Directors with the approval of at least two-thirds of the directors present and a majority vote of the attending directors, and then reported to the shareholders’ meeting.

The employees who may receive compensation include those of subsidiaries meeting certain conditions.

B. Basis for Estimating Employee and Director Compensation Amounts, Stock-Based Employee Compensation Share Calculation, and Accounting Treatment for Any Differences Between Estimated and Actual Distribution Amounts:

The Company estimates employee and director compensation based on the pre-tax net profit for the period, minus the amounts allocated for employee and director compensation, multiplied by the compensation percentages specified in the company’s Articles of Incorporation. These amounts are reported as operating costs or expenses for the period. If there are discrepancies between the actual distribution amounts and the estimated amounts in the following year, the company will handle the differences according to accounting estimates and recognize the difference as profit or loss for the next year.

C. Board of Directors' Approval for Remuneration Distribution:

(A) Employee and Director Compensation in Cash or Stock. If there is a difference between the actual distributed amount and the estimated amount for the recognized expense in the fiscal year, the difference, the reason, and the handling of the difference should be disclosed: As resolved by the Board of Directors on March 3, 2026, the Company plans to distribute NT$1,196 thousand in cash as compensation to entry-level employees, NT$10,707 thousand as employee compensation, and NT$2,380 thousand as directors' remuneration. These amounts are consistent with the accrued expenses recognized for the year.

(B) Stock-Based Employee Compensation Proportion
This section is not applicable.

D. Actual Distribution of Employee, Director, and Supervisor Compensation in the Previous Year (including the number of shares, amounts, and share prices), and Any Differences from the Recognized Employee, Director, and Supervisor Compensation:
For 2024, the Company estimated employee compensation to be NT$7,700 thousand and director compensation to be NT$1,560 thousand. The actual distribution amounts were consistent with the estimated amounts.

(6) Company Buyback of Its Own Shares: There is no such situation.

2. Bond Issuance by the Company: There is no such situation.

3. Preferred Stock Issuance by the Company: There is no such situation.

4. Depositary Receipts for Overseas Stock Issuance: There is no such situation.

5. Employee Stock Option Certificates Issuance: There is no such situation.

6. Issuance of New Shares with Restrictions on Employee Rights: There is no such situation.

7. Mergers or Acquisitions, or Purchase of Other Company Shares Leading to New Share Issuance: There is no such situation.

8. Capital Utilization Plan Execution Status:

(1) 2024 Cash Capital Increase

A. Plan Details

(A) Approval Date and Document Number for Cash Capital Increase: October 29, 2024, Taiwan Stock Exchange Letter No. 1131704598.

(B) Total Funding Required for the Plan: NT$230,693 thousand.

(C) Source of Funds: Cash capital increase by issuing 1,917 thousand common shares, each with a face value of NT$10. The shares will be issued through a competitive auction. The total amount raised from the auction is NT$209,957 thousand. In addition, the funds raised from employee subscriptions amount to NT$20,736 thousand, making the total funds raised NT$230,693 thousand.

(D) Planned Use of Funds and Expected Progress:

Unit: NT$ Thousand

Project Item	Planned Completion Time	Total Funds Required	Planned Fund Utilization Timeline				
			2024	2025			
			Q4	Q1	Q2	Q3	Q4
Enhance Operating Capital	Q4 2025	230,693	15,000	46,000	68,000	53,000	48,693

(E) Expected Benefits:
The NT$230,693 thousand raised in this capital increase will be fully allocated to enhance the Company's working capital. This will not only increase the stability of long-term funds but also strengthen the financial structure, improve debt repayment capability, and reduce operational risks. Additionally, it will enhance the flexibility of the company's fund allocation and support future medium- and long-term development. This will have a positive impact on the company's overall operations and help strengthen the financial structure.

(F) Changes to Plan Content, Reasons for Changes, and Effects Before and After Changes, Including the Date of Shareholders' Meeting: There are no such changes.

(G) Date of Submission to the Financial Supervisory Commission's Designated Information Reporting Website: October 29, 2024.

B. Execution Status

(A) Progress of Plan Execution:

Unit: NT$ Thousand

Project Item	Execution Status		2025	Reasons for Ahead/Behind Schedule and Improvement Plan
Enhance Operating Capital	Amount Used	Planned	215,693	No such matter.
		Actual	215,693	
	Execution Progress (%)	Planned	100%	
		Actual	100%	

(B) Benefits of Plan Execution:

Unit: NT$ Thousand

Item / Year		Q4 2024 (Initial planning)	Q4 2024 (Project completed)
Current Assets		577,498	650,842
Current Liabilities		44,493	74,732
Total Liabilities		51,447	78,467
Interest Expenses (Including Capitalized Interest)		175	132
Operating Revenue		222,878	306,307
Earnings (Loss) Per Share (NT$)		3.45	4.13
Financial Structure	Debt-to-Asset Ratio (%)	8.26	10.90
	Long-Term Funds to Property, Plant, and Equipment Ratio (%)	7,582.31	5,440.10
Debt Servicing Ability	Current Ratio (%)	1,297.95	870.90
	Quick Ratio (%)	1,228.45	805.32

(C) Benefit Evaluation

The issuance of common shares through a cash capital increase in 2024 was completed on December 4, 2024, with all subscription funds received. The proceeds have been used as planned to supplement working capital. The Company has implemented the capital utilization plan in accordance with the original schedule and has achieved the objectives of enhancing its financial structure and improving its debt repayment capacity. Therefore, there are no significant discrepancies between the projected benefits and the actual results.

IV. Business Overview

1. Business Content

(1) Business Scope

A. Main Business Activities of the Company

(A) Research and development, manufacturing, and sales of general instruments, optical instruments, precision instruments, medical devices, and related diagnostic test strips, reagent kits, sperm sorting approaches, and other related products;

(B) Management consulting, advisory services, and technology transfer related to the aforementioned products;

(C) Engaging in import and export trade related to the Company’s business.

B. Business Proportion

The business proportion of the main products is as follows:

Unit: NT$ Thousand

Product \ Year	2024		2025	
	Amount	Proportion	Amount	Proportion
Semen Quality Analyzer and Consumables	215,407	96.65%	295,115	96.35%
Others (Note)	7,471	3.35%	11,192	3.65%
Total	222,878	100.00%	306,307	100.00%

Note: Other product categories include quality control test kits, semen collection cups, lens cleaning swabs for diagnostic instruments, and service income.

C. Current Products (Services) Offered by the Company

(A) Semen Quality Analyzer

(B) Semen Test Cassette

(C) Sperm DNA fragmentation test kits

(D) Sperm Separation Solution

(E) Others, including Quality Control test kits, Liquefaction Test Cup, Cleaning Wipe, etc.

D. New Products (Services) Planned for Development by the Company

The Company’s R&D team, building on its existing technology for semen testing and analysis instruments, continues to optimize product functionality and upgrade technology. In response to the different market needs of in vitro fertilization (IVF) reproductive centers, fertility laboratories (Labs), regional hospitals, and small clinics, the Company is integrating AI image analysis, automated optical inspection, and sperm testing technologies to develop sperm testing and analysis equipment featuring rapid testing, simple operation, and multifunctionality. The products will integrate functions such as routine sperm testing, sperm DNA fragmentation analysis, and sperm morphology staining analysis to improve testing efficiency and analytical accuracy. In addition, the Company's R&D roadmap is gradually extending to applications in female reproductive medicine, with the goal of providing more comprehensive reproductive medical solutions through innovative technology.

(A) Fast Testing and Simple Operation

The intuitive touchscreen interface easily guides the operator to complete the testing steps correctly. The process is simple, and a test can be completed in just 3 minutes.

(B) Automatic XY Platform Optical Detection Technology

The XY platform moves quickly and with high precision, dynamically adjusting the field of view, accurately focusing, and instantly capturing images for different views, allowing for the counting of over 3,000 sperm in a single test.

(C) Automatic Optical Adaptation Technology

This technology dynamically detects the preparation state of the test strip or sample and adjusts the light source, allowing the system to effectively adapt to complex and extreme conditions, ensuring the best possible image capture and more accurate test results.

(D) Artificial Intelligence (AI) Algorithm Technology for Male Fertility

This technology uses deep learning to create models for sperm concentration (high and low), sperm drift, and sperm stratification, enabling effective, fast, and accurate computational detection.

(E) Multifunctional Detection Analyzer

Comprehensive sperm DNA fragmentation testing, routine semen testing, and sperm morphology staining are all integrated into a single instrument. Through AI deep learning, the system combines speed, precision, and broad functionality, delivering real-time results.

(F) Improvement of Sperm Separation Devices

The sperm Separation device has been improved through technological advancements to enhance its recovery rate and optimize its operation. It meets the needs of various assisted reproductive techniques (IUI, IVF, ICSI—intracytoplasmic sperm injection) across different scenarios.

(G) Female Reproductive Medicine Application Technology Development

The Company is expanding into the field of female reproductive medicine. Initially, its R&D efforts will focus on innovative applications of egg freezing and thawing technologies. Through its proprietary products, the Company aims to improve egg transfer efficiency and minimize disruption to the eggs during the medium exchange process. At the same time, by integrating its core "AI-powered optical microscopy" technology with AI-driven automated analysis, the Company will monitor the egg freezing and thawing procedures in real time to ensure egg quality and enhance the success rates of assisted reproductive technologies.

(2) Industry Overview

A. Current Situation and Development of the Industry

a. Medical Devices

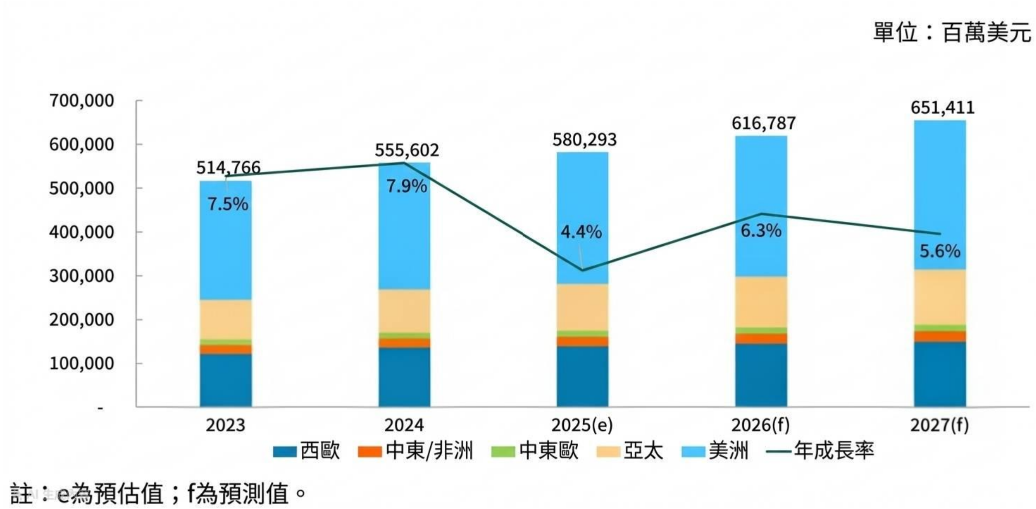
With the rising financial burden of healthcare costs and the issue of disability due to the global pandemic, aging populations, and the prevalence of chronic diseases, governments worldwide are gradually adopting digital technologies to enhance the efficiency and quality of healthcare. Through policy support and financial investment, they are promoting the integrated development of healthcare and digital technology, moving toward smart healthcare, digital healthcare, and precision medicine. At the same time, the establishment of ICT infrastructure, the application of big data analytics, and the integration of AI into healthcare settings are fostering the integration of disease prevention, screening, diagnosis, treatment, and care. This is driving the rise of the precision health industry and continuing to fuel the growth of the global medical device market.

According to a research report by BMI Research, the global medical device market size in 2024 is approximately USD 555.6 billion, and it is projected to grow to USD 651.4 billion by 2027, with a CAGR of 5.4% from 2024 to 2027, as shown in Figure 2-4. The Americas is the largest market, accounting for 51.6% of the global market share in 2024, while Western Europe is the second-largest market, accounting for 24.5%. The Asia-Pacific region is the third-largest market, accounting for 17.8%. Central and Eastern Europe accounts for 3.7%, while the Middle East and Africa accounts for 2.3%. Overall, the regional rankings of the global market are not expected to change significantly in the future, with the Americas, Western Europe, and the Asia-Pacific region remaining the primary markets.

Additionally, the global medical device market grew by 7.9% in 2024 compared to 2023, driven primarily by increased demand for surgical and orthopedic products due to an aging population, the rapid development of innovative medical devices such as electrophysiology equipment and continuous glucose monitors, as well as the post-pandemic rebound in medical demand and the adoption of AI technology. However, anti-inflation policies implemented by various governments, tariff issues arising from international trade frictions, and relatively weak demand in the Chinese mainland market may exert a certain degree of impact on market growth.

Looking ahead, as medical infrastructure in emerging markets gradually improves and digital medical technologies continue to become more widespread, the global medical device industry still holds long-term growth potential. That said, industry development must remain closely attuned to changes in the geopolitical and global economic landscape, and market strategies must be adjusted in a timely manner to ensure the industry's steady development.

Global Medical Device Market Distribution



Source: BMI; Industrial Economics and Knowledge Center, Institute for Information Industry and Strategic Development, Industrial Technology Research Institute (ITRI), May 2025.

b. Digital Health

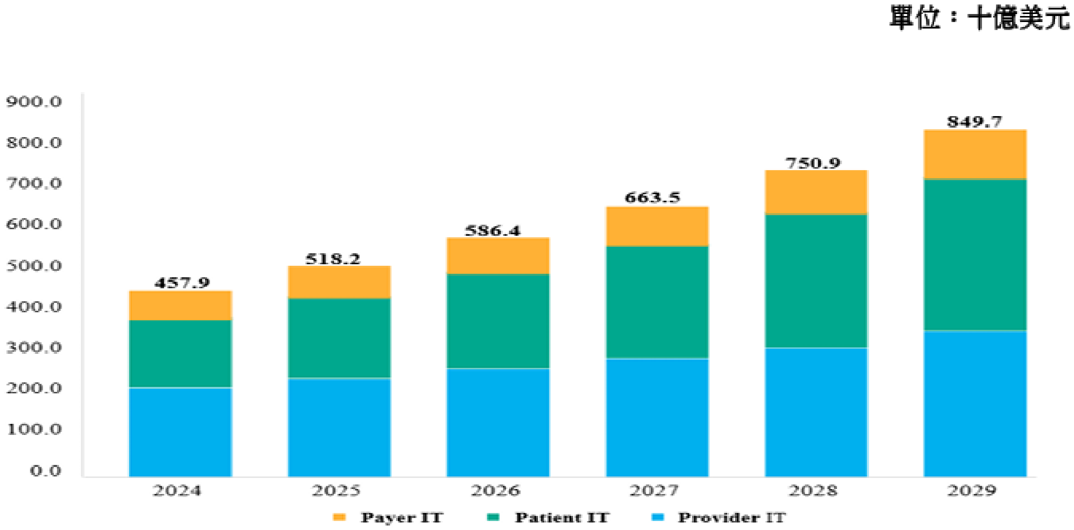
Information and communications technology (ICT) continue to advance and mature, and countries are increasingly turning to innovative technological applications to address challenges in the healthcare sector. In particular, amid the global trend toward an aging population, healthcare expenditures continue to rise while healthcare personnel remain relatively scarce, prompting governments and the healthcare industry to actively invest in the development of digital health. Digital health originated from eHealth and refers to the use of information and communications technology in support of health and health-related fields, including healthcare, disease management, and public health applications. With advancements in technologies such as big data, genomics, and AI, the scope of digital health applications has gradually expanded, extending from eHealth to mobile health (mHealth).

As medical institutions gradually adopt eHealth systems and digital equipment, clinical data can be stored and managed via the internet and cloud-based systems, creating a vast repository of medical data. In recent years, to address the challenges of an aging population and growing healthcare demands, compounded by the outbreak of the COVID-19 pandemic in 2020, the demand for telemedicine and smart healthcare services has surged rapidly. Consequently, countries are actively developing ICT and innovative technologies to support related applications in the healthcare sector.

Along with the maturation of big data analytics, cloud computing, and AI technologies, these technologies have been gradually integrated into various aspects of clinical medicine, including prevention, diagnosis, and treatment. This has not only improved the efficiency of medical processes but also driven the development of applications such as telemedicine, smart diagnostics, and personalized medicine, leading digital healthcare to emerge as a major trend in the global healthcare industry.

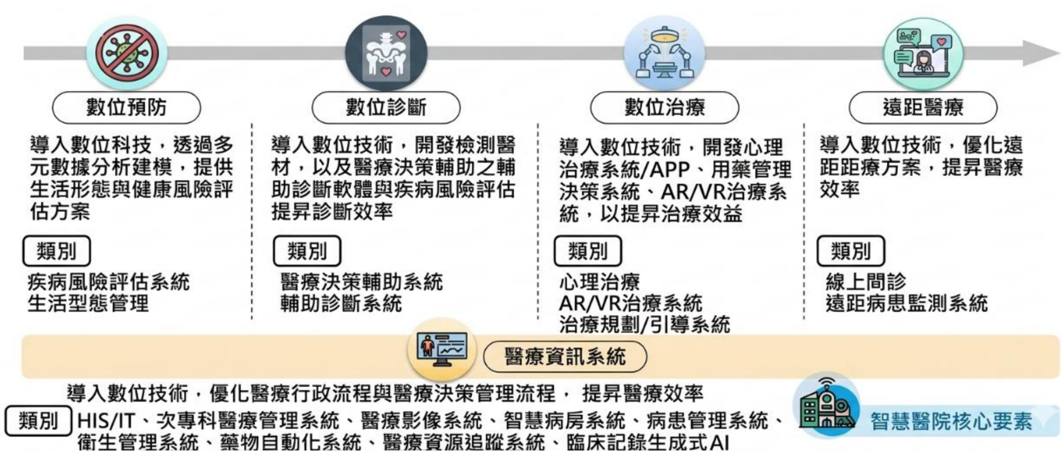
The momentum and opportunities of digital healthcare derive from solutions that apply digital technologies to various clinical applications, further enhancing the efficiency of overall healthcare processes and enabling individuals to manage their health through digital tools. As shown in the figure below, Frost & Sullivan estimates that the global digital healthcare market reached USD 457.9 billion in 2024 and is projected to reach USD 849.7 billion by 2029, with a CAGR of 13.2% from 2024 to 2029. Clinical information systems encompass healthcare software solutions and related professional services used by healthcare institutions and providers to digitize clinical, administrative, and financial management.

Digital Health Market Size 2024-2029



Source: Frost & Sullivan; Industrial Economics and Knowledge Center, Institute for Information Industry and Strategic Development, Industrial Technology Research Institute (ITRI), May 2025.

With the support of digital technologies and their continuous application in clinical settings, digital healthcare is experiencing rapid growth. The key to the development of digital healthcare lies in leveraging clinical big data, AI, and IoT technologies to create groundbreaking innovations, with the core focus on the needs of both healthcare providers and patients. Furthermore, driven by an aging population, corporate emphasis on employee health, and widespread public awareness of personal health management, digital healthcare has expanded beyond disease diagnosis and treatment in medical institutions to encompass disease prevention and personal health management at the societal and individual levels.

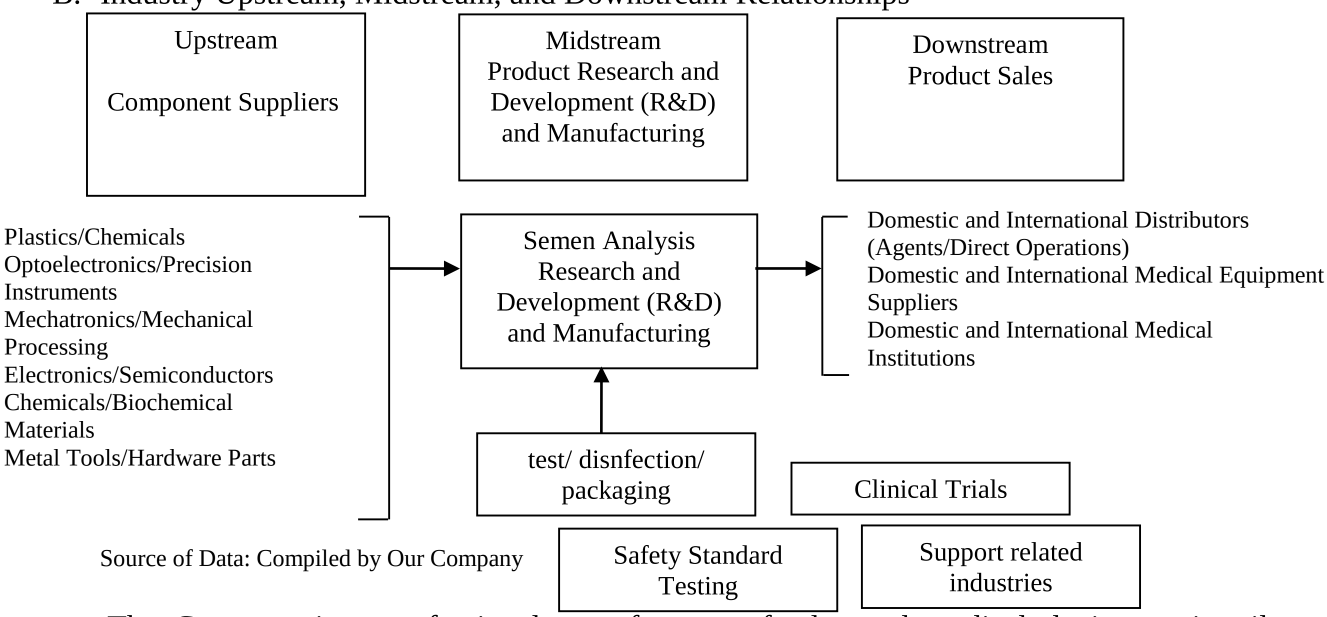


Source: Industrial Economics and Knowledge Center, Institute for Information Industry and Strategic Development, Industrial Technology Research Institute (ITRI), May 2025.

Driven by clinical demands, digital health is experiencing five key development trends: centralizing health data management, using AI to assist physicians in managing daily health monitoring for individual patients; AI-enabled early detection or diagnosis of diseases, assisting clinicians in improving clinical workflow efficiency; optimizing medical processes to enhance overall healthcare quality; diversifying the application of medical specialties to provide healthcare services without time and location constraints; and focusing on specific diseases, continuing the development of emerging digital therapies for mental health disorders to promote personal psychological well-being.

Analysis of leading global companies in digital health development shows that the key to advancing digital health lies in focusing on the needs of patients and healthcare providers, addressing the existing medical process habits and healthcare gaps of clinicians and patients, and leveraging digital technologies to add value and extend medical services. This approach broadens healthcare services from medical institutions to include businesses, communities, and individual health management, forming the core of innovative and breakthrough digital health solutions.

B. Industry Upstream, Midstream, and Downstream Relationships



Source of Data: Compiled by Our Company

The Company is a professional manufacturer of advanced medical devices, primarily engaged in the research and development, manufacturing, and sales of Male Infertility Total Solutions. The full range of products includes semen analysis instruments, sperm testing strips, sperm DNA fragmentation testing kits, sperm selection devices, and other related items such as quality control test kits, semen collection cups, and cleaning cotton swabs for instrument lenses. The Company operates in the upstream, midstream, and downstream sectors of the industry. The upstream includes raw material suppliers (such as plastic materials, hardware materials, optical components, and electronic components), the midstream consists of R&D and manufacturing, and the downstream is focused on end customers (medical institutions and distributors). Located in the midstream of the industry value chain, the Company focuses on the research and development and manufacturing of sperm quality analysis testing instruments. This is complemented by the acquisition of electronic circuit boards, mechanical components, and other applicable parts. Manufacturing, assembly, and testing are conducted according to the specified product standards. The main products are promoted and sold through distributors to IVF reproductive centers, both public and private medical institutions, and testing laboratories in various countries.

C. Development Trends and Competitive Landscape of the Product

Due to the declining birth rate and aging population, the global prevalence of male infertility has been rising year by year, becoming a critical issue in the healthcare industry. According to international research, over 90% of sperm quality testing worldwide still relies on traditional manual methods. Although computer-assisted testing systems were introduced early on, they generally suffer from high costs, complicated operations, and lack full standardization, making it difficult to fully replace manual procedures. This points to substantial and growing market demand for more efficient, automated, and intelligent testing tools.

Under this trend, AI, automated optical microscopy analysis, and big data applications are gradually becoming the focal points of innovation in the testing field. Industry development is also driven by the declining birth rates in many countries. Governments are actively investing in related medical subsidy policies to support the development of assisted reproductive and testing technologies, in order to address falling fertility rates and demographic imbalances. Overall, the market is currently undergoing a significant transition from manual testing to intelligent testing, and the potential market opportunities for the future are promis.

The existing market can be categorized into three main types of competitors:

(1) Traditional manual testing service providers

These providers still hold over 90% of the global market share and rely on the expertise of clinical staff. Their advantage lies in low equipment costs; however, their disadvantages include time-consuming manual operations, low efficiency, high error rates, and an inability to meet the growing market demand for standardization.

(2) Computer-assisted analysis system providers

These systems are typically based on CASA (Computer-Assisted Sperm Analysis) and provide high-precision test data. However, their disadvantages include high cost (usually 2 to 6 times that of traditional manual methods) and continued reliance on trained personnel. As they operate semi-automatically, they cannot fully replace manual testing processes, resulting in limited market penetration

(3) Emerging AI-powered automated testing system suppliers

Focusing on AI, automation, and standardization, these products typically offer rapid testing, ease of use, and high data comparability, effectively addressing the pain points of both traditional and CASA systems. Although these suppliers are emerging players in the global market, their growth potential is immense as their products gradually become commercialized and secure patents and medical licenses.

Taking the Company's products as an example, our solutions utilize fully automated optical microscopy and AI algorithms, offering smart, automated, standardized, and user-friendly operation. Compared to traditional manual methods and CASA systems, our products deliver high-quality testing at lower cost, significantly shorten the testing process, and reduce the staffing burden on hospitals and laboratories.

Furthermore, our in-house brand “LensHooke®” has successfully entered global markets and is collaborating with international distribution networks to increase global market penetration. The Company also holds a substantial portfolio of patents (111 granted, with 19 pending), covering core testing technologies and peripheral applications, thereby creating a technological barrier and reducing the risk of competitor imitation.

Overall, the assisted reproductive testing market is in a phase of rapid growth, with traditional testing methods gradually being replaced by intelligent testing solutions. Although emerging AI testing companies are relative newcomers to the market, their technological advantages, cost-effectiveness, and standardized features give them the potential to replace traditional models. Leveraging a comprehensive patent portfolio, a diversified product line, and international market expansion, the Company has established a differentiated competitive advantage within the industry. Looking ahead, with rising market demand and policy support, the Company is well-positioned to become a leading brand in this field, continuously strengthening its competitive position and expanding its global influence.

(3) Technology and R&D Overview

A. Research and Development Expenses for the Most Recent Fiscal Year and Up to the Date of Annual Report Printing

Unit: NT$ Thousands

Year	2024	2025
R&D Expenses	41,763	54,827
Net Operating Revenue	222,878	306,307
Percentage of Net Operating Revenue	18.74%	17.90%

B. Technologies or Products Successfully Developed in Recent Years and Up to the Date of Annual Report Printing

Year	R&D Achievements
2021	1. X12 PRO Semen Analysis System (Multi-Field Automatic Detection) - Miniaturized microscope with automatic focus technology - Multi-field detection for rapid analysis - Sperm DNA double-strand/single and double-strand fragment microscopic imaging detection technology 2. R10/R11 Sperm DNA Fragmentation Testing Kit - Development of single and double-strand sperm DNA fragmentation testing reagents - Development of double-strand sperm DNA fragmentation testing reagents 3. S10 Data Consolidation Software - Development of data report integration software compatible with both X1 PRO and X12 PRO
2022	1. X12 PRO Semen Analysis System (Multi-Field Automatic Detection) - Microscopic imaging detection technology for sperm analysis (concentration/motility/morphology) 2. CA0/CA1 Sperm Separation Solution - Enhancement of Sperm Live Motile Sorting Technology (Sperm Motility Selection Technology) - Ultra-precision surface alignment technology
2023	1. X12 PRO Semen Analysis System (Multi-Field Automatic Detection) - Microscopic imaging detection technology for sperm analysis (concentration/motility/morphology) 2. CR0 Pre-Stained Morphology Slides - Rapid sperm morphology staining technology 3. CS3 Semen Test Slide - Designed for use with X12 PRO - Fully covered, bubble-free design for simpler and faster testing
2024	1. X3 PRO Semen Quality Analyzer - Miniaturized microscope technology with automatic focus - Automatic optical detection technology for semen pH value - Microscopic imaging detection for sperm analysis (concentration/motility CASA parameters/morphology) - Intelligent automatic interpretation technology 2. R10 Plus / R11 Plus Sperm DNA Fragmentation Test Kit - Development of single and double-strand sperm DNA fragmentation testing reagents - Development of double-strand sperm DNA fragmentation testing reagents 3. Semen Testing Quality Control (X QC Slide) - Designed for use with X12 PRO - Confirms the accuracy and repeatability of sperm counting methods using known standard ranges
2025 to date	1. X3 PRO Semen Quality Analyzer - Upgraded functions and AI-based analytical detection algorithms 2. R10 Plus / R11 Plus Sperm DNA Fragmentation Test Kit - Upgraded functions and AI-based analytical detection algorithms 3. Development of the next-generation sperm selection device CA2 4. Development of CF1/CF2 oocyte cryopreservation and thawing technologies

C. Patents for Product Technologies Applied for in the Last Five Years

Year of Application	Developed Technology or Product
2022	Sperm sorting apparatus, Chinese Design Patent （Utility Model Patent Certificate No.: CN217377845U）
	Sperm sorting apparatus, Taiwanese Utility Model Patent Certificate （Utility Model Patent Certificate No.: M634293）
2023	Sperm sorting apparatus, Chinese Design Patent （Utility Model Patent Certificate No.: CN218561447U）
	Method and Kit for Detecting Sperm DNA Fragmentation, U.S. Invention Patent （Invention Patent Certificate No.: 11644455）
	MULTI-VIEW ANALYSIS IN AUTOMATED TESTING APPARATUS, Taiwanese Utility Model Patent （Invention Patent Certificate No.: I808435）
	Method and Kit for Detecting Sperm DNA Fragmentation, Multinational Invention Patents (Patent Countries: Austria, Czech Republic, Germany, Denmark, Spain, France, United Kingdom, Italy, Lithuania, Netherlands, Sweden, Turkey)
	Device for Testing Biological Samples, U.S. Invention Patent （Invention Patent Certificate No.: 11754485）
2024	Device for Testing Biological Samples, U.S. Invention Patent (Invention Patent Certificate No.: 11899007)
	Device for Testing Biological Samples, U.S. Invention Patent (Invention Patent Certificate No.: 11921101)
	Device for Testing Biological Samples, European Invention Patent (Invention Patent Certificate No.: EP3222994；Patent Countries: Germany, United Kingdom, Spain, Denmark)
	Biological Sample Quality Testing Validation Strip, Chinese Invention Patent (Invention Patent Certificate No.: CN113495136)
	Device for Testing Biological Samples, Chinese Invention Patent (Invention Patent Certificate No.: CN113406318)
	CS3 Detection Test Strip, Taiwanese Design Patent (Design Patent Certificate No.: D232159)
	Improved Analytical Accuracy Automated Testing Device, Chinese Invention Patent (Invention Patent Certificate No.: CN112098405)
	Sperm Selection Device, Taiwanese Invention Patent (Invention Patent Certificate No.: I856300)
	Detection Test Strip, European Design Patent (Design Patent Certificate No.: 006362836-0001)
	Detection Test Strip, U.K. Design Patent (Design Patent Certificate No.: 9006362836)
	Siphon Test Strip (CS3), Taiwanese Invention Patent (Invention Patent Certificate No.: I866690)
2025 to date	Pre-stained Test Strip (CR0), Taiwanese Utility Model Patent (Invention Patent Certificate No.:M666722)
	Pre-stained slides (CR0) obtained a Chinese utility model patent (Invention Patent Certificate No.:CN222979198U)
	DNA testing reagent (R10) obtained a Chinese invention patent (Invention Patent Certificate No.:CN114659868B)
	DNA testing reagent (R11) obtained a Chinese invention patent (Invention Patent Certificate No.:CN114660059B)
	DNA testing reagent (R11) obtained a European invention patent (Austria, Czech Republic, Germany, Denmark, Spain, France, the United Kingdom, Italy, Lithuania, the Netherlands, Sweden, and Turkey) (Invention Patent Certificate No.: EP4019646)

(4) Long-term and Short-term Business Development Plans

A.Short-term Development Plan

(A) Marketing Strategy

When Bonraybio Co., Ltd. was established, a dual-brand market strategy was set, creating two brands: LensHooke® and Bonraybio®. LensHooke® serves as the product brand, aiming to bring products developed and designed in Taiwan to the global market under its own brand and achieve international recognition. Bonraybio® serves as the technology brand, representing the renowned R&D and production capabilities of Taiwanese medical technology. The company believes that limiting its R&D technology to only its own brand would be a missed opportunity. However, in the short term, the company's marketing resources cannot effectively cover all product lines. Therefore, Bonraybio® is positioned as a technology brand, leaving room for collaboration with international companies, assisting in the design and development of products across other fields, while simultaneously developing international markets with a dual-track approach.

Initially, the company aims to market its full range of "Male Infertility Total Solutions" under the LensHooke® brand, targeting the infertility and fertility preparation markets. Through the promotion of the LensHooke® product brand, the company will simultaneously introduce the Bonraybio® technology brand with the "Bonraybio Technology inside" logo. This will not only raise awareness of the technological capabilities behind the products but also enhance the company's international order acquisition capabilities in the second phase of expanding its technological capabilities.

By participating in professional medical device exhibitions around the world and infertility-related conferences, the Company aims to quickly establish a global distribution network. The principle is to have one exclusive distributor per country, encouraging distributors to invest in joint market development. Through this strategy, the Company and its subsidiaries have established a distribution network that spans over 75 countries worldwide.

Once the distribution network is in place, the Company and its subsidiaries will assist distributors in targeting professional medical testing centers as the primary market. During the initial launch phase, the Company will use professionally focused marketing strategies, such as inviting experts in the male infertility field to conduct research and collaborate, participating in relevant professional seminars, and seeking feedback from physicians on the products. Through these research and marketing efforts, the Company aims to gradually build its brand and increase product awareness, promoting its products for use by professional medical testing centers. These centers can use the Company's products as a basis for testing, reducing testing time and labor costs, while using feedback from professionals to address any initial product issues.

Subsequently, the products will be gradually promoted to hospitals and clinics. Since the products deliver instant test results, they can serve as a communication bridge between hospitals or clinics and patients or testing staff, adding value to hospital and clinic services. In this era of holistic health, the Company strives to be a leader in male reproductive health testing.

(B) R&D Strategy

The Company's R&D team uses modular component design as its core development foundation. This not only helps reduce manufacturing costs and lower technical barriers but also accelerates time-to-market. Against the backdrop of declining birthrates and falling fertility rates, which have become major global social issues, the Company's short-term R&D strategy focuses on the following three areas:

A. Continuing to advance the functional development of our multifunctional sperm quality analyzers (X12 PRO and X3 PRO), while enhancing their "rapid testing, simple operation, and multifunctionality" features. We will also integrate automated XY stages and optical inspection technologies to improve testing efficiency and accuracy. By applying AI algorithms, we will optimize sperm image analysis and automated interpretation capabilities, ensuring greater consistency and reliability in test results.
B. Advancing next-generation sperm selection technologies. For assisted reproductive technologies such as intrauterine insemination (IUI) and intracytoplasmic sperm injection (ICSI), we will develop screening solutions that balance sperm quantity and quality, providing more effective total solutions for clinical applications.
C. Expanding into the field of female reproductive medicine. Our initial focus is developing innovative solutions for egg freezing and thawing. Through our proprietary products, we aim to improve egg transfer rates while minimizing disruption to eggs during media exchange. Furthermore, using our unique and innovative core technology: "AI Optical Microscopy" along with AI-powered automated analysis, we will monitor the egg freezing and thawing process to ensure egg quality.

(C) Production Strategy

The short-term production strategy will focus on increasing automation and implementing lean manufacturing. We will actively introduce advanced automation equipment and process optimization technologies. Through data-driven management and continuous improvement, we aim to reduce manual errors and minimize resource waste, thereby improving production efficiency and lowering costs. At the same time, we will strengthen our quality management mechanisms to ensure that, while maintaining consistent high quality, our products offer greater production flexibility and faster market responsiveness to meet rapidly changing demands.

For supply chain management, we will focus on evaluating and optimizing our supplier partnerships. We will implement a rigorous supplier management system to improve the stability and timeliness of raw material supply. Furthermore, we will use effective inventory control strategies to reduce costs, ensuring that production operates in a timely, stable, and efficient manner. In the short term, our goal is to establish a production system that combines flexibility and efficiency, laying the foundation for the rapid introduction and mass production of new products.

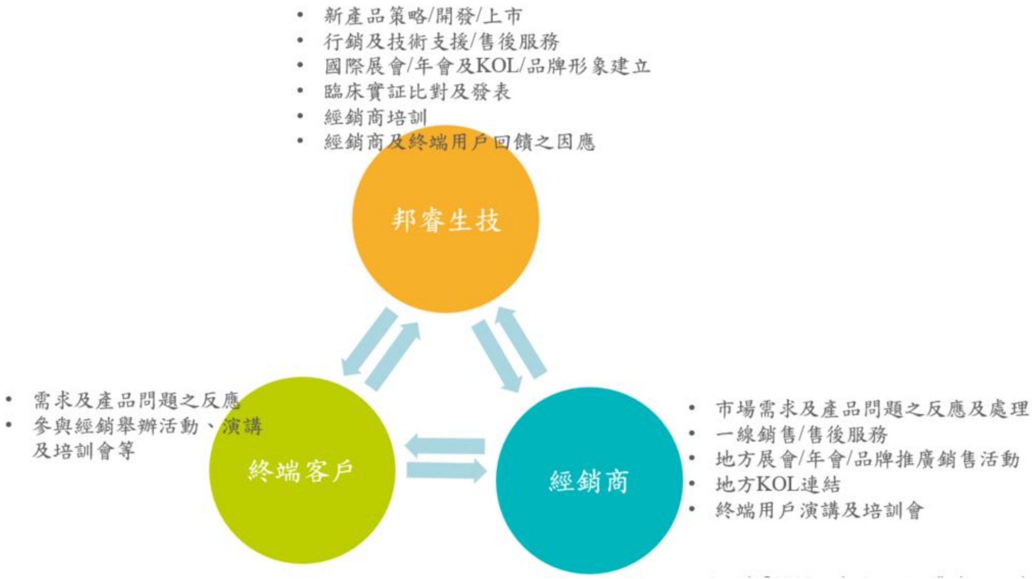
B.Long-term Development Plan

(A) Marketing Strategy:

Market research indicates that the global market for infertility and fertility testing is experiencing steady growth, driven by rising infertility rates and increasing awareness of reproductive health. The overall market size is expected to continue expanding in the coming years, providing a solid foundation for the Company's long-term sales and market expansion.

The long-term sales strategy focuses on integrating short-term market penetration with medium-to long-term brand building. By actively participating in major international exhibitions in the medical and reproductive medicine fields (including MEDICA, ASRM, ESHRE, and various regional professional exhibitions), we will continuously enhance the brand's visibility and influence in global professional markets, accelerate market penetration in various countries, and expand our potential customer base. At the same time, we will leverage the practical clinical application results and product usage evidence from international reproductive medicine experts as benchmark cases for promoting infertility testing products, thereby consolidating our market position in the field of reproductive testing and gradually expanding from comprehensive solutions for male infertility to female reproductive health, animal reproduction, and other diagnostic medicine-related fields.

Through the effective implementation of short-term marketing strategies, we can rapidly enhance brand awareness and market visibility. Concurrently, the Company will collaborate with distribution partners in various countries to provide professional educational materials and establish an online education platform, educating prospective patients on the importance of early fertility and sperm quality testing. This will increase demand for and penetration of testing services in the preconception market, thereby strengthening the Company's long-term competitive advantage in the reproductive health industry.



(B) R&D Strategy:

Leveraging the maturity of our AI-based diagnostic product development technology in the field of infertility and reproductive health, our next phase of R&D efforts will focus on applications involving interstitial fluids and other biological samples. We will explore how to transform the vast and highly specialized testing needs in preventive and therapeutic medicine into intelligent and automated diagnostic instruments and comprehensive solutions, thereby enhancing the efficiency and accuracy of clinical testing.

Furthermore, the application scope of AI-powered automated optical microscopy technology extends beyond clinical interpretation of human bodily fluids and tissue sections. It is not limited to the human medical field but can be extended to research in animal reproduction and conservation, supporting the breeding and population sustainability of endangered species. This approach fulfills the Company's social responsibility in both medical technology and ecological sustainability

(C) Production Strategy:

The long-term production strategy will focus on smart manufacturing and automation upgrades. We will gradually increase the proportion of automated production and introduce smart manufacturing technologies such as AI, big data analytics, and the Internet of Things (IoT) to continuously optimize process efficiency and precision. This will reduce overall manufacturing costs while enhancing product consistency and market competitiveness. At the same time, the Company will build a more flexible smart factory system to achieve high integration from R&D and design to mass production, enabling rapid responses to market demands and customer expectations while supporting the introduction of new products and diversified applications in the future.

For supply chain management, the Company will strengthen collaboration and long-term partnerships with suppliers, establishing a supply chain network that combines both global and localized capabilities. This will enhance agility in responding to market fluctuations while ensuring the stability of raw material supply and risk diversification. Concurrently, the Company will continue to promote the digitalization and transparent management of the supply chain to mitigate operational risks and support the Company's overall strategic objectives. In the long term, the Company will leverage smart manufacturing and a resilient supply chain as dual drivers to build a highly efficient, flexible, and sustainable production system, ensuring it maintains a leading position in the global competitive landscape.

2. Market and Production Overview

(1) Market Analysis

A. Sales (Provision) Regions of Main Products (Services)

Unit: NT$ Thousands; %

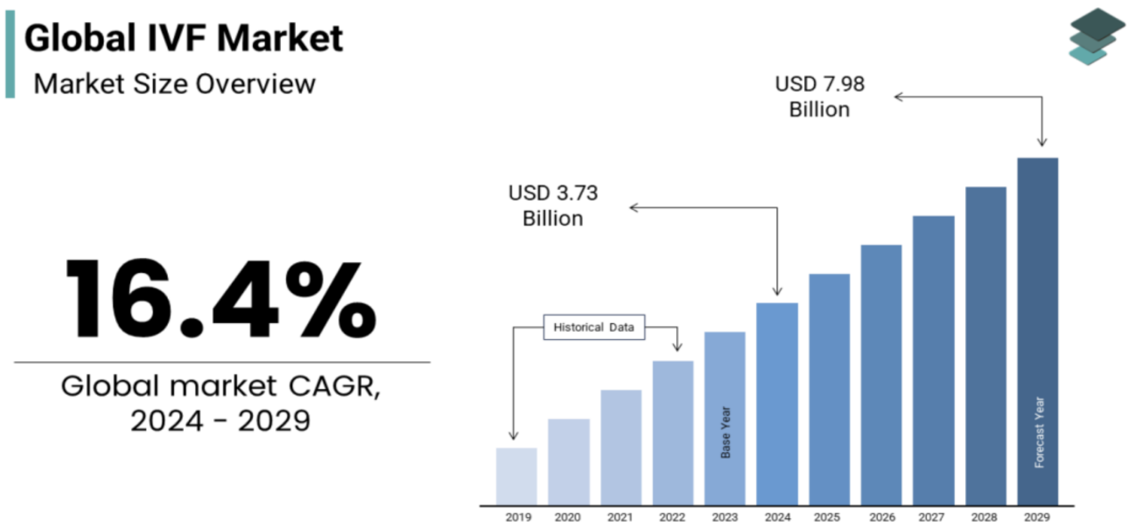
Region \ Year		2024		2025	
		Amount	Percentage	Amount	Percentage
Domestic Sales		9,696	4.35	11,608	3.79
Exports	Americas	53,055	23.80	78,456	25.61
	Europe	53,595	24.05	58,821	19.20
	Asia	103,171	46.29	152,115	49.66
	Others	3,361	1.51	5,307	1.74
Total		222,878	100.00%	306,307	100.00%

B. Market Share

According to a 2022 report by Data Bridge Market Research, the global market for sperm analyzer systems is estimated to grow at a compound annual growth rate (CAGR) of 9% from 2022, reaching US$635.27 million by 2029. Based on this projection, the market size for 2025 is estimated at approximately US$450.04 million, equivalent to approximately NT$14,144.8 million. Based on the Company's consolidated net revenue of NT$306,307 thousand for 2025, the Company's market share is estimated to be approximately 2.2%.

C. Future Market Supply and Demand Conditions and Growth Potential

According to data released by the National Institutes of Health (NIH), 8% to 10% of couples face infertility issues, with changes in lifestyle being a major contributing factor. Additionally, the American Society for Reproductive Medicine (ASRM) states that lifestyle factors such as obesity, smoking, and alcohol consumption can hinder follicle stimulation due to abdominal fat accumulation in women, while also lowering testosterone levels in men and reducing sperm production. As the incidence of infertility rises, many couples are turning to advanced reproductive technologies (such as in vitro fertilization) to achieve pregnancy. Furthermore, factors such as growing public awareness of advanced reproductive technologies like in vitro fertilization (IVF), government support for IVF (e.g., favorable subsidy policies), and the increasing number of fertility procedures for treating male infertility (such as intracytoplasmic sperm injection, or ICSI) are driving the growth of the global IVF market during the forecast period. Market Data Forecast indicates that the global IVF market size is projected to grow from US$3.73 billion in 2024 to US$7.98 billion in 2029, representing a compound annual growth rate (CAGR) of 16.4%.



Source: Market Data Forecast

A survey by Research Nester also indicates that the global assisted reproductive technology market is projected to grow from US$31.7 billion in 2025 to US$62.94 billion in 2035, with a compound annual growth rate (CAGR) of 7.1%

Source: Research Nester

According to a report by Research Nester, the market size for male infertility testing is projected to grow from USD 4.59 billion in 2025 to USD 7.55 billion by 2035, representing a compound annual growth rate (CAGR) of 5.1%.

Source: Research Nester

D. Competitive Niche

(A) Possession of Core Product Technologies and Patents, Difficult for Competitors to Enter

Since its establishment in 2016, the Company has focused its product development efforts on intelligence, automation, standardization, and user-friendly operation. We have successfully commercialized AI-powered fully automated optical microscopic inspection and analysis technology and developed a series of related products, bringing about a significant transformation to an industry that previously relied on traditional manual inspection methods. Our self-developed sperm quality analysis instruments fully integrate three key technologies: miniaturized high-resolution microscopic lenses, a highly integrated hardware computing platform, and an AI algorithm architecture. These instruments are protected by numerous invention patents worldwide. As of the date of this annual report, we have obtained 111 patents, with an additional 19 currently pending. The Company has also obtained product licenses in Taiwan, China, the United States, and the European Union, and markets its products in 75 countries worldwide. These patents and product licenses form a technological barrier that effectively extends the time required for existing or potential competitors to enter the market, thereby helping the Company maintain its technological leadership.

The Company continuously recruits and trains outstanding R&D personnel. Its R&D capabilities span the fields of optics, electronics, mechanics, clinical medicine, and AI algorithms, with robust capacity to convert R&D outcomes into patent applications. Additionally, the Company maintains an in-house biochemical laboratory. Members of the R&D team possess specialized knowledge in the biomedical field and focus on research and analysis within the laboratory. They have published their technical findings in numerous publications (such as research papers and academic journals). Recently, original research results were published in 2025 in world-renowned journals such as “FEBS Open Bio” and the “Journal of Assisted Reproduction and Genetics.” In addition to our own publications, our products have been featured or cited in numerous publications, receiving positive affirmation of their performance. This helps establish the brand's professional image, instilling greater confidence in end-users regarding the operational efficiency and effectiveness of our products, while also validating that the development outcomes of our entire product line meet market demands.

(B) Actively Developing New Products and Expanding into Applications and Development in the Fields of Female Reproductive Health and Diagnostic Medicine

Since its establishment, the Company has focused on the field of male reproductive testing. Having gone through the start-up phase, market validation, and the transition from loss to profit, it has established a comprehensive product line and a solid market position, while maintaining consistent profit growth year after year, demonstrating the sustainability of its business model and technological approach. As we enter our 10th anniversary in 2026, the Company is officially launching its second growth curve, upgrading its product positioning from "Male Infertility Total Solution" to "AI-Powered Fertility Science." By leveraging AI and more scientific technologies, we will provide intelligent, standardized, and reliable products, comprehensively expanding our presence in both male and female reproductive healthcare markets while strengthening product differentiation and technological leadership.

In addition to continuing to invest in the technical optimization of existing male infertility products to further enhance the accuracy of test results and expand functional diversity, the Company is actively expanding into female reproductive medicine-related fields. The initial phase will focus on developing innovative solutions for egg freezing and thawing technologies.

The Company will further expand into the field of diagnostic medicine. Having completed the registration of the new brand LensDiagnosis, it will sequentially advance product R&D in application areas such as joint fluid testing to broaden the scope of technological applications and strengthen medium- to long-term growth momentum.

E. Development Outlook: Favorable, Unfavorable Factors and Response Strategies

(A) Favorable Factors

a. Continuous Growth of Product Application Market

The Company and its subsidiaries mainly engage in the research, development, manufacturing, and sales of a complete series of products for male infertility solutions, including semen quality analyzer, semen test cassette, sperm DNA fragmentation test kits, sperm separation solution, and other related products. These products are primarily applied in andrology testing and reproductive medicine.

In terms of andrology testing, the concept of preventive medicine has gained widespread acceptance in recent years, and people are more willing to undergo regular health check-ups. There is also a growing trend of accepting the collection of biological samples from the body for analyzing health indicators, such as blood, urine, saliva, and other specimens. Specifically for males, andrology testing covers the male urogenital system, including the condition of the testes, scrotum, external genitalia, and more importantly, semen analysis. This test helps individuals discover their sperm count, sperm motility, sperm morphology, sperm concentration, and whether the sperm liquefaction time is normal.

In reproductive medicine, many medical products are highly sensitive to price, but in the reproductive medical market, patients are often focused on using the best and fastest products available to optimize their treatment during the precious window of opportunity.

The demand for semen analysis in both andrology testing and reproductive medicine continues to expand. The products developed and manufactured by our company are designed to meet the growing needs of male infertility, with a focus on easy-to-operate, fast testing, and standardized result interpretation, thus offering a more efficient, simpler, and faster testing process for medical institutions, reproductive centers, and andrology laboratories.

In Taiwan's market, although global birth rates are currently declining, the proportion of assisted reproductive technology (ART) is increasing year by year. According to the Ministry of the Interior's 2023 birth statistics, there were 133,895 newborns. Additionally, the Analysis Report on the Implementation of Assisted Reproductive

Technology in 2023, released by the Health Promotion Administration, MOHW in December 2025, indicates that 11,658 newborns were born through assisted reproductive technology in 2023. In other words, in Taiwan during 2023, 1 out of every 12 newborns was conceived through assisted reproductive technology. Moreover, the number of assisted reproduction cycles is on the rise, increasing from 58,476 cycles in 2022 to 58,557 cycles in 2023. Finally, factors such as increased environmental pollution compared to the past, the accelerated pace of modern life, and heightened emotional stress have all contributed to the growing prevalence of infertility. Consequently, the demand for assisted reproductive technology continues to rise, and the overall market remains on a steady growth trajectory.

Assisted Reproductive Treatment Cycles	Year 2022	Year 2023
Use of Donated Sperm and Eggs	2,355	3,645
Use of Spouse's Sperm and Eggs	56,121	54,912
Total Treatment Cycles	58,476	58,557
Number of Newborns from Assisted Reproduction	11,549	11,658

Data Source: National Health Service, Ministry of Health and Welfare, Taiwan.

表7　112 年人工生殖出生嬰兒性別、體重及週數

單位：人數/%

嬰兒狀況	活產嬰兒數	百分比
性別		
男	6,255	53.7
女	5,403	46.3
體重		
<1500 公克	325	2.8
1500-2499 公克	2,666	22.9
≥2500 公克	8,667	74.3
懷孕週數		
<37 週	3,075	26.4
37-41 週	8,571	73.5
≥42 週	12	0.1
合計活產嬰兒數	**11,658**	**100**

Source: Health Promotion Administration, Ministry of Health and Welfare

各縣市嬰兒出生數按生母年齡分

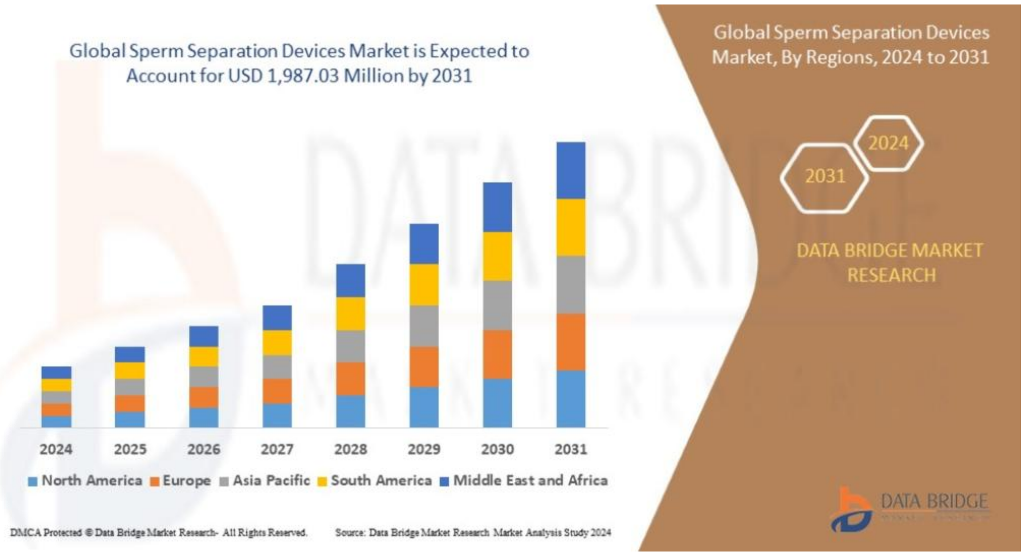
中 華 民 國 112 年

按發生日期統計 單位：人

區域別	出生數			生母年齡						
	總計	男	女	-20	20～24	25～29	30～34	35～39	40～44	45+
總計	**133,895**	**69,453**	**64,442**	**1,400**	**9,966**	**30,977**	**48,742**	**32,750**	**9,313**	**747**
新北市	**18,157**	**9,270**	**8,887**	**136**	**1,096**	**3,622**	**6,839**	**4,839**	**1,503**	**122**
臺北市	**15,920**	**8,211**	**7,709**	**52**	**440**	**2,267**	**5,976**	**5,352**	**1,675**	**158**
桃園市	**17,662**	**9,132**	**8,530**	**180**	**1,267**	**4,327**	**6,688**	**4,000**	**1,106**	**94**
臺中市	**16,813**	**8,897**	**7,916**	**150**	**1,222**	**4,050**	**6,344**	**3,917**	**1,039**	**91**
臺南市	**9,241**	**4,814**	**4,427**	**84**	**656**	**2,098**	**3,306**	**2,415**	**644**	**38**
高雄市	**15,589**	**8,137**	**7,452**	**146**	**1,133**	**3,650**	**5,676**	**3,779**	**1,126**	**79**
臺灣省	**39,696**	**20,560**	**19,136**	**644**	**4,093**	**10,786**	**13,589**	**8,253**	**2,168**	**163**
宜蘭縣	2,392	1,251	1,141	56	281	670	838	428	116	3
新竹縣	3,974	2,054	1,920	56	315	885	1,455	983	253	27
苗栗縣	2,268	1,202	1,066	46	248	656	763	429	118	8
彰化縣	9,677	5,004	4,673	97	808	2,625	3,557	2,033	526	31
南投縣	2,388	1,236	1,152	69	294	687	774	414	137	13
雲林縣	3,176	1,667	1,509	60	392	924	1,008	626	156	10
嘉義縣	2,312	1,202	1,110	28	270	710	731	457	111	5
屏東縣	4,222	2,133	2,089	83	556	1,219	1,299	813	229	23
臺東縣	1,454	773	681	36	197	439	459	253	63	7
花蓮縣	1,828	935	893	57	265	570	539	309	86	2
澎湖縣	754	379	375	3	85	217	249	159	40	1
基隆市	1,324	693	631	26	131	340	437	316	70	4
新竹市	2,734	1,435	1,299	16	153	552	1,060	734	201	18
嘉義市	1,193	596	597	11	98	292	420	299	62	11
福建省	**817**	**432**	**385**	**8**	**59**	**177**	**324**	**195**	**52**	**2**
金門縣	719	376	343	8	55	155	282	169	48	2
連江縣	98	56	42	—	4	22	42	26	4	—

說明：本表按發生日期統計。 內政部戶政司 編製

According to the report published by GRAND VIEW RESEARCH in 2023, the global male infertility market reached USD 4 billion in 2022, and it is expected to grow to USD 5.9 billion by 2030, with a compound annual growth rate (CAGR) of 4.95%. Additionally, according to the report released by Data Bridge Market Research in 2024, the global sperm separation devices market is projected to grow at a CAGR of 16.30% from 2023, reaching USD 1.987 billion by 2031. Based on the combined research findings, the market sizes for the company’s full product line, including sperm quality analysis devices, DNA fragmentation testing kits, and sperm selection devices, are estimated to be around USD 5.9 billion and USD 1.987 billion, respectively. The future market holds significant growth potential.



Source: Data Bridge Market Research

b. Competitive Market Pricing

Currently, automatic or semi-automatic male semen analysis devices are primarily targeted at professional research institutions or medical facilities. These products feature high-magnification microscopes combined with specialized software and assistive personnel for testing. While these products are highly functional, operators require professional training, and the overall price is relatively high. However, when medical institutions purchase medical equipment, in addition to considering factors such as accuracy and after-sales service, price is also a key purchasing criterion. The design of our company and its subsidiaries' products focuses on time-saving, accuracy, ease of use, and quick analysis. Moreover, to make the products accessible to the preconception market, they offer high cost-effectiveness and competitive pricing.

(B) Unfavorable Factors and Countermeasures

a. The medical device market is relatively closed, requiring a long market education and product promotion period

The end users of the medical testing equipment industry, in which our company operates, are primarily medical laboratory technicians or embryologists. These professionals follow specific testing protocols and standard operating procedures during their routine examinations. Therefore, in the product sales process, it is necessary to go through customer testing, verification, and product education training, which results in a longer market education and product promotion period. Additionally, without user trust, brand recognition, sales channels, and after-sales service, it is difficult to penetrate local markets.

<u>Countermeasure:</u>

The Company has obtained 111 patents and product licenses from countries such as the United States, European Union, China, and Taiwan, which comply with international quality management standards and product certification requirements for various markets. We actively participate in major domestic and international medical and medical device exhibitions. These efforts not only create opportunities for exchanging new technologies and products but also help us secure key technologies and patents. This, in turn, expands our brand visibility and lays the groundwork for future partnerships. As our product visibility continues to increase and we offer a complete product line, we will strengthen our competitive advantage. Moving forward, we will continue to develop new products and technologies to provide high-quality, convenient diagnostic products to meet the needs of the male reproductive market, further solidifying our existing customer relationships and increasing industry penetration.

b. Difficulty in recruiting and nurturing professional talent

The medical testing equipment industry has a high technical threshold, requiring long periods of time for new product development and collaboration from professionals in various fields, including medicine, biochemistry, optical microscopy, AI algorithms, image processing, electronic engineering, and optical mechanics. The research and development (R&D) team must work together to integrate these core technologies to complete product development. Therefore, recruiting professionals with relevant experience and maintaining a stable R&D team is crucial.

Countermeasure:

The Company continues to recruit and nurture outstanding R&D personnel, strengthening our internal R&D capabilities. Through ongoing participation in internal and external professional training courses, we enhance the skills of our R&D staff. We have also established a comprehensive R&D management system to ensure the preservation and security of project results and information, fostering the transfer and exchange of knowledge among team members. Additionally, by entering the capital markets, we aim to enhance our visibility and position within the reproductive medicine industry, attracting top talent. We offer various employee benefits and incentive measures to improve employee loyalty, reduce turnover rates, and ensure long-term stability and growth.

(2) Important Uses and Production Process of Main Products

A. Important Uses of Main Products

(A) Semen Quality Analyzer (X1 PRO/X3 PRO/X12 PRO)

The Company has successfully developed the Sperm Quality Analyzer for routine sperm testing. The products (X1 PRO/X3 PRO) automatically detect sperm count and quality, including pH level, motility, concentration, and morphology. The X12 PRO model is capable of additional testing for sperm DNA fragmentation.

(B) Semen Test Cassette (CS1/CS3)

The Company has successfully developed the Sperm Test Strips that are specifically designed to be used with the sperm quality analyzers.

(C) Sperm DNA Fragmentation Test Kit (R10/R11)

The Company has successfully developed the Sperm DNA Fragmentation Test Kit to measure sperm DNA fragmentation, which is used to assess sperm quality.

(D) Sperm Separation Solution (CA0/CA1)

Our company has successfully developed the Sperm Sorting Device, primarily used to select high-quality sperm from the sample. It is designed to meet the needs of assisted reproduction techniques such as IUI (Intrauterine Insemination)**,** IVF (In Vitro Fertilization), and ICSI (Intracytoplasmic Sperm Injection) procedures.

(E) Quality Control Test Kits (QX0/QXA/QXB)

The Quality Control Test Kits are divided into three categories:(A) Semen Quality Control Microparticles**,**(B) Semen Quality Control Optical Microparticles, and(C) Semen Quality Control Imaging**.**These test kits are mainly used to assist users in the quality control of the Sperm Quality Analyzer products developed by the Company and its subsidiaries.

Product Names	Illustrations
Semen Quality Analyzer X1 PRO	
Semen Quality Analyzer X3 PRO	
Semen Analysis System 12 PRO	
Semen Test Cassette CS1/CS3	 
Sperm DNA Fragmentation Testing Kits R10/R10 Plus/R11 Plus	  
Sperm Separation Solution CA0/CA1	
Quality Control Testing Kits QX0/QXA/QXB	

B. Main Product Manufacturing Process

(A) Semen Analysis Quality Analyzer (X1 PRO / X3 PRO / X12 PRO)

The semen quality analysis testing instruments are electronic products. The manufacturing process is divided into three major stages:

a. Module Production

Assembly of the LCD module, circuit board (PCBA) assembly, lens-related motherboard module, and battery-related bottom cover module.

b. Assembly Process
   Assembly of the top cover, motherboard, and bottom cover modules, including serial number handling and appearance cleaning.
c. Functional Verification
   Quality control and stability management, including functionality testing, warm-up testing, etc.

(B) Semen Test Cassette (CS1 / CS3)
   The sperm test strips production process is divided into two main stages:
   a. Assembly Process
      Raw material processing, adhesive application, and assembly.
   b. Functional Verification
      Quality control for stability, including cleanliness verification, precision measurement, etc.

(C) Sperm DNA Fragmentation Test Kit (R10/R10 Plus/R11 Plus)
   The production process mainly involves solution preparation, divided into two major stages:
   a. Preparation and Testing
      Accurate weighing of raw materials according to standard instructions for reagent preparation and functionality testing.
   b. Packaging, Function, and Quality Verification
      Packaging by pre-set weight and conducting further functionality verification.

(D) Sperm Separation Solution (CA0 / CA1)
   The production process primarily consists of assembly, divided into two main stages:
   a. Assembly Process
      Joining and assembling various components.
   b. Function and Quality Verification
      Confirmation of assembly strength and optical recognition system cleanliness verification.

(E) Quality Control Testing Kits (QX0 / QXA / QXB)
   The quality control testing kits are divided into 3 categories:
   a. Sperm Quality Control (QX0)
      The process involves solution preparation, divided into two stages:
      i. Preparation and Testing
         Accurate weighing of raw materials for reagent preparation and functionality testing.
      ii. Packaging, Function, and Quality Verification
         Packaging according to weight and performing further functionality verification.
   b. Sperm Quality Control (QXA)
      The process mainly involves assembly, divided into two stages:
      i. Assembly Process
         Preliminary inspection of optical particles with detection instruments, assembly, and joining.
      ii. Function and Quality Verification
         Post-assembly optical particle verification with detection instruments and functionality testing.
   c. Sperm Quality Control (QXB)
      The process mainly involves firmware burning, divided into two stages:
      iii. Outsourced Processing and Firmware Burning
         Laser engraving for appearance and firmware burning performed externally.

iv. Function and Quality Verification

Functionality testing using detection instruments.

(3) Supply Status of Key Materials

The current supply status of the Company's key materials is as follows:

Material	Supplier	Supply Status
Plastic parts	Supplier A	Good
Membrane Slide	Supplier B	Good
Core Board	Supplier C	Good

(4) Customers or Suppliers Who Accounted for More Than 10% of Total Purchases (Sales) in Any One of the Last Two Fiscal Years, along with the Amount and Percentage of Purchases (Sales), and the Reasons for Any Changes

A. In any one of the last two fiscal years, list the names of suppliers who accounted for more than 10% of total purchases, along with their purchase amount and percentage, and explain the reasons for any changes.

Unit: NT$ Thousand

Item	2024				2025			
	Name	Amount	Percentage of Total Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of Total Net Purchases (%)	Relationship with the Issuer
1	Supplier A	9,709	32.88	None	Supplier A	13,030	27.58	None
	Others	29,529	100.00		Others	34,218	72.42	
	Total Net Purchases	9,709	32.88		Total Net Purchases	47,248	100.00	

Analysis of Changes in Amounts: Due to changes in customer demand and product mix, the. proportion of suppliers and the increase or decrease in purchases have changed accordingly.

B. Customers Who Accounted for More Than 10% of Total Sales in Any One of the Last Two Fiscal Years, Along with Their Sales Amount and Percentage, and the Reasons for Any Changes:

Unit: NT$ Thousand

Item	2024				2025			
	Name	Amount	Percentage of Total Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Total Net Sales (%)	Relationship with the Issuer
1	Customer A	41,955	18.82	None	Customer A	63,636	20.78	None
2	Customer B	26,018	11.67	None	Customer B	46,893	15.31	None
	Others	154,905	69.51		Others	195,778	63.91	
	Total Net Sales	222,878	100.00		Total Net Sales	306,307	100.00	

Analysis of Changes in Amounts: Due to the easing of the pandemic and the group's sales strategy, the customer composition and changes in sales amounts have shifted.

3. Employee Data for the Last Two Fiscal Years and as of the Report Date

Unit: Person

Year		2024	2025	As of February 28, of Current Year
Employee Count	Research and Development Personnel	26	32	32
	Management and Marketing Personnel	45	60	60

Year		2024	2025	As of February 28, of Current Year
	Technicians	19	25	25
	Total	90	117	117
Average Age		39	38	39.4
Average Years of Service		2.49	3.6	3.7
Educational Background Distribution	Doctorate	5.3%	4.2%	5.1%
	Master's	35.1%	36.8%	35.9%
	Bachelor's	46.8%	47.0%	47.0%
	Senior High School	12.8%	12.0%	12.0%
	Below High School	0%	0%	0%

4. Environmental Protection Expenditure Information

For the most recent fiscal year and up to the date of the annual report publication, disclose any losses incurred due to environmental pollution (including compensation and violations of environmental protection laws identified in environmental inspections, specifying the date of penalty, penalty reference number, violated legal provisions, details of the violation, and the contents of the penalty). Also, disclose the estimated amounts for potential future occurrences and the measures taken. If it is not possible to reasonably estimate such amounts, an explanation of the inability to do so should be provided: No such incidents occurred.

5. Labor-Management Relations

(1) Employee Welfare Measures, Continuing Education, Training, Retirement Systems, and Implementation Status, as well as Labor-Management Agreements and Employee Rights Protection Measures:

A. Employee Welfare Measures and Implementation:

(A) Establishment of the Employee Welfare Committee: In addition to providing various subsidies for weddings, funerals, celebrations, and childbirth, the Company also organizes irregular activities such as dinners, travel, birthday parties, and festive events to promote the physical and mental well-being of employees and strengthen interaction and emotional bonds among them.

(B) Clothing Welfare: The Company provides free summer and winter uniforms to showcase vitality and foster team spirit.

(C) Seniority Welfare: Senior employees are awarded gifts and rewards to enhance employee loyalty and retention rates.

(D) Holiday Vouchers: Holiday vouchers or cash gifts are distributed.

(E) Free Health Checkups: The Company cares for employees' health by offering free health checkups.

(F) (6) Employee Compensation: In accordance with the Company's Articles of Incorporation, 8% to 12% of annual surplus earnings is allocated to all employees, and 1% to 3% is used for salary adjustments or compensation distribution to non-managerial employees.

(G) Other Welfare Measures: A visually impaired masseur is employed to provide relaxation and relieve physical tension for all employees.

B. Continuing Education, Training Systems, and Implementation:

The Company's education and training program is based on the Company's goals, business plans, and overall employee development. The objective is to make effective use of human resources. Based on this philosophy, the company has developed an "Education and Training Management Procedure" to offer diverse training models. The company values the quality of training, and in 2022, it passed the Talent Development Quality Management System (TTQS) assessment by the Ministry of Labor, demonstrating the Company's dedication and effectiveness in its training process. An annual education and training plan is formulated based on organizational development needs and the accumulation of employee skills. The details are as follows:

(A) Training for New Employees: To help new employees quickly familiarize themselves with company policies, training is provided based on job requirements, including pre-job common training and department-specific training.

(B) On-the-Job Employee Training: External training courses are offered to enhance employees' professional skills or managerial capabilities for current and future roles, detailed as follows:

(a) Management Skills Training: Professional management training for managers at all levels. Professional Skills Courses: Based on the annual training plan, professional knowledge, skills, and attitudes required for different job positions are outlined for employee.

(b) Corporate Culture: Focused on cultivating core competencies necessary for "BonrayBio People," this training aims to imbue employees with company values, aligning with the company's core values: integrity, commitment, innovation, and shared growth.

(c) Language Training: To enhance the international competitiveness of employees, language training is provided.

C. Retirement System and Implementation:

(A) Employees eligible for retirement under the "Labor Standards Act" will have their retirement payments calculated based on years of service and the average monthly wage at the time of retirement. For service years of 15 years or less, employees are awarded two base amounts for each year of service. For service years exceeding 15 years, one base amount is awarded for each additional year, with the maximum accumulation capped at 45 base amounts. The Company contributes 2% of the total salary monthly to the retirement fund, which is stored in a designated account at Taiwan Bank, managed by the Labor Retirement Preparation Fund Supervisory Committee for monitoring, receipts, custody, and utilization.

(B) For employees under the "Labor Pension Act" (New System), the Company contributes 6% of the employee's monthly salary, based on the salary level determined by the Executive Yuan, to the employee's individual retirement account with the Labor Insurance Bureau. The Company also assists employees who wish to voluntarily contribute to their retirement accounts.

(C) Number of Retirement Applications for FY 2025: 0 employees have applied for retirement.

D. Labor-Management Agreements and Employee Rights Protection Measures:

The Company operates in full compliance with the Labor Standards Act, ensuring employees' rights are protected. Through mechanisms such as communication, motivation, service, and education, the company promptly addresses employee needs to enhance their sense of belonging and job satisfaction, encouraging them to contribute more to the company. This fosters a harmonious labor-management relationship, leading to greater contributions and value creation for the Company.

(2) For the most recent fiscal year and up to the date of the annual report publication, disclose any losses incurred due to labor disputes (including violations of the Labor Standards Act identified in labor inspections, specifying the penalty date, penalty reference number, violated legal provisions, details of the violation, and the penalty content). Also, disclose the estimated amounts for potential future occurrences and the measures taken. If it is not possible to reasonably estimate such amounts, an explanation of the inability to do so should be provided: No such incidents occurred.

6. Information Security Management

(1) Description of the Information Security Risk Management Framework, Information Security Policies, Specific Management Plans, and Resources Invested in Information Security Management:

A. Information Security Risk Management Framework

To enhance information security management, the Company appointed the Deputy General Manager of the Finance and Administration Department as the designated person responsible for information security on March 18, 2024, as approved by the Board of Directors. The Business Technology Department is the designated unit responsible for information security. This unit is tasked with cross-departmental information security governance, planning, supervision, and implementation within the company, subsidiaries, and affiliated companies. The information security unit regularly reports the implementation of information security measures at management meetings to ensure that the information security inspection system is continuously and effectively enforced. Additionally, the information security governance and results are presented to the Board of Directors annually.

B. Information Security Policies

(A) Comply with relevant laws and regulations to establish information security management rules, providing appropriate protection measures for the Company's information assets to ensure their confidentiality, integrity, availability, and legal compliance.

(B) Ensure the confidentiality, integrity, and availability of the information assets held by the Company to safeguard the security of operational data and files.

(C) Regularly assess the impact of both human and natural disasters on the Company's information security and develop disaster prevention strategies and disaster recovery plans for key information assets and critical business operations to ensure the continuous operation of the Company.

C. Specific Management Plans and Resources Invested in Information Security Management

(A) Specific Management Plans:

Management Item	Implementation Status
Computer System and Network Security Management	The Company has implemented firewalls and established the foundation for an appropriate network security system. This system provides necessary monitoring and filtering for all traffic, including outgoing traffic, application layer traffic, online transactions, communications, connectivity (such as IPSec or SSL VPN), and dynamic workflows, offering the most effective protection against network attacks.
Personnel Management and Education & Training	1. The information security unit conducts quarterly information security awareness campaigns via email to enhance employees' crisis awareness regarding information security. (For 2025, 4 email campaigns were conducted) 2. The Company arranges an "Information Security Awareness and Training" course during new employees' pre-job training and requires the information security unit to set up personal account credentials for new employees, managing their access to or use of internal company databases.
Information Asset Security Management	The information security unit conducts a company-wide software inventory every six months and keeps records. (The inventory for 2025 was conducted in June and December)
Maintaining Normal Operations	The Company performs a disaster recovery and backup drill once a year to maintain system availability and response capability. (The drill for FY 2025 was held on November 30)
Supervision and Review	1. Starting in FY 2024, the information security unit reports the status of information security regularly to the Board of Directors. The report was made to the Board on November 10, 2025. 2. The information security unit provides weekly updates on information security management during departmental meetings and monthly reports at the management-level project meetings.

(B) Resources Invested:

- ■ Information Security Personnel: One designated information security officer and one colleague from the Business Technology Department.
- ■ Antivirus Software: Kaspersky antivirus software was newly purchased in April 2024.
- ■ Network Security: The company has signed a contract with Chunghwa Telecom. For HINET enterprise security services, which includes antivirus and anti-hacking features (DDOS protection, hacker defense).
- ■ Hardware Upgrades: Expansion of server room facilities, UPS (uninterruptible power supply) systems, and air conditioning/cooling equipment

(2) Disclose any losses, potential impacts, and response measures incurred due to significant information security incidents for the most recent fiscal year and up to the date of the annual report publication. If it is not possible to reasonably estimate such losses or impacts, an explanation of the inability to do so should be provided: No such incidents occurred.

7. Important Contracts

Contract Type	Parties	Contract Start and End Dates	Main Content	Restrictions
Factory Lease	YUN TAN TECHNOLOGIES CO.,LTD.	2023.01.01~2027.12.31	Use of production and office space	None
Factory Lease	YUN TAN TECHNOLOGIES CO.,LTD.	2025.04.01~2026.03.31	Additional factory space and parking spaces	None
Insurance	Ming Tai Property Insurance Co., Ltd.	2026.01.01-2027.01.01	Commercial property insurance (including public liability insurance)	None
Insurance	Chubb Insurance Co., Ltd. (Taiwan Branch)	2025.07.01-2026.07.01	Directors and key officers liability insurance	None
Insurance	CTBC Insurance Co., Ltd.	2026.01.01-2027.01.01	Commercial fire insurance	None
Credit loan	First Commercial Bank	2025.06.04-2026.06.03	Short-term credit limit	None
Credit loan	Chang Hwa Commercial Bank	2025.06.01-2026.05.31	Short-term credit limit	None
Key Distribution	Customer A	2024.07.22-2027.07.21	Distributor Agreement	Exclusive distributor for U.S. IVF centers and Singapore
Key Procurement	Supplier D	-	Chubb Insurance Co., Ltd. (Taiwan Branch)	None

IV. Review and Analysis of Financial Position and Performance, and Risk Factors

1. Financial Position Analysis

(1) Significant Changes in Assets, Liabilities, and Equity in the Last Two Years and Their Impact

Unit: NT$ Thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Current Assets	577,498	650,842	73,344	12.70
Property, Plant, and Equipment	7,627	11,859	4,232	55.49
Right-of-use Assets	9,792	6,528	(3,264)	(33.33)
Intangible Assets	16,191	23,981	7,790	48.11
Other Assets	11,688	26,664	14,976	128.13
Total Assets	622,796	719,874	97,078	15.59
Current Liabilities	44,493	74,732	30,239	67.96
Non-Current Liabilities	6,954	3,735	(3,219)	(46.29)
Total Liabilities	51,447	78,467	27,020	52.52
Share Capital	215,659	248,008	32,349	15.00
Capital Collected in advance	-	-	-	-
Capital Surplus	280,525	269,742	(10,783)	(3.84)
Retained Earnings (Accumulated Deficit)	75,276	123,866	48,590	64.55
Other Equity	(111)	(209)	(98)	88.29
Treasury Shares	-	-	-	-
Non-controlling Interests	-	-	-	-
Total Equity	571,349	641,407	70,058	12.26

1. Explanation of Significant Variations (Changes exceeding 20% and an amount exceeding NTD 10 million):

(1) Other Assets: Primarily due to advance payments made for equipment expansion to increase production capacity in response to rising demand.
(2) Current Liabilities, Non-current Liabilities, and Total Liabilities: Mainly attributable to short-term bank borrowings.
(3) Share Capital and Capital Surplus: Mainly due to capitalization of retained earnings and capital surplus from the previous year's profits.
(4) Retained Earnings: Primarily due to a 37.43% increase in revenue compared to 2024 and effective cost control, resulting in a significant increase in net income after tax.

2. Explanation of Future Response Plans for Significant Impacts: No such incidents occurred.

2. Financial Performance

(1) Major Reasons and Impact of Significant Changes in Operating Revenue, Operating Profit, and Pre-tax Profit in the Last Two Fiscal Years

Unit: NT$ Thousand

Year / Item	2024	2025	Increase/Decrease	Percentage Change (%)
Operating Revenue	222,878	306,307	83,429	37.43
Cost of Goods Sold	(47,920)	(67,786)	19,866	41.46
Gross Profit	174,958	238,521	63,563	36.33
Operating Expenses	(114,007)	(138,570)	24,563	21.55
Operating Income (Loss)	60,951	99,951	39,000	63.99
Non-Operating Income and Expenses	7,440	4,825	(2,615)	(35.15)
Income (Loss) Before Tax from Continuing Operations	68,391	104,776	36,385	53.20
Income Tax Expense	(26)	(2,271)	2,245	8,634.62
Income Tax Expense	68,365	102,505	34,140	49.94
Net Income (Loss) Attributable to Owners of the Parent Company	68,365	102,505	34,140	49.94

1. Explanation of Significant Variations (Changes exceeding 20% and an amount exceeding NTD 10 million):
   (1) Operating Revenue, Operating Costs, Gross Profit, Operating Expenses, Operating Income, Income Before Tax from Continuing Operations, and Net Income: All of the above items changed by more than 20% during the current year. This was mainly driven by the Company's 2025 business strategy, which capitalized on growing demand in the male reproductive market through active participation in exhibitions, support for distributors in business expansion, and the launch of new products to meet market demand, thereby driving rapid growth and significantly higher profitability compared to the previous year.
2. Explanation of Future Response Plans for Significant Impacts: The above changes have a positive impact on the Company's financial and business performance. The Company will continue to promote existing products, maintain customer relationships, develop new products, and strengthen cost and expense control.

(2)Expected Sales Volume and Its Basis, Possible Impact on the Company's Future Financial and Business Performance, and Response Plan: The Company has not prepared or disclosed financial forecasts; therefore, this is not applicable.

3. Cash Flow

(1) Analysis of Changes in Cash Flow for the Most Recent Year

Unit: NT$ Thousand

Year / Item	2024	2025	Increase (Decrease)	
			Amount	Change Ratio (%)
Net Cash Flow from Operating Activities	80,135	99,992	19,857	24.78
Net Cash Flow from Investing Activities	(11,448)	(218,661)	(207,213)	1,810.04
Net Cash Flow from Financing Activities	221,202	(20,610)	(241,812)	(109.32)

Analysis of the Change Ratio:
1. Increase in Cash Inflows from Operating Activities: Mainly due to significant revenue growth in 2025, resulting in increased operating cash inflows compared to the net cash outflows in 2024.
2. Increase in Cash Outflows from Investing Activities: Mainly due to an increase in time deposits and the purchase of equipment.

3. Increase in Cash Outflows from Financing Activities: Mainly due to the absence of cash inflows from the pre-IPO capital increase conducted in 2024.

(2) Improvement Plan for Insufficient Liquidity: Not applicable.

(3) Cash Flow Liquidity Analysis for the Next Year:

Unit: NT$ Thousand

2026 Fiscal Year Beginning Cash Balance	Estimated Net Cash Flow from Operating	Activities for the Year | Estimated Net Cash Flow from Investing	Activities for the Year | Estimated Net Cash Flow from Financing	Activities for the Year | Remaining (Deficit) Cash	Measures for Cash Deficit	
					Investment Plan	Financing Plan
271,245	151,000	(56,640)	(37,201)	328,404	None	None

1. Analysis of Changes in Cash Flow for the Coming Fiscal Year:
(1) Operating Activities: Primarily cash inflows generated from operations.
(2) Investing Activities: Primarily related to the acquisition of patents and intangible assets.
(3) Financing Activities: Primarily related to the distribution of cash dividends.
2. Remedial Measures for Expected Cash Shortfall and Liquidity Analysis: There is no anticipated cash shortfall, thus this section is not applicable.

4. Impact of Recent Major Capital Expenditures on Financial and Business Performance:

The capital expenditures for the most recent fiscal year are expected to be routine operational expenses, with no significant capital expenditures. Therefore, there has been no material adverse impact on the company’s financial position or business operations.

5. Recent Investment Policies, Main Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year:

(1) Recent Investment Policy:

The Company’s investment strategy primarily focuses on long-term strategic objectives. The main investment targets are subsidiaries and affiliates where the company holds a 100% stake. These subsidiaries engage in activities related to the core business, aiming to expand customer bases and new markets, thereby increasing market share and reflecting positively on the company's overall profitability.

(2) Main Reasons for Profit or Loss from Recent Investments, Improvement Plans:

In 2025, the Company had three subsidiaries and sub-subsidiaries, which have been continuously investing resources in product certification and market development, and have not yet reached profitability. However, the progress of certification is proceeding as planned, and market cultivation has started to show results. In the future, the company will continue to support the investee companies in enhancing their competitiveness and operational performance, which will contribute to the Company’s profits.

(3) Investment Plan for the Coming Year:

There are no new investments planned for the coming year. The Company will carefully evaluate investment plans based on long-term strategic objectives.

6. Analysis and Assessment of Risk Factors

(1) The Impact of Interest Rate, Exchange Rate Fluctuations, and Inflation on the Company’s Profit and Loss, and Future Mitigation Measures

A. The Impact of Interest Rate Fluctuations on the Company's Profit and Loss and Future Mitigation Measures

Unit: NT$ Thousand

Item/Year	2024	2025
Interest Income	3,950	6,877
Interest Expense	175	132
Net Operating Revenue	222,878	306,307
(Interest Expense - Interest Income) / Net Operating Revenue (%)	(1.69)	(2.20)

Source: Consolidated financial report audited and certified by the accountant.

The net interest income and expense of the Company and its subsidiaries for 2024 and 2025 accounted for (1.69%) and (2.20%) of revenue, respectively. Since interest income exceeds interest expenses, interest rate fluctuations have no significant impact on the Company's profit and loss.

B. The Impact of Exchange Rate Fluctuations on the Company's Profit and Loss and Future Mitigation Measures

Unit: NT$ Thousand

Item/Year	2024	2025
Net Exchange Gain (Loss)	3,543	(2,244)
Net Operating Revenue	222,878	306,307
Net Exchange Gain (Loss) / Net Operating Revenue (%)	1.59	(0.73)

Source: Consolidated financial report audited and certified by the accountant.

The Company and its subsidiaries primarily generate revenue in USD. After deducting certain foreign currency accounts payable for purchases and part of the consultant and inspection fees in foreign currencies, the net foreign currency position is predominantly in USD assets. Therefore, fluctuations in the exchange rate of the New Taiwan Dollar (NTD) to USD may impact the profit and loss of the company and its subsidiaries. The exchange gains (losses) for the years 2024 and 2025 were NT$3,543 thousand and NT$(2,244) thousand, respectively, accounting for 1.59% and (0.73%) of revenue. In addition to natural hedging, the finance department closely monitors changes in international financial markets, maintains close contact with banks, and collects information on exchange rate fluctuations and related financial market developments to fully grasp exchange rate trends and adjustments. The Company will timely adjust its USD position to mitigate exchange rate risk.

C. The Impact of Inflation on the Company's Profit and Loss and Future Mitigation Measures

In the most recent year, inflation has not had a significant impact on the operations or profit and loss of the company and its subsidiaries. Moving forward, the Company and its subsidiaries will closely monitor changes in the prices of international raw materials and product markets, maintain good relationships with customers and suppliers, and adjust product pricing and material inventory as needed to mitigate the effects of inflation.

(2) Policy on High-Risk, High-Leverage Investments, Loans to Others, Endorsements and Guarantees, and Derivative Transactions, Main Reasons for Profit or Loss, and Future Mitigation Measures

The Company and its subsidiaries do not engage in high-risk, high-leverage investment in financial instruments. Furthermore, the Company has established policies, including the “Loan to Others Operating Procedures,” “Endorsement and Guarantee Operating Procedures,” and “Asset Acquisition or Disposal Procedures,” in accordance with the law. These procedures aim to ensure sound financial operations and reduce operational risks, serving as the guiding framework for the company and its subsidiaries in engaging in such activities.

(3) Future Research and Development Plans and Estimated R&D Expenditures

The Company’s R&D plans are based on market demand for products, taking into account the company’s long-term development, and are focused on actively developing safer and more practical medical devices to meet the goal of providing customers with a comprehensive product offering.

A. Future R&D Plans

The Company's R&D team uses modular component design as its core development foundation. This not only helps reduce manufacturing costs and lower technical barriers but also accelerates time-to-market. Against the backdrop of declining birthrates and falling fertility rates, which have become major global social issues, the Company's short-term R&D strategy focuses on the following three areas:

(1) Continuing to advance the functional development of our multifunctional sperm quality analyzers (X12 PRO and X3 PRO), while enhancing their “rapid testing, simple operation, and multifunctionality” features. We will also integrate automated XY stages and optical inspection technologies to improve testing efficiency and accuracy. By applying AI algorithms, we will optimize sperm image analysis and automated interpretation capabilities, ensuring greater consistency and reliability in test results.

(2) Advancing next-generation sperm selection technologies. For assisted reproductive technologies such as intrauterine insemination (IUI) and intracytoplasmic sperm injection (ICSI), we will develop screening solutions that balance sperm quantity and quality, providing more effective total solutions for clinical applications.

(3) Expanding into the field of female reproductive medicine. Our initial focus is developing innovative solutions for egg freezing and thawing. Through our proprietary products, we aim to improve egg transfer rates while minimizing disruption to eggs during media exchange. Furthermore, using our unique and innovative core technology “AI Optical Microscopy”, along with AI-powered automated analysis, we will monitor the egg freezing and thawing process to ensure egg quality.

B. Estimated R&D Expenditures

The Company continues to build its R&D capacity, with ongoing investments in R&D expenditures primarily allocated to the recruitment of R&D personnel, the procurement of R&D equipment and materials, and R&D expenditures in new fields. In 2024, R&D expenditures amounted to NT$41,763 thousand, representing approximately 18.74% of operating revenue. In 2025, R&D expenditures amounted to NT$54,827 thousand, representing approximately 17.90% of operating revenue. Moving forward, the Company will continue to invest R&D expenditures in line with new product development progress to support future R&D plans and enhance product market competitiveness.

(4) The Impact of Major Domestic and International Policy and Legal Changes on the Company's Financial and Business Operations and Response Measures

The Company and its subsidiaries adhere to relevant domestic and international laws and regulations in the execution of their respective businesses. In the most recent fiscal year, there were no significant impacts from major domestic and international policy or legal changes on the financial and business operations of the company and its subsidiaries. Moving forward, the company will continuously monitor relevant information and promptly develop necessary response measures to align with operational needs. Therefore, as of the date of this offering memorandum, no major impact has been observed from any policy or legal changes on the financial and business operations of the Company and its subsidiaries.

(5) The Impact of Technological Changes (Including Information Security Risks) and Industry Changes on the Company's Financial and Business Operations and Response Measures

The Company and its subsidiaries' research and development teams provide comprehensive solutions in the field of male reproduction, including sperm routine testing instruments and related consumables such as semen collection cups and slides, sperm DNA fragmentation test reagent kits, and sperm selection devices. These products have been successfully developed and are currently available for sale. The company continues to enhance its R&D capabilities, closely monitoring both domestic and international technological and market developments to respond to changes in technology and the industry. Additionally, the company applies for patent protection to ensure that its R&D achievements are not infringed upon by others. In terms of financial operations, the company places a strong emphasis on cash flow management to maintain stable operations. Furthermore, the Company's approach to addressing information security risks is detailed in the information security management section.

(6) The Impact of Changes in Corporate Image on Crisis Management and Response Measures

Since its establishment, the Company and its subsidiaries have developed and marketed their own brand worldwide, rapidly emerging as a new player in the male infertility solution sector. Adhering to the corporate philosophy of "Your Health, Our Focus – Advancing Medical Innovation, Advancing Focus on Health," the Company continues to research and develop advanced technologies and is committed to enhancing customer service, cultivating long-term and stable cooperative relationships with clients.

Regarding corporate image, the company utilizes various communication channels such as its official website, participation in international medical conferences and trade exhibitions, product brochures, press releases, recognition from awards and professional certifications, industry event participation, and interactions with media and investors to convey the Company’s core values, business strategies, development direction, market trends, and other relevant information about products and finances. These efforts aim to increase public understanding and recognition of the Company’s direction, promoting a positive corporate image.

In the recent year and up until the publication date of the offering prospectus, there have been no events that have negatively impacted the Company’s corporate image.

(7) Expected Benefits, Potential Risks, and Response Measures for Mergers and Acquisitions

In the most recent year and up until the publication date of this annual report, the Company has not engaged in any mergers or acquisitions.

(8) Expected Benefits, Potential Risks, and Response Measures for Expanding the Plant

In the most recent year and up until the publication date of this annual report, the Company has not undertaken any plant expansion.

(9) Risks Associated with Concentration of Purchases or Sales and Response Measures

Purchases: In the most recent year up to the date of publication of this annual report, the Company and its subsidiaries had only one supplier in 2024 whose purchase amount accounted for more than 30% of total purchases. Since 2025, there has been no such situation. This supplier is a domestic OTC-listed company and was selected primarily due to its participation in the key component development phase of the products, its full cooperation with the Company's customized requirements, and its successful certification as an approved supplier. To mitigate the risk of concentrated purchasing, the Company and its subsidiaries strive to source raw materials from different suppliers, continuously seek secondary suppliers for the same materials, and closely monitor market trends in raw material supply. The Company actively develops multiple suppliers to reduce the risk of concentrated procurement.

(10) The Impact, Risks, and Response Measures Regarding Significant Transfers or Changes in Shares by Directors, Supervisors, or Shareholders Holding More Than 10% of Shares

In the most recent year and up until the publication date of this annual report, there have been no significant transfers of shares by the Company’s directors, supervisors, or shareholders holding more than 10% of the shares.

(11) The Impact, Risks, and Response Measures Regarding Changes in Control

There have been no such changes in control.

(12) Material Lawsuits, Non-litigation Matters, or Administrative Disputes

There have been no material lawsuits, non-litigation matters, or administrative disputes involving the company, its directors, supervisors, general manager, substantial responsible persons, shareholders holding more than 10% of shares, or subsidiaries, whether decided or pending, that could significantly affect shareholders’ interests or the price of securities.

(13) Other Important Risks and Response Measures

There are no such matters.

7. Other Important Matters:There are no such matters.

VI. Special Remarks

1. Information on Affiliated Companies

   The required information has been duly filed and disclosed in accordance with regulations and can be accessed via the Market Observation Post System (MOPS) under "Single Company" > "Electronic Document Download" > "Affiliated Enterprises Reports" section (https://mopsov.twse.com.tw/mops/web/t57sb01_q10).
2. Private Placement of Securities in Recent Years and as of the Date of Publication of the Annual Report: No such events.
3. Other Necessary Supplemental Information: No such events.

V. Matters That Have a Significant Impact on Shareholder Equity or Securities Prices Under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the Most Recent Year and as of the Date of Publication of the Annual Report: No such events.

Appendix 1

Consolidated Financial Report and Auditor's Report for the Fiscal Year 2025

BONRAYBIO CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

BONRAYBIO CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2025, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the Company that is required to be included in the consolidated financial statements of affiliates, is the same as the Company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standards 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Herby declare,

Company: BONRAYBIO CO., LTD.

Representative: Brown Hsu

March 3, 2026

INDEPENDENT AUDITORS' REPORT

PWCR 25003869

To the Board of Directors and Shareholders of BONRAYBIO CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of BONRAYBIO CO., LTD. and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of

China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Appropriateness of cut-off on sales revenue

Description

Please refer to Note 4(23) for accounting policy on revenue recognition, and Note 6(16) for details of operating revenue. For the year ended December 31, 2025, the Group's operating revenue amounted to NT$306,307 thousand.

The Group is primarily engaged in manufacturing and trading general and optical instruments. Sale revenue is recognised when the control over the goods was transferred under the transaction terms. The sales revenue recognition involves the use of several manual judgements and procedures. As a result, the timing of sales revenue recognition may be inappropriate. Therefore, we included the cut-off of sales revenue recognition as one of the key areas of focus for this year.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Understood and evaluated the operating procedures and internal controls over sales revenue, and assessed the effectiveness on how the management controls the timing of recognizing sales revenue.

B. Examined the transaction documents to ensure that transactions had been recorded in the proper period for a certain period around the balance sheet date.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of BONRAYBIO CO., LTD. as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion of the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Wang, Yu-Chuan	Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan
March 3, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

BONRAYBIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 271,245	38	$ 410,169	66
1136	Current financial assets at amortised cost	6(2)	302,000	42	117,600	19
1150	Notes receivable, net		800	-	-	-
1170	Accounts receivable, net	6(3)	24,573	3	18,215	3
1200	Other receivables		265	-	151	-
130X	Inventories	6(4)	41,637	6	27,618	4
1410	Prepayments		7,371	1	3,306	1
1470	Other current assets		2,951	-	439	-
11XX	**Current assets**		650,842	90	577,498	93
	Non-current assets					
1600	Property, plant and equipment	6(5)	11,859	2	7,627	1
1755	Right-of-use assets	6(6)	6,528	1	9,792	1
1780	Intangible assets	6(7)	23,981	3	16,191	3
1840	Deferred tax assets	6(22)	813	-	-	-
1900	Other non-current assets	6(8)	25,851	4	11,688	2
15XX	**Non-current assets**		69,032	10	45,298	7
1XXX	**Total assets**		$ 719,874	100	$ 622,796	100

(Continued)

BONRAYBIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current liabilities					
2100	Current borrowings	6(9)	$ 15,000	2	$ -	-
2130	Current contract liabilities	6(16)	6,301	1	5,377	1
2170	Accounts payable		2,058	-	4,234	1
2200	Other payables	6(10)	43,992	6	31,366	5
2230	Current tax liabilities	6(22)	2,547	-	-	-
2280	Current lease liabilities	6(6)	3,403	1	3,261	-
2300	Other current liabilities		1,431	-	255	-
21XX	**Current liabilities**		74,732	10	44,493	7
	Non-current liabilities					
2570	Deferred tax liabilities	6(22)	184	-	-	-
2580	Non-current lease liabilities	6(6)	3,551	1	6,954	1
25XX	**Non-current liabilities**		3,735	1	6,954	1
2XXX	**Total liabilities**		78,467	11	51,447	8
	Equity					
	Share capital	6(13)				
3110	Share capital - common stock		248,008	34	215,659	35
3150	Stock dividend to be distributed		-	-	-	-
	Capital surplus	6(14)				
3200	Capital surplus		269,742	38	280,525	45
	Retained earnings	6(15)				
3310	Legal reserve		9,578	1	2,742	1
3320	Special reserve		1,520	-	1,520	-
3350	Unappropriated retained earnings		112,768	16	71,014	11
	Other equity interest					
3400	Other equity interest		(209)	-	(111)	-
3XXX	**Total equity**		641,407	89	571,349	92
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 719,874	100	$ 622,796	100

The accompanying notes are an integral part of these consolidated financial statements.

BONRAYBIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollarsearnings, except earnings per share amounts)

	Items	Notes	Year ended December 31 2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
4000	Operating revenue	6(16)	$ 306,307	100	$ 222,878	100
5000	Operating costs	6(4)(20)(21)	(67,786)	(22)	(47,920)	(21)
5900	Gross profit from operations		238,521	78	174,958	79
	Operating expenses	6(20)(21)				
6100	Selling expenses		(34,252)	(11)	(29,805)	(13)
6200	Administrative expenses		(49,491)	(16)	(42,439)	(19)
6300	Research and development expenses		(54,827)	(18)	(41,763)	(19)
6000	Total operating expenses		(138,570)	(45)	(114,007)	(51)
6900	Net operating income		99,951	33	60,951	28
	Non-operating income and expenses					
7100	Interest income	6(17)	6,877	2	3,950	2
7010	Other income		324	-	122	-
7020	Other gains and losses	6(18)	(2,244)	(1)	3,543	1
7050	Finance costs	6(19)	(132)	-	(175)	-
7000	Total non-operating income and expenses		4,825	1	7,440	3
7900	**Profit before income tax**		104,776	34	68,391	31
7950	Income tax expense	6(22)	(2,271)	(1)	(26)	-
8200	**Profit for the year**		$ 102,505	33	$ 68,365	31
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		($ 98)	-	$ 217	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(98)	-	217	-
8300	**Total other comprehensive (loss) income**		($ 98)	-	$ 217	-
8500	**Total comprehensive (loss) income for the year**		$ 102,407	33	$ 68,582	31
	Profit, attributable to:					
8610	Owners of parent		$ 102,505	33	$ 68,365	31
8620	Non-controlling interests		-	-	-	-
	Total Profit		$ 102,505	33	$ 68,365	31
	Comprehensive income, attributable to:					
8710	Owners of parent		$ 102,407	33	$ 68,582	31
8720	Non-controlling interests		-	-	-	-
	Total Comprehensive Income		$ 102,407	33	$ 68,582	31
	Basic earnings per share					
9750	Basic earnings per share	6(23)	$ 4.13		$ 3.00	
	Diluted earnings per share					
9850	Diluted earnings per share	6(23)	$ 4.12		$ 3.00	

The accompanying notes are an integral part of these consolidated financial statements.

BONRAYBIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent						
				Retained Earnings				
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Year ended December 31, 2024								
Balance at January 1, 2024		$ 170,860	$ 80,511	$ 169	$ 1,520	$ 25,725	($ 328)	$ 278,457
Profit for the year		-	-	-	-	68,365	-	68,365
Other comprehensive income for the year		-	-	-	-	-	217	217
Total comprehensive income		-	-	-	-	68,365	217	68,582
Stock dividends of capital surplus	6(14)	8,543	(8,543)	-	-	-	-	-
Appropriation and distribution of 2023 earnings:	6(15)							
Legal reserve appropriated		-	-	2,573	-	(2,573)	-	-
Cash dividends of ordinary share		-	-	-	-	(3,417)	-	(3,417)
Stock dividends of ordinary share		17,086	-	-	-	(17,086)	-	-
Cash capital increase	6(13)	19,170	208,523	-	-	-	-	227,693
Cost of share-based payment payable	6(12)	-	34	-	-	-	-	34
Balance at December 31, 2024		$ 215,659	$ 280,525	$ 2,742	$ 1,520	$ 71,014	($ 111)	$ 571,349
Year ended December 31, 2025								
Balance at January 1, 2025		$ 215,659	$ 280,525	$ 2,742	$ 1,520	$ 71,014	($ 111)	$ 571,349
Profit for the year		-	-	-	-	102,505	-	102,505
Other comprehensive loss for the year		-	-	-	-	-	(98)	(98)
Total comprehensive (loss) income		-	-	-	-	102,505	(98)	102,407
Stock dividends of capital surplus	6(14)	10,783	(10,783)	-	-	-	-	-
Appropriation and distribution of 2024 earnings:	6(15)							
Legal reserve appropriated		-	-	6,836	-	(6,836)	-	-
Cash dividends of ordinary share		-	-	-	-	(32,349)	-	(32,349)
Stock dividends of ordinary share	6(13)	21,566	-	-	-	(21,566)	-	-
Balance at December 31, 2025		$ 248,008	$ 269,742	$ 9,578	$ 1,520	$ 112,768	($ 209)	$ 641,407

The accompanying notes are an integral part of these consolidated financial statements.

BONRAYBIO CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 104,776	$ 68,391
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(5)(20)	5,590	5,560
Right-of-use assets depreciation	6(6)(20)	3,264	3,264
Amortization expense	6(7)(20)	4,591	3,000
Interest expense	6(19)	132	175
Interest income	6(17)	(6,877)	(3,950)
Cost of share-based payment payable	6(13)	-	34
Unrealized foreign exchange (gain) loss		(912)	(2,962)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(800)	-
Accounts receivable		(6,199)	(5,141)
Other receivables		(6)	8
Inventories		(15,823)	(8,331)
Prepayments		(4,070)	1,310
Other current assets		(2,513)	(187)
Other operating assets		(326)	(342)
Changes in operating liabilities			
Contract liabilities		923	4,128
Accounts payable		(2,162)	1,492
Other payables		12,945	9,985
Other current liabilities		1,175	(58)
Cash inflow generated from operations		93,708	76,376
Interest received		6,769	3,960
Interest paid		(132)	(175)
Income taxes paid		(353)	(26)
Net cash flows from operating activities		99,992	80,135
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets measured at amortized cost		(184,400)	-
Acquisition of property and equipment	6(24)	(18,572)	(2,173)
Acquisition of intangible assets	6(24)	(15,670)	(8,854)
Decrease in refundable deposits		(19)	(421)
Net cash flows used in investing activities		(218,661)	(11,448)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(25)	15,000	-
Payments of lease liabilities	6(25)	(3,261)	(3,074)
Proceeds from issuance of common stock for cash	6(13)	-	227,693
Cash dividends paid	6(25)	(32,349)	(3,417)
Net cash flows (used in) from financing activities		(20,610)	221,202
Effect of exchange rate changes on cash and cash equivalents		355	3,406
Net (decrease) increase in cash and cash equivalents		(138,924)	293,295
Cash and cash equivalents at beginning of year		410,169	116,874
Cash and cash equivalents at end of year		$ 271,245	$ 410,169

The accompanying notes are an integral part of these consolidated financial statements.

BONRAYBIO CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. History and Organization

BONRAYBIO CO., LTD. (the “Company”) was incorporated on January 12, 2016. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacturing of general and optical instruments and medical devices, as well as the wholesale and retail of precision instruments. The Company’s shares were listed on the Taiwan Stock Exchange starting from December 6, 2024.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 3, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards(“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. The consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture.

Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2025	December 31, 2024	Description
The Company	BONRAYBIO USA CORP. (BONRAYBIO USA)	Sales of sperm testing instruments	100%	100%	Note 1
The Company	BONRAYBIO HOLDING (SAMOA) CO., LTD.	Holding company	100%	100%	Note 2
SAMOA	BONRAYBIO (SICHUAN) CO., LTD.	Production and sales of testing equipment	100%	100%	Note 2

Note 1: The Company has received approval from its Chairman, in accordance with the established approval authority, to increase capital amounting to USD 20 thousand (NT$605 thousand) to BONRAYBIO USA CORP., a wholly-owned subsidiary of the Company. The subsequent overseas capital increase declaration was completed and submitted to the Investment Review Office of the Ministry of Economic Affairs on July 4, 2025.

Note 2: Based on the delegation of authorisation and the Chairman's approval, after reporting to the Board of Directors on February 24, 2025, the Company increased its capital in its wholly-owned reinvested subsidiary, BONRAYBIO HOLDING (SAMOA) CO., LTD., amounting to CNY 650 thousand (approximately to NT$2,961 thousand), and then invested in the Company's wholly-owned second-tier subsidiary, BONRAYBIO (SICHUAN) CO., LTD., with the same amount. The post-registration for the foreign investment had been filed with the Investment Commission, Ministry of Economic Affairs for verification on April 25, 2025.

C. Subsidiaries not included in the consolidated financial statements:

None.

D. Adjustments for subsidiaries with different balance sheet dates:

None.

E. Significant restrictions:

None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

None.

(4) Foreign currency translation

The Company determines the functional currency based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the subsidiaries, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;

(b) Assets that are held primarily for the purpose of trading;

(c) Assets that are expected to be realised within twelve months after the reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled in the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that does not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads allocated based on normal operating capacity. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment	3 ~ 5 years
Molding equipment	3 years
Office equipment	3 years
Leasehold improvements	5 years
Other equipment	3 ~ 5 years

(13) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(14) Intangible assets

A. Intangible assets are stated at cost, and measured at cost, less accumulated amortisation.

B. Intangible assets with a finite useful life are amortised on a straight-line basis. The useful lives are as follows:

Patents	10 ~ 19 years
Trademarks	10 years
Computer software	3 ~ 10 years
Other intangible assets	5 ~ 10 years

(15) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(16) Borrowings

A. Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(17) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(19) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the fair value per share estimated using a valuation technique specified in IFRS 2, 'Share-based Payment'.

(20) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. For the cash-settled share-based payment agreements, the employee services received are recognized as compensation cost and liabilities at the fair value of the liability assumed during the vesting period and are measured at the fair value of the equity instruments granted on each balance sheet date and settlement date. Any changes are recognised in profit or loss for the period.

(21) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders' meeting resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(22) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(23) Dividends

Cash dividends are recorded as liabilities in the Company's financial statements on the date of the Board of Directors' resolution. Stock dividends are recorded as stock dividends to be distributed on the date of the shareholders' meeting and are reclassified as common stock on the new share issuance record date.

(24) Revenue recognition

A. Sales of goods

The Group manufactures and sells the products related to Semen Quality Analyzer and product Semen test slide. Sales are recognised when control of the products has transferred. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Rendering services

The Group provides evidence collection, warranty and repair services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

(25) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. There have been no significant accounting judgements, estimations and assumption uncertainty for the year ended December 31, 2025.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	$ 213	$ 228
Time deposits	22,001	26,228
Demand deposits	249,031	383,713
	$ 271,245	$ 410,169

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group classified time deposits maturing in excess of three months which do not meet short-term cash commitments as “Current financial assets at amortised cost”. Please refer to Note 6(2).

C. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

	December 31, 2025	December 31, 2024
Current items:		
Time deposits maturing in excess of three months	$ 302,000	$ 117,600

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2025	2024
Interest income	$ 4,567	$ 1,853

B. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $302,000 and $117,600 thousand, respectively.

C. The Group has no financial assets at amortised cost pledged to others as collateral.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group’s investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable	$ 24,573	$ 18,215

A. The ageing analysis of accounts receivable that was past due but not impaired is as follows:

	December 31, 2025	December 31, 2024
Not past due	$ 21,878	$ 18,215
Up to 30 days	624	-
31 to 90 days	2,071	-
91 to 180 days	-	-
Over 181 days	-	-
	$ 24,573	$ 18,215

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable was all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to $13,245 thousand.

C. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was $24,573 thousand and $18,215 thousand, respectively.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2025		
	Cost	Allowance to reduce inventory to market	Book value
Raw materials	$ 25,375	($ 2,312)	$ 23,063
Work in progress	14,098	(375)	13,723
Finished goods	5,450	(599)	4,851
	$ 44,923	($ 3,286)	$ 41,637

	December 31, 2024		
	Cost	Allowance to reduce inventory to market	Book value
Raw materials	$ 17,307	($ 1,744)	$ 15,563
Work in progress	8,673	(387)	8,286
Finished goods	4,167	(398)	3,769
	$ 30,147	($ 2,529)	$ 27,618

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2025	2024
Cost of goods sold	$ 65,187	$ 45,053
Unamortised manufacturing expenses	1,108	1,323
Loss for market price decline	753	242
Inventory retirement losses	738	1,302
	$ 67,786	$ 47,920

(5) Property, plant and equipment

	2025					
Cost	Beginning balance	Addition	Decrease	Transfer	Effect of foreign exchange	Ending balance
Machinery and equipment	$ 6,679	$ 3,132	($ 3,828)	$ 1,781	($ 53)	$ 7,711
Molding equipment	7,489	-	(1,895)	-	-	5,594
Office equipment	486	-	(14)	-	-	472
Leasehold improvements	4,025	3,624	(3,125)	304	(68)	4,760
Other equipment	1,330	918	(9)	65	(1)	2,303
	$ 20,009	$ 7,674	($ 8,871)	$ 2,150	($ 122)	$ 20,840
Accumulated depreciation						
Machinery and equipment	($ 4,523)	($ 1,626)	$ 3,828	$ -	$ 51	($ 2,270)
Molding equipment	(3,617)	(2,401)	1,895	-	-	(4,123)
Office equipment	(282)	(157)	14	-	-	(425)
Leasehold improvements	(3,498)	(941)	3,125	-	68	(1,246)
Other equipment	(462)	(465)	9	-	1	(917)
	($ 12,382)	($ 5,590)	$ 8,871	$ -	$ 120	($ 8,981)
	$ 7,627					$ 11,859

	2024					
Cost	Beginning balance	Addition	Decrease	Transfer	Effect of foreign exchange	Ending balance
Machinery and equipment	$ 8,941	$ 361	($ 2,711)	$ -	$ 88	$ 6,679
Molding equipment	7,222	693	(1,500)	1,074	-	7,489
Office equipment	567	-	(84)	-	3	486
Leasehold improvements	3,991	-	(36)	-	70	4,025
Other equipment	1,243	443	(361)	-	5	1,330
	$ 21,964	$ 1,497	($ 4,692)	$ 1,074	$ 166	$ 20,009
Accumulated depreciation						
Machinery and equipment	($ 5,398)	($ 1,789)	$ 2,711	$ -	($ 47)	($ 4,523)
Molding equipment	(2,319)	(2,798)	1,500	-	-	(3,617)
Office equipment	(206)	(159)	84	-	(1)	(282)
Leasehold improvements	(2,939)	(527)	36	-	(68)	(3,498)
Other equipment	(532)	(287)	361	-	(4)	(462)
	($ 11,394)	($ 5,560)	$ 4,692	$ -	($ 120)	($ 12,382)
	$ 10,570					$ 7,627

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation: None.

B. The Group has no property, plant and equipment pledged to others as collateral.

(6) Lease transactions－lessee

A. The Group leases various assets including offices and parking lots. Rental contracts are typically made for periods of 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise factories and employees' dorms. Low-value assets comprise multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

(a) Carrying amount:

	December 31, 2025	December 31, 2024
Buildings and parking lots	$ 6,528	$ 9,792

(b) Depreciation charge:

	Year ended December 31	
	2025	2024
Buildings and parking lots	$ 3,264	$ 3,264

D. For the years ended December 31, 2025 and 2024, there were no additions to right-of-use assets.

E. The information on profit or loss accounts relation to lease contracts is as follows:

	Year ended December 31	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 127	$ 174
Expense on short-term lease contracts	1,102	607
Expense on leases of low-value assets	113	80

F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were $4,603 thousand and $3,935 thousand, respectively.

(7) Intangible assets

	2025				
Cost	Beginning balance	Addition	Decrease	Transfer	Ending balance
Trademarks	$ 5,000	$ 1,639	$ -	$ -	$ 6,639
Patents	13,324	921	-	2,604	16,849
Computer software	3,272	1,254	-	-	4,526
Others	6,045	3,380	(184)	2,583	11,824
	$ 27,641	$ 7,194	($ 184)	$ 5,187	$ 39,838
Accumulated amortisation					
Trademarks	($ 2,882)	($ 574)	$ -	$ -	($ 3,456)
Patents	(4,523)	(1,299)	-	-	(5,822)
Computer software	(1,674)	(1,184)	-	-	(2,858)
Others	(2,371)	(1,534)	184	-	(3,721)
	($ 11,450)	($ 4,591)	$ 184	$ -	($ 15,857)
	$ 16,191				$ 23,981

	2024				
Cost	Beginning balance	Addition	Decrease	Transfer	Ending balance
Trademarks	$ 4,852	$ -	$ -	$ 148	$ 5,000
Patents	10,576	738	-	2,010	13,324
Computer software	2,619	200	(95)	548	3,272
Others	4,869	143	(460)	1,493	6,045
	$ 22,916	$ 1,081	($ 555)	$ 4,199	$ 27,641
Accumulated amortisation					
Trademarks	($ 2,386)	($ 496)	$ -	$ -	($ 2,882)
Patents	(3,385)	(1,138)	-	-	(4,523)
Computer software	(1,093)	(676)	95	-	(1,674)
Others	(2,141)	(690)	460	-	(2,371)
	($ 9,005)	($ 3,000)	$ 555	$ -	($ 11,450)
	$ 13,911				$ 16,191

Details of amortisation on intangible assets are as follows:

	Year ended December 31	
	2025	2024
Operating costs	$ 668	$ 600
Selling expenses	36	35
Administrative expenses	371	287
Research and development expenses	3,516	2,078
	$ 4,591	$ 3,000

(8) Other non-current assets

	December 31, 2025	December 31, 2024
Prepayments for equipment	$ 11,249	$ 720
Prepayments for patents	8,149	6,440
Prepayments for other intangible assets	3,823	3,021
Guarantee deposits paid	1,140	1,121
Prepayments for trademarks	778	-
Others	712	386
	$ 25,851	$ 11,688

(9) Short-term borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 15,000	2.50%	Non.

There were no such transactions as of December 31, 2024.

Interest expense recognised in profit or loss amounted to $5 thousand and $1 thousand for the years ended December 31, 2025 and 2024, respectively.

(10) Other payables

	December 31, 2025	December 31, 2024
Bonus payable	$ 25,210	$ 18,834
Wages and salaries payable	6,722	5,416
Labour and health insurance and pension payable	2,767	2,106
Directors' remuneration payable	2,440	1,560
Service fees payable	2,085	1,486
Others	4,768	1,964
	$ 43,992	$ 31,366

(11) Pensions

A. The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. BONRAYBIO (SICHUAN) CO., LTD. has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. For the years ended December 31, 2025 and 2024, other than the monthly contributions, the Group has no further obligations.

C. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024, were $4,118 thousand and $3,368 thousand, respectively.

(12) Share-based payment

A. There were no such transactions for the year ended December 31, 2025.

B. For the year ended December 31, 2024, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (share in thousands)	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2024.11.27	192 units	0.0164 year	Vested immediately

C. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Cash capital increase reserved for employee preemption	2024.11.27	104.98	108	21.14%	0.0164 year	-	1.38%	0.2227

Expected price volatility rate was estimated by using the average of the annualised standard deviation of daily returns of stock prices over the past year as the volatility parameter.

D. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2025	2024
Equity-settled	$ -	$ 34

(13) Share capital

A. As of December 31, 2025, the Company’s authorised capital was $500,000 thousand, consisting of 50,000 thousand shares of ordinary share, and the paid-in capital was $248,008 thousand, consisting of 24,801 thousand shares of ordinary share, with a par value of $10 (in NT dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares outstanding are as follows (unit: share in thousands):

	December 31, 2025	December 31, 2024
At January 1	$ 21,566	$ 17,086
Add: Stock dividends from undistributed surplus earnings	2,157	1,709
Stock dividends from capital surplus	1,078	854
Cash capital increase	-	1,917
At December 31	$ 24,801	$ 21,566

B. The Company's shareholders' meeting on June 24, 2024 resolved to issue 1,709 thousand new shares from undistributed surplus earnings of NT$17,086 thousand, and to issue 854 thousand new shares NT$8,543 thousand from capital reserves with a par value of $10 (in NT dollars) per share as resolved. The capital increase plan was approved by the Financial Supervisory Commission on June 28, 2024. On July 4, 2024, the Board of Directors resolved to use July 28, 2024 as the record date for this capital increase, and completed the change registration on August 7 of the same year.

C. In order to cooperate with the public underwriting before the Company initially listing on the Taiwan Innovation Board, the Board of Directors resolved to conduct a cash capital increase by issuing 1,917 thousand common shares with a par value of NT$10 per share on October 2, 2024. The total amount raised is NT$230,693 thousand (including issuance costs of NT$3,000 thousand), and the record date for the capital increase is December 4, 2024. The change registration for this capital increase has been completed.

D. The Company’s shareholders’ meeting on May 27, 2025 resolved to issue 2,157 thousand new shares from undistributed surplus earnings of NT$21,566 thousand, and to issue 1,078 thousand new shares from capital reserves of NT$10,783 thousand with a par value of $10 (in NT dollars) per share as resolved. The capital increase plan was approved by the Financial Supervisory Commission on June 4, 2025. On August 6, 2025, the Board of Directors resolved to use August 31, 2025 as the record date for this capital increase, and completed the change registration on September 9 of the same year.

E. The share adjustment due to distribution of stock dividends from capital surplus is provided in

Note 6(14).

(14) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. On June 24, 2024, the Company increased its capital through capitalisation of capital surplus amounting to $8,543 thousand by issuing 854 thousand new shares with a par value of $10 (in NT dollars) per share as resolved by the shareholders' meeting, and the capital increase has been approved by the Financial Supervisory Committee on June 28, 2024. On July 4, 2024, the Board of Directors resolved to set the record date of capital increase on July 28, 2024, and completed the registration for the change on August 7, 2024.

C. The Company's shareholders' meeting on May 27, 2025 resolved to issue 1,078 thousand new shares from capital reserves of NT$10,783 thousand with a par value of $10 (in NT dollars) per share as resolved. The capital increase plan was approved by the Financial Supervisory Commission on June 4, 2025. On August 6, 2025, the Board of Directors resolved to use August 31, 2025 as the record date for this capital increase, and completed the change registration on September 9 of the same year.

D. On March 3, 2026, the Company increased its capital through capitalisation of capital surplus amounting to $18,601 thousand ($0.75 (in NT dollars) per share) by issuing 1,860 thousand new shares with a par value of $10 (in NT dollars) per share as proposed by the Board of Directors, and the capitalisation of capital surplus is still pending for the approval from the shareholders' meeting.

(15) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve when the Company's annual final accounts show a surplus, the taxes and dues to be paid and the accumulated losses to be covered shall be reserved first. Thereafter, 10% of the remaining surplus shall be allocated as legal reserve. Nevertheless, where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The remaining amount shall then be allocated or reversed as a special reserve in accordance with legal requirements. Any remaining balance, together with undistributed earnings, shall be used by the Board of Directors to draft a profit distribution proposal, which shall be submitted to the Shareholders' Meeting for approval to distribute dividends and bonuses to shareholders.

B. If dividends and bonuses are distributed in the form of new shares using legal reserve (limited to the portion exceeding 25% of paid-in capital) or capital reserves that meet the requirements of the Company Act, the distribution shall be handled in accordance with Article 240 of the

Company Act and approved by the shareholders' meeting. If distributed in cash, the Board of Directors is authorized to approve the distribution with at least two-thirds of the directors in attendance and a majority of the attending directors in agreement, and the distribution shall be reported to the Shareholders' Meeting.

C. If the Company generates profits in the current year, 8%~12% of the profits shall be allocated as employees' compensation, which shall be allocated 1%~3% for adjusting the salaries or distributing the compensation to the non-managerial employees, and no more than 3% shall be allocated as directors' and supervisors' compensation. However, the Company's accumulated losses shall have been covered. The employees' compensation may be distributed in the form of shares or in cash. Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements. The directors' compensation may be distributed in cash. The preceding two items shall be resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.

D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

E. In accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

F. The appropriations of 2024 and 2023 earnings as resolved by the shareholders' meeting on May 27, 2025 and June 24, 2024, respectively, are as follows:

	2024		2023	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Legal reserve	$ 6,836		$ 2,573	
Cash dividends	32,349	$ 1.50	3,417	$ 0.20
Stock dividends – capitalisation of earnings	21,566	1.00	17,086	1.00
	$ 60,751		$ 23,076	

The abovementioned appropriations of earnings as resolved by the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

G. The appropriation of 2025 earnings as proposed by the Board of Directors on March 3, 2026 are as follows:

	2025	
	Amount	Dividends per share (in NT dollars)
Legal reserve	$ 10,251	
Cash dividends	37,201	$ 1.50
Stock dividends – capitalisation of earnings	37,201	1.50
	$ 84,653	

H. The information of employees' compensation and directors' and supervisors' remuneration is provided in Note 6(21).

(16) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	$ 306,307	$ 222,878

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines and geographical regions:

	Year ended December 31, 2025					
	Semen Quality Analyzer and Semen test slide					
	Europe	Asia	America	Other regions	Rendering services	Total
Revenue from external customer contracts	$ 58,805	$163,517	$ 78,329	$ 5,307	$ 349	$306,307
Timing of revenue						
At a point in time	$ 58,805	$163,517	$ 78,329	$ 5,307	$ 349	$306,307

(a) Europe area: BONRAYBIO CO., LTD $58,821 thousand.

(b) Asia area: BONRAYBIO CO., LTD $162,218 thousand, BONRAYBIO (SICHUAN) $1,505 thousand.

(c) America area: BONRAYBIO CO., LTD $78,456 thousand, BONRAYBIO USA $0 thousand.

(d) Other areas: BONRAYBIO CO., LTD $5,307 thousand.

	Year ended December 31, 2024					
	Semen Quality Analyzer and Semen test slide					
	Europe	Asia	America	Other regions	Rendering services	Total
Revenue from external customer contracts	$ 53,528	$112,810	$ 53,032	$ 3,361	$ 147	$222,878
Timing of revenue						
At a point in time	$ 53,528	$112,810	$ 53,032	$ 3,361	$ 147	$222,878

(a) Europe area: BONRAYBIO CO., LTD $53,595 thousand.

(b) Asia area: BONRAYBIO CO., LTD $111,757 thousand, BONRAYBIO (SICHUAN) $1,110 thousand.

(c) America area: BONRAYBIO CO., LTD $52,843 thousand, BONRAYBIO USA $212 thousand.

(d) Other areas: BONRAYBIO CO., LTD $3,361 thousand.

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities:			
Contract liabilities – advance sales receipts	$ 6,301	$ 5,377	$ 1,249

Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Year ended December 31	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ 4,737	$ 993

(17) Interest income

	Year ended December 31	
	2025	2024
Interest income from bank deposits	$ 2,302	$ 2,089
Interest income from financial assets measured at amortised cost	4,567	1,853
Other interest income	8	8
	$ 6,877	$ 3,950

(18) Other gains and losses

	Year ended December 31	
	2025	2024
Net currency exchange (loss) gains	($ 2,244)	$ 3,543

(19) Finance costs

	Year ended December 31	
	2025	2024
Interest expenses:		
Lease liability	$ 127	$ 174
Bank loan	5	1
	$ 132	$ 175

(20) Expenses by nature

	Year ended December 31	
	2025	2024
Employee benefit expense	$ 117,545	$ 92,797
Depreciation expense - property, plant and equipment	5,590	5,560
Depreciation expense - right-of-use assets	3,264	3,264
Amortization expense	4,591	3,000
	$ 130,990	$ 104,621

(21) Employee benefit expense

	Year ended December 31	
	2025	2024
Wages and salaries	$ 96,515	$ 76,481
Labour and health insurance fees	8,215	6,451
Pension costs	4,118	3,368
Directors' remuneration	3,812	2,543
Other personnel expenses	4,885	3,954
	$ 117,545	$ 92,797

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 8%~12% for employees' compensation, which shall be distributed 1%~3% for adjusting the salaries or distributing the compensation to the non-managerial employees, and shall not be higher than 3% for directors' remuneration.

B. The Group's employees' compensation and directors' remuneration were estimated and accrued as follows:

	Year ended December 31	
	2025	2024
Employees' compensation	$ 11,903	$ 7,700
Directors' remuneration	2,380	1,560
	$ 14,283	$ 9,260

(a) For the years ended December 31, 2025 and 2024, employees' compensation was accrued at $10,707 thousand and $7,700 thousand, respectively; while directors' remuneration was accrued at $2,380 thousand and $1,560 thousand, respectively. For the year ended December 31, 2025, the Company started to recognise non-managerial employees' compensation amounting to $1,196 thousand. The aforementioned amounts were recognised in salary expenses. For the years ended December 31, 2025 and 2024, the employees' compensation was estimated and accrued based on 8.99% and 9.92% of distributable profit of current year as of the end of reporting period. For the years ended December 31, 2025 and 2024, the non-managerial employees' compensation was estimated and accrued based on 1% and 0% of distributable profit of current year as of the end of reporting period. For the years ended December 31, 2025 and 2024, the directors' remuneration was estimated and accrued based on 2% and 2.01% of distributable profit of current year as of the end of reporting period.

(b) Employees' compensation and directors' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.

(c) Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the year	$ 2,900	$ 26
Total current tax	2,900	26
Deferred tax:		
Origination and reversal of temporary differences	(629)	-
Income tax expense	$ 2,271	$ 26

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	$ 20,119	$ 12,536
Temporary differences not recognised as deferred tax assets	535	359
Taxable loss not recognised as deferred tax assets	824	1,142
Effect from investment tax credits	(1,232)	-
Change in assessment of realisation of deferred tax assets	(18,001)	(14,037)
Effect from Alternative Minimum Tax	26	26
Income tax expense	$ 2,271	$ 26

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2025			
	January 1, 2025	Recognised in profit or loss	Recognised in other comprehensive income	December 31, 2025
Deferred tax assets：				
-Temporary differences：				
Allowance for inventory valuation losses	$ -	506	-	506
Unused compensated absence	-	156	-	156
Unrealised profit from sales	-	151	-	151
Subtotal	$ -	$ 813	$ -	$ 813
Deferred tax liabilities：				
Unrealised exchange gain	$ -	($ 184)	$ -	($ 184)
Subtotal	$ -	($ 184)	$ -	($ 184)
Total	$ -	$ 629	$ -	$ 629

There were no such transactions for the year ended December 31, 2024.

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

(a) The Company:

There were no such transactions as of December 31, 2025.

December 31, 2024				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	Amount assessed	$ 35,038	$ 35,038	2031
2020	Amount assessed	49,623	49,623	2030
2019	Amount assessed	5,344	5,344	2029
		$ 90,005	$ 90,005	

(b) BONRAYBIO (SICHUAN) CO., LTD.:

December 31, 2025				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2025	Amount expected to be filed	$ 2,367	$ 2,367	2035
2024	Actual amount filed	4,812	4,812	2034
2023	Actual amount filed	5,682	5,682	2033
2022	Actual amount filed	4,698	4,698	2032
2021	Actual amount filed	3,865	3,865	2031
2020	Actual amount filed	2,235	2,235	2030
2019	Actual amount filed	111	111	2029
		$ 23,770	$ 23,770	

December 31, 2024				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2024	Amount expected to be filed	$ 4,812	$ 4,812	2034
2023	Actual amount filed	5,682	5,682	2033
2022	Actual amount filed	4,698	4,698	2032
2021	Actual amount filed	3,865	3,865	2031
2020	Actual amount filed	2,235	2,235	2030
2019	Actual amount filed	111	111	2029
		$ 21,403	$ 21,403	

(c) As of December 31, 2025 and 2024, BONRAYBIO USA CORP.'s loss carryforward that had not been recognised as deferred tax assets was $2,445 thousand and $1,943 thousand, respectively. In accordance with the local tax law, there is still no limit on the utilisation period for these loss carryforwards.

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 28,035	$ 25,348

F. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

G. Applicable tax rates are as follows:

Name of subsidiary	Applicable Income Tax Act	Applicable tax rate
BONRAYBIO USA	State tax: The Tax Law of the State of California, United States	Applicable tax rate: 8.48%
	Federal tax: The Tax Law of the Federal Government of the United States	Applicable tax rate: 21%
BONRAYBIO (SICHUAN)	The Income Tax Law of the People's Republic of China on Enterprises	Applicable tax rate: 25%

(23) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in NT dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 102,505	24,801	$ 4.13
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	102,505	24,801	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	88	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 102,505	24,889	$ 4.12

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in NT dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 68,365	22,762	$ 3.00
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	68,365	22,762	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	56	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 68,365	22,818	$ 3.00

A. The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will be distributed in the form of shares.

B. For the distribution of stock dividends as resolved by the Company' shareholders' meeting during their meeting on May 27, 2025, the effective date of the capital increase was set as August 31, 2025 by the Board of Directors. The weighted average number of ordinary shares outstanding was retrospectively adjusted due to the above distribution of stock dividends in order to calculate the earnings per share for the years ended December 31, 2025 and 2024.

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2025	2024
Purchase of property, plant and equipment	$ 9,824	$ 2,571
Add: Opening balance of payable on equipment	-	-
Ending balance of prepayments for equipment	11,249	720
Less: Opening balance of prepayments for equipment	(720)	(1,118)
Inventories transferred to machinery and equipment	(1,781)	-
Cash paid during the year	$ 18,572	$ 2,173

	Year ended December 31	
	2025	2024
Purchase of intangible assets	$ 12,381	$ 5,280
Add: Ending balance of prepayments	12,750	9,461
Less: Opening balance of prepayments	(9,461)	(5,887)
Cash paid during the year	$ 15,670	$ 8,854

(25) Changes in liabilities from financing activities

	2025		
	Short-term borrowings	Lease liability	Dividends payable
At January 1	$ -	$ 10,215	$ -
Changes in cash flow from financing activities	1,500	(3,261)	(32,349)
Addition	-	-	32,349
At December 31	$ 1,500	$ 6,954	$ -

	2024		
	Short-term borrowings	Lease liability	Dividends payable
At January 1	$ -	$ 13,289	$ -
Changes in cash flow from financing activities	-	(3,074)	(3,417)
Addition	-	-	3,417
At December 31	$ -	$ 10,215	$ -

7. Related Party Transactions

Key management compensation

	Year ended December 31	
	2025	2024
Short-term employee benefits	$ 21,809	$ 17,738
Post-employment benefits	368	423
	$ 22,177	$ 18,161

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2025
Property, plant and equipment	$ 2,089

There were no such transactions as of December 31, 2024.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Information about the distribution of dividends from capital surplus and the proposed distribution of earnings as resolved by the Board of Directors of the Company on March 3, 2026 is provided in Notes 6(14) and 6(15).

12. Others

(1) Capital management

The Group's objectives when managing capital are based on the industrial scale, considering industrial future growth and product development, and setting appropriate market share, as well as plan on corresponding capital expenditure, calculation of operating capital needed for financial operations, and considering operating profits and cash inflows arise from product competitiveness, to determine appropriate capital structure.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 271,245	$ 410,169
Current financial assets at amortised cost	302,000	117,600
Notes receivable	800	-
Accounts receivable	24,573	18,215
Other receivables	265	151
Guarantee deposits paid	1,140	1,121
	$ 600,023	$ 547,256

	December 31, 2025	December 31, 2024
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 15,000	$ -
Accounts payable	2,058	4,234
Other payables	43,992	31,366
	$ 61,050	$ 35,600
Lease liability (including current and non-current)	$ 6,954	$ 10,215

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk), credit risk and liquidity risk.

(b) Risk management is carried out by Group treasury to identify, evaluate and hedge financial risks in close co-operation with the Group's operating units, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,727	31.430	$ 54,280

	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,874	32.785	$ 61,439

iii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	December 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 543	$ -

	December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 614	$ -

iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to a net (loss) gain of ($2,244) thousand and $3,543 thousand, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of time deposits stated at amortised cost.

ii. The Group manages their credit risk taking into consideration the entire group’s concern. According to the Group’s credit policy, the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Additionally, the Group uses certain credit enhancement tools (such as advance sales receipts) at appropriate times to decrease the credit risk of certain customers and to assess their credit risk.

iii. Group treasury manages credit risk of cash in banks and other financial instruments based on the Group’s credit policy. Because the Group’s counterparties are determined based on the Group’s internal control, only rated banks with an optimal rating and financial institutes with investment grade are accepted.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

vi. The Group applies the modified approach using a provision matrix to estimate expected credit loss of customer’s accounts receivable under the provision matrix basis.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. The expected loss rate of the Group was 0.02%~0.63%, therefore, the amount of loss allowance as of December 31, 2025 and 2024 were both remote.

ix. The Group assessed that the expected loss rates of its financial assets at amortised cost, other receivables and guarantee deposits paid were small. Therefore, the amount of loss allowance as of December 31, 2025 and 2024 were both remote.

(c) Liquidity risk

i. Cash flow forecasting is performed in the units of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group’s debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

ii. The table below analyses the Group’s non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2025 Non-derivative financial liabilities:	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Book value
Short-term borrowings	$ 15,005	$ -	$ -	$ -	$ -	$ 15,005
Accounts payable	2,058	-	-	-	-	2,058
Other payables	27,705	16,287	-	-	-	43,992
Lease liability	870	2,611	3,579	-	-	7,060

December 31, 2024 Non-derivative financial liabilities:	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Book value
Accounts payable	$ 4,234	$ -	$ -	$ -	$ -	$ 4,234
Other payables	9,049	22,317	-	-	-	31,366
Lease liability	847	2,541	3,482	3,579	-	10,449

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 1.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 2.

B. Significant transactions, either directly or indirectly through a third area: None.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. Business organisation is divided into Taiwan, China, US and other areas based on the operating areas.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on segment revenue and income (loss) before tax.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2025				
	Taiwan	China	US	Write-offs	Total
External-segment revenue	$ 304,802	$ 1,505	$ -	$ -	$ 306,307
Inter-segment revenue	13	-	-	(13)	-
Total revenue	$ 304,815	$ 1,505	$ -	($ 13)	$ 306,307
Segment income (loss) before tax	$ 107,382	($ 2,401)	($ 205)	$ -	$ 104,776

	Year ended December 31, 2024				
	Taiwan	China	US	Write-offs	Total
External-segment revenue	$ 221,556	$ 1,110	$ 212	$ -	$ 222,878
Inter-segment revenue	864	-	-	(864)	-
Total revenue	$ 222,420	$ 1,110	$ 212	($ 864)	$ 222,878
Segment income (loss) before tax	$ 72,971	($ 4,393)	($ 187)	$ -	$ 68,391

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2025 and 2024 is provided as follows:

	Year ended December 31	
	2025	2024
Reportable segments adjusted income before tax	$ 102,145	$ 63,785
Inter-segment income	2,631	4,606
Consolidated income before tax	$ 104,776	$ 68,391

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
US	$ 63,636	$ -	$ 41,591	$ -
India	46,893	-	26,018	-
Germany	18,725	-	19,206	-
Italy	15,399	-	15,392	-
Japan	18,292	-	14,790	-
Thailand	15,893	-	12,968	-
Taiwan	11,608	66,640	9,696	43,611
Others	115,861	439	83,217	566
	$ 306,307	$ 67,079	$ 222,878	$ 44,177

The Group's geographic revenue is calculated based on countries where sales incur. Non-current assets consists of property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, and deferred tax assets.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31					
	2025			2024		
	Revenue	Percentage	Segment	Revenue	Percentage	Segment
Company A	$ 63,636	21	Taiwan	$ 41,434	19	Taiwan
Company B	46,893	15	Taiwan	25,802	12	Taiwan
	$ 110,529	36		$ 67,236	31	

BONRAYBIO CO., LTD.

Information on investees

Year ended December 31, 2025

Table 1

Expressed in thousands of NTD

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2025 (Note 2)	Initial investment amount: Balance as at December 31, 2024	Shares held as at December 31, 2025: Nunber of shares (in thousand shares)	Shares held as at December 31, 2025: Ownership (%)	Shares held as at December 31, 2025: Book value	Net loss of the investee for the year ended December 31, 2025 (Note 3)	Investment loss recognised by the Company for the year ended December 31, 2025 (Note 3)	Footnote
BONRAYBIO CO., LTD.	BONRAYBIO HOLDING (SAMOA) CO., LTD.	Samoa	Holding company	$ 29,376	$ 26,415	996	100	$ 3,470	($ 2,401)	($ 2,401)	The Company's subsidiary (Notes 3, 4,5 and 6)
BONRAYBIO CO., LTD.	BONRAYBIO USA CORP.	USA	Sales of Semen Quality Analyzer and Semen Test Slide	2,804	2,199	92	100	466	(231)	(231)	The Company's subsidiary (Notes 3, 4 and 7)

Note 1: The amounts listed in the table denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates at the balance sheet date.

Note 2: It's the investment amount as of December 31, 2025.

Note 3: Recognize investment gains and losses through each subsidiary.

Note 4: The transactions were eliminated when preparing the consolidated financial statements.

Note 5: Based on the delegation of authorisation and the chairman's approval, after reporting to the Board of Directors on December 27, 2023, the Company increased its capital in its wholly-owned reinvested subsidiary, BONRAYBIO HOLDING (SAMOA) CO., LTD., amounting to CNY 1,134 thousand (approximately to NT$4,961 thousand), and then invested in the Company's wholly-owned second-tier subsidiary, BONRAYBIO (SICHUAN) CO., LTD., with the same amount. The post-registration for the foreign investment had been filed with the Investment Commission, Ministry of Economic Affairs for verification on March 7, 2024.

Note 6: The Company has approved by Chairman according to the approval authority to increase capital amounting to CNY 650 thousand (NT$2,961 thousand) to BONRAYBIO HOLDING (SAMOA) CO., LTD., a wholly-owned subsidiary of the Company, and reported to the Board of Directors on February 24, 2025.BONRAYBIO HOLDING (SAMOA) CO., LTD. invested the same amount to its wholly-owned subsidiary, BONRAYBIO (SICHUAN) CO., LTD. The subsequent overseas capital increase declaration was completed to the Investment Review Office of the Ministry of Economic Affairs on April 25, 2025.

Note 7: The Company has approved by Chairman according to the approval authority to increase capital amounting to USD 20 thousand (NT$605 thousand) to BONRAYBIO USA CORP., a wholly-owned subsidiary of the Company. The subsequent overseas capital increase declaration was completed to the Investment Review Office of the Ministry of Economic Affairs on July 4, 2025.

BONRAYBIO CO., LTD.

Information on investments in Mainland China

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net loss of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment loss recognised by the Company for the year ended December 31, 2025	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
BONRAYBIO (SICHUAN) CO., LTD.	Production and sales of Semen Quality Analyzer and Semen Test Slide	$ 29,898	2	$ 18,353	$ 2,961	$ -	$ 21,314	($ 2,401)	100.00	($ 2,401)	$ 3,470	$ -	Notes 2, 3, 4, 5, 6 and 7

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:
(1) Directly invest in a company in Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others.

Note 2: BONRAYBIO (SICHUAN) CO., LTD. ("BONRAYBIO (SICHUAN)")'s paid-in capital was CNY 6,650 thousand, and accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025 was CNY 4,784 thousand.

Note 3: To increase BONRAYBIO (SICHUAN)'s working capital, on March 30, 2021 and October 27, 2021, the Company remitted the investment amounting to CNY 500 thousand and CNY 1,000 thousand, respectively, to increase capital of BONRAYBIO HOLDING (SAMOA) CO., LTD. (the "BONRAYBIO (SAMOA)"), and BONRAYBIO (SAMOA) increased the capital of BONRAYBIO (SICHUAN) in the amount of CNY 500 thousand and CNY 1,000 thousand, respectively.

Note 4: Due to the insufficient funding capacity of BONRAYBIO (SICHUAN) and the improvement of the Company's loans to BONRAYBIO (SICHUAN), on April 25, 2022, the Board of Directors of the Company resolved to capitalise the loans as share capital. As of December 31, 2021, the accounts receivable after three months under normal credit terms amounting to CNY 1,866 thousand was fully transferred to BONRAYBIO (SAMOA). Subsequently, BONRAYBIO (SAMOA) used the debt as the capital to reinvest in BONRAYBIO (SICHUAN), without any funds being remitted by the Company.

Note 5: The Company has approved by Chairman according to the approval authority to increase capital amounting to CNY 1,134 thousand to BONRAYBIO HOLDING (SAMOA) CO., LTD., a wholly-owned subsidiary of the Company, and reported to the Board of Directors on December 27, 2023. BONRAYBIO HOLDING (SAMOA) CO., LTD. invested the same amount to its wholly-owned subsidiary, BONRAYBIO (SICHUAN) CO., LTD. The subsequent overseas capital increase declaration was completed to the Investment Review Office of the Ministry of Economic Affairs on March 7, 2024.

Note 6: Based on the delegation of authorisation and the chairman's approval, after reporting to the Board of Directors on February 24, 2025, the Company increased its capital in its wholly-owned reinvested subsidiary, BONRAYBIO HOLDING (SAMOA) CO., LTD., amounting to CNY 650 thousand (approximately to NT$2,961 thousand), and then invested in the Company's wholly-owned second-tier subsidiary, BONRAYBIO (SICHUAN) CO.,LTD., with the same amount. The post-registration for the foreign investment had been filed with the Investment Commission, Ministry of Economic Affairs for verification on April 25, 2025.

Note 7: Paid-in capital was translated at the exchange rate of NTD 4.496:CNY 1 prevailing on December 31, 2025.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 8)
BONRAYBIO CO., LTD.	$ 21,314	$ 29,898	$ 384,844

Note 8: Ceiling on public companys' investments in Mainland China, the limitation of the Company's accumulated investment amount in Mainland China is 60% of the net equity of the Company.

Appendix 2

Individual Financial Report and Auditor's Report for the Fiscal Year 2025

BONRAYBIO CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

PWCR 25003356

To the Board of Directors and Shareholders of BONRAYBIO CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of BONRAYBIO CO., LTD. (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

Timing of recognising sales revenue

Description

Please refer to Note 4(24) for accounting policy on sales revenue, and Note 6(17) for details of operating revenue.

The Company is primarily engaged in manufacturing and trading general and optical instruments. Sale revenue is recognised when the control over the goods was transferred under the transaction terms. The sales revenue recognition involves the use of several manual judgements and procedures. As a result, the timing of sales revenue recognition may be inappropriate. As the above matters also exist in the subsidiaries' investments accounted for using equity method. Therefore, we included the cut-off of sales revenue recognition as one of the key areas of focus for this year.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Understood and evaluated the operating procedures and internal controls over sales revenue, and assessed the effectiveness on how the management controls the timing of recognizing sales revenue.

B. Examined the transaction documents to ensure that transactions had been recorded in the proper period for a certain period around the balance sheet date.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company’s financial reporting process.

Auditors’ responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Wang, Yu-Chuan	Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan
March 3, 2026

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 267,870	37	$ 402,150	65
1136	Current financial assets at amortised cost	6(2)	302,000	42	117,600	19
1150	Notes receivable, net		800	-	-	-
1170	Accounts receivable, net	6(3)	24,573	4	18,215	3
1180	Accounts receivable due from related parties, net	7(2)	165	-	583	-
1200	Other receivables		265	-	151	-
1210	Other receivables due from related parties	7(2)	-	-	6,429	1
130X	Inventories	6(4)	40,959	6	26,195	4
1410	Prepayments		7,249	1	3,054	-
1470	Other current assets		2,938	-	425	-
11XX	**Total current assets**		646,819	90	574,802	92
	Non-current assets					
1550	Investments accounted for using equity method	6(5)	3,936	-	3,013	-
1600	Property, plant and equipment	6(6)	11,420	2	7,062	1
1755	Right-of-use assets	6(7)	6,528	1	9,792	2
1780	Intangible assets	6(8)	23,981	3	16,191	3
1840	Deferred tax assets	6(22)	813	-	-	-
1900	Other non-current assets	6(9)	25,830	4	11,656	2
15XX	**Total non-current assets**		72,508	10	47,714	8
1XXX	**Total assets**		$ 719,327	100	$ 622,516	100

(Continued)

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current liabilities					
2100	Current borrowings	6(10)	$ 15,000	2	$ -	-
2130	Current contract liabilities	6(17)	6,301	1	5,371	1
2170	Accounts payable		2,058	-	4,234	1
2200	Other payables	6(11)	43,445	6	31,093	5
2230	Current tax liabilities		2,547	-	-	-
2280	Current lease liabilities	6(7)	3,403	1	3,261	-
2300	Other current liabilities		1,431	-	254	-
21XX	**Total current liabilities**		74,185	10	44,213	7
	Non-current liabilities					
2570	Deferred tax liabilities	6(22)	184	-	-	-
2580	Non-current lease liabilities	6(7)	3,551	1	6,954	1
25XX	**Total non-current liabilities**		3,735	1	6,954	1
2XXX	**Total liabilities**		77,920	11	51,167	8
	Equity					
	Share capital					
3110	Share capital - common stock	6(14)	248,008	34	215,659	35
	Capital surplus					
3200	Capital surplus	6(15)	269,742	38	280,525	45
	Retained earnings	6(16)				
3310	Legal reserve		9,578	1	2,742	1
3320	Special reserve		1,520	-	1,520	-
3350	Unappropriated retained earnings		112,768	16	71,014	11
	Other equity interest					
3400	Other equity interest		(209)	-	(111)	-
3XXX	**Total Equity**		641,407	89	571,349	92
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 719,327	100	$ 622,516	100

The accompanying notes are an integral part of these parent company only financial statements.

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
4000	Operating revenue	6(17) and 7(2)	$ 304,815	100	$ 222,420	100
5000	Operating costs	6(4)(21)	(65,931)	(21)	(46,542)	(21)
5900	Gross profit from operations		238,884	79	175,878	79
5920	Realized profit (loss) on from sales	6(5)	87	-	(19)	-
5950	Gross profit from operations		238,971	79	175,859	79
	Operating expenses	6(21)				
6100	Selling expenses		(33,438)	(11)	(28,449)	(13)
6200	Administrative expenses		(47,970)	(16)	(40,098)	(18)
6300	Research and development expenses		(54,827)	(18)	(41,763)	(18)
6000	Total operating expenses		(136,235)	(45)	(110,310)	(49)
6900	Net operating income		102,736	34	65,549	30
	Non-operating income and expenses					
7100	Interest income	6(18)	6,875	3	3,944	2
7010	Other income		148	-	110	-
7020	Other gains and losses	6(19)	(2,244)	(1)	3,543	1
7050	Finance costs	6(20)	(132)	-	(175)	-
7070	Share of loss of associates and joint ventures accounted for using equity method	6(5)	(2,632)	(1)	(4,606)	(2)
7000	Total non-operating income and expenses		2,015	1	2,816	1
7900	**Profit before income tax**		104,751	35	68,365	31
7950	Income tax expense	6(22)	(2,246)	(1)	-	-
8200	**Profit for the year**		$ 102,505	34	$ 68,365	31
	Other comprehensive income(loss)					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		($ 98)	-	$ 217	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(98)	-	217	-
8300	**Other comprehensive (loss) income**		($ 98)	-	$ 217	-
8500	**Total comprehensive income**		$ 102,407	34	$ 68,582	31
	Basic earnings per share					
9750	Basic earnings per share	6(23)	$ 4.13		$ 3.00	
	Diluted earnings per share					
9850	Diluted earnings per share	6(23)	$ 4.12		$ 3.00	

The accompanying notes are an integral part of these parent company only financial statements.

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings				
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Year ended December 31, 2024								
Balance at January 1, 2024		$ 170,860	$ 80,511	$ 169	$ 1,520	$ 25,725	($ 328)	$ 278,457
Profit for the year		-	-	-	-	68,365	-	68,365
Other comprehensive income for the year		-	-	-	-	-	217	217
Total comprehensive income		-	-	-	-	68,365	217	68,582
Appropriation and distribution of 2023 earnings:	6(16)							
Legal reserve appropriated		-	-	2,573	-	(2,573)	-	-
Cash dividends of ordinary share		-	-	-	-	(3,417)	-	(3,417)
Stock dividends of ordinary share	6(14)	17,086	-	-	-	(17,086)	-	-
Stock dividends of capital surplus	6(15)	8,543	(8,543)	-	-	-	-	-
Cash capital increase	6(14)	19,170	208,523	-	-	-	-	227,693
Cost of share-based payment payable	6(13)	-	34	-	-	-	-	34
Balance at December 31, 2024		$ 215,659	$ 280,525	$ 2,742	$ 1,520	$ 71,014	($ 111)	$ 571,349
Year ended December 31, 2025								
Balance at January 1, 2025		$ 215,659	$ 280,525	$ 2,742	$ 1,520	$ 71,014	($ 111)	$ 571,349
Profit for the year		-	-	-	-	102,505	-	102,505
Other comprehensive loss		-	-	-	-	-	(98)	(98)
Total comprehensive income (loss)		-	-	-	-	102,505	(98)	102,407
Appropriation and distribution of 2024 earnings:	6(16)							
Legal reserve appropriated		-	-	6,836	-	(6,836)	-	-
Cash dividends of ordinary share		-	-	-	-	(32,349)	-	(32,349)
Stock dividends of ordinary share		21,566	-	-	-	(21,566)	-	-
Cost of share-based payment payable	6(15)	10,783	(10,783)	-	-	-	-	-
Balance at December 31, 2025		$ 248,008	$ 269,742	$ 9,578	$ 1,520	$ 112,768	($ 209)	$ 641,407

The accompanying notes are an integral part of these parent company only financial statements.

BONRAYBIO CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 104,751	$ 68,365
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(21)	5,045	4,641
Depreciation expense – right-of-use assets		3,264	3,264
Amortization expense	6(8)(21)	4,591	3,000
Interest expense	6(20)	132	175
Interest income	6(18)	(6,875)	(3,944)
Cost of share-based payment payable	6(13)	-	34
Share of loss of associates and joint ventures accounted for using equity method	6(5)	2,632	4,606
Realized gain from sale	6(5)	(87)	19
Unrealized foreign exchange (gain) loss		(921)	(3,021)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(800)	-
Accounts receivable(Include related parties)		(5,771)	(5,107)
Other receivables(Include related parties)		6,424	(6,357)
Inventories		(16,125)	(7,804)
prepayments		(4,195)	1,424
Other current assets		(2,513)	(191)
Other operating assets		(327)	(341)
Changes in operating liabilities			
Contract liabilities		930	4,154
Accounts payable(Include related parties)		(2,176)	1,502
Other payables		12,354	10,704
Other current liabilities		1,175	(57)
Cash inflow generated from operations		101,508	75,066
Interest received		6,767	3,954
Interest paid		(132)	(175)
Income tax paid		(328)	-
Net cash flows from operating activities		107,815	78,845
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets measured at amortized cost		(184,400)	-
Acquisition of investments accounted for using equity method	6(5)	(3,566)	(4,961)
Acquisition of property and equipment	6(24)	(18,571)	(2,173)
Acquisition of intangible assets	6(24)	(15,670)	(8,854)
Decrease (increase) in refundable deposits		(28)	(420)
Net cash flows used in investing activities		(222,235)	(16,408)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(25)	15,000	-
Payments of lease liabilities	6(25)	(3,261)	(3,074)
Proceeds from issuance of common stock for cash	6(14)	-	227,693
Cash dividends paid	6(25)	(32,349)	(3,417)
Net cash flows (used in) from financing activities		(20,610)	221,202
Effect of exchange rate changes on cash and cash		750	2,793
Net (decrease) increase in cash and cash equivalents		(134,280)	286,432
Cash and cash equivalents at beginning of year		402,150	115,718
Cash and cash equivalents at end of year		$ 267,870	$ 402,150

The accompanying notes are an integral part of these parent company only financial statements.

BONRAYBIO CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

BONRAYBIO CO., LTD. (the "Company") was incorporated on January 12, 2016. The Company is primarily engaged in the manufacturing of general and optical instruments and medical devices, as well as the wholesale and retail of precision instruments.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 3, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘ Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 - comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. The parent company only financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The Company determines the functional currency based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the subsidiaries, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;

(b) Assets that are held primarily for the purpose of trading;

(c) Assets that are expected to be realised within twelve months after the reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled in the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that does not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using equity method / subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealised gains or losses on transactions between the Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment	3 years ~ 5 years
Molding equipment	3 years
Office equipment	3 years
Leasehold improvements	5 years
Other equipment	5 years

(13) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(14) Intangible assets

A. Intangible assets are stated at cost and measured at cost, less accumulated amortisation.

B. Intangible assets with a finite useful life are amortised on a straight-line basis. The useful lives are as follows:

Patents	10 years ~ 19 years
Trademarks	10 years
Computer software	3 years ~ 10 years
Other intangible assets	5 years ~ 10 years

(15) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(16) Borrowings

A. Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(17) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(19) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the fair value per share estimated using a valuation technique specified in IFRS 2, 'Share-based Payment'.

(20) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. For the cash-settled share-based payment agreements, the employee services received are recognized as compensation cost and liabilities at the fair value of the liability assumed during the vesting period and are measured at the fair value of the equity instruments granted on each balance sheet date and settlement date. Any changes are recognised in profit or loss for the period.

(21) Income taxes

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(22) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(23) Dividends

Cash dividends are recorded as liabilities in the Company’s financial statements on the date of the Board of Directors' resolution. Stock dividends are recorded as stock dividends to be distributed on the date of the shareholders' meeting and are reclassified as common stock on the new share issuance record date.

(24) Revenue recognition

A. Sales of goods

The Company manufactures and sells the products related to Semen Quality Analyzer and product Semen test slide. Sales are recognised when control of the products has transferred.

Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Rendering services

The Company provides evidence collection, warranty and repair services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

(25) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. There have been no significant accounting judgements, estimations and assumption uncertainty for the year ended December 31, 2025.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 194	$ 210
Demand deposits	22,001	375,712
Time deposits	245,675	26,228
	$ 267,870	$ 402,150

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company classified time deposits maturing in excess of three months which do not meet short-term cash commitments as "Current financial assets at amortised cost". Please refer to Note 6(2).

C. The Company has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Time deposits maturing in excess of three months	$ 302,000	$ 117,600

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2025	2024
Interest income	$ 4,567	$ 1,853

B. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $302,000 thousand and $117,600 thousand.

D. The Company has no financial assets at amortised cost pledged to others as collateral.

E. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(3) Accounts receivable, net

	December 31, 2025	December 31, 2024
Accounts receivable	$ 24,573	$ 18,215

A. The ageing analysis of accounts receivable that was past due but not impaired is as follows:

	December 31, 2025	December 31, 2024
Not past due	$ 21,878	$ 18,215
Up to 30 days	624	-
31 to 90 days	2,071	-
	$ 24,573	$ 18,215

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to $13,245 thousand.

C. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable was $24,573 thousand and $18,215 thousand, respectively.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2025		
	Cost	Allowance to reduce inventory to market	Book value
Raw materials	$ 24,229	($ 1,620)	$ 22,609
Work in progress	14,048	(370)	13,678
Finished goods	5,213	(541)	4,672
	$ 43,490	($ 2,531)	$ 40,959

	December 31, 2024		
	Cost	Allowance to reduce inventory to market	Book value
Raw materials	$ 15,932	($ 1,476)	$ 14,456
Work in progress	8,409	(185)	8,224
Finished goods	3,665	(150)	3,515
	$ 28,006	($ 1,811)	$ 26,195

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2025	2024
Cost of goods sold	$ 64,473	$ 44,982
Retirement losses	738	1,302
Loss for market price decline	720	258
	$ 65,931	$ 46,542

(5) Investments accounted for using equity method

	2025	2024
At January 1	$ 3,013	$ 2,460
Addition of investments accounted for using equity method	3,566	4,961
Share of profit or loss of investments accounted for using equity method	(2,632)	(4,606)
Realized profit (loss) from sales	87	(19)
Changes in other equity items	(98)	217
At December 31	$ 3,936	$ 3,013

	December 31, 2025	December 31, 2024
BONRAYBIO HOLDING (SAMOA) CO., LTD.	$ 3,470	$ 2,939
BONRAYBIO USA CORP.	466	74
	$ 3,936	$ 3,013

A. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2025 for the information regarding the Company's subsidiaries.

B. The Company has received approval from its Chairman, in accordance with the established approval authority, to increase capital amounting to CNY 650 thousand (NT$2,961 thousand) to BONRAYBIO HOLDING (SAMOA) CO., LTD., a wholly-owned subsidiary of the Company, and reported to the Board of Directors on February 24, 2025. BONRAYBIO HOLDING (SAMOA) CO., LTD. invested the same amount to its wholly-owned subsidiary, BONRAYBIO (SICHUAN) CO., LTD. The subsequent overseas capital increase declaration was completed and submitted to the Investment Review Office of the Ministry of Economic Affairs on April 25, 2025.

C. The Company has received approval from its Chairman, in accordance with the established approval authority, to increase capital amounting to USD 20 thousand (NT$605 thousand) to BONRAYBIO USA CORP., a wholly-owned subsidiary of the Company. The subsequent overseas capital increase declaration was completed and submitted to the Investment Review Office of the Ministry of Economic Affairs on July 4, 2025.

D. Details of share of profit (loss) of subsidiaries accounted for using equity method are as follows:

	Year ended December 31	
	2025	2024
BONRAYBIO HOLDING (SAMOA) CO., LTD.	($ 2,401)	($ 4,393)
BONRAYBIO USA CORP.	(231)	(213)
	($ 2,632)	($ 4,606)

The Company’s share of profit or loss of investments accounted for using equity method was valued based on the investees’ financial statements audited by the independent auditors for the same period.

(6) <u>Property, plant and equipment</u>

	2025				
Cost	Beginning balance	Addition	Decrease	Transfer	Ending balance
Machinery and equipment	$ 4,527	$ 3,132	($ 1,804)	$ 1,361	$ 7,216
Molding equipment	7,487	-	(1,895)	-	5,592
Office equipment	472	-	-	-	472
Leasehold improvements	1,974	3,624	(1,143)	304	4,759
Other equipment	1,322	917	-	65	2,304
	$ 15,782	$ 7,673	($ 4,842)	$ 1,730	$ 20,343
Accumulated depreciation					
Machinery and equipment	($ 2,928)	($ 1,090)	$ 1,804	$ -	($ 2,214)
Molding equipment	(3,615)	(2,401)	1,895	-	(4,121)
Office equipment	(268)	(157)	-	-	(425)
Leasehold improvements	(1,457)	(932)	1,143	-	(1,246)
Other equipment	(452)	(465)	-	-	(917)
	($ 8,720)	($ 5,045)	$ 4,842	$ -	($ 8,923)
	$ 7,062				$ 11,420

	2024				
Cost	Beginning balance	Addition	Decrease	Transfer	Ending balance
Machinery and equipment	$ 6,329	$ 361	($ 2,163)	$ -	$ 4,527
Molding equipment	7,220	693	(1,500)	1,074	7,487
Office equipment	472	-	-	-	472
Leasehold improvements	1,974	-	-	-	1,974
Other equipment	1,088	443	(209)	-	1,322
	$ 17,083	$ 1,497	($ 3,872)	$ 1,074	$ 15,782
Accumulated depreciation					
Machinery and equipment	($ 4,080)	($ 1,011)	$ 2,163	$ -	($ 2,928)
Molding equipment	(2,317)	(2,798)	1,500	-	(3,615)
Office equipment	(111)	(157)	-	-	(268)
Leasehold improvements	(1,062)	(395)	-	-	(1,457)
Other equipment	(381)	(280)	209	-	(452)
	($ 7,951)	($ 4,641)	$ 3,872	$ -	($ 8,720)
	$ 9,132				$ 7,062

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation: None.

B. The Company has no property, plant and equipment pledged to others as collateral.

(7) Lease transactions－lessee

A. The Company leases various assets including offices. Rental contracts are typically made for periods of 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise parking lots. Low-value assets comprise multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2025	Year ended December 31, 2025	December 31, 2024	Year ended December 31, 2024
	Carrying amount	Depreciation charge	Carrying amount	Depreciation charge
Buildings and parking lots	$ 6,528	$ 3,264	$ 9,792	$ 3,264

D. For the years ended December 31, 2025 and 2024, there were no additions to right-of-use assets.

E. The information on profit or loss accounts relation to lease contracts is as follows:

	Year ended December 31	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 127	$ 174
Expense on short-term lease contracts	815	296
Expense on leases of low-value assets	98	64

F. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were $4,301 thousand and $3,608 thousand, respectively.

(8) Intangible assets

	2025				
Cost	Beginning balance	Addition	Decrease	Transfer	Ending balance
Trademarks	$ 5,000	$ 1,639	$ -	$ -	$ 6,639
Patents	13,324	921	-	2,604	16,849
Computer software	3,272	1,254	-	-	4,526
Others	6,045	3,380	(184)	2,583	11,824
	$ 27,641	$ 7,194	($ 184)	$ 5,187	$ 39,838
Accumulated amortisation					
Trademarks	($ 2,882)	($ 574)	$ -	$ -	($ 3,456)
Patents	(4,523)	(1,299)	-	-	(5,822)
Computer software	(1,674)	(1,184)	-	-	(2,858)
Others	(2,371)	(1,534)	184	-	(3,721)
	($ 11,450)	($ 4,591)	$ 184	$ -	(15,857)
	$ 16,191				$ 23,981

Cost	2024 Beginning balance	Addition	Decrease	Transfer	Ending balance
Trademarks	$ 4,852	$ -	$ -	$ 148	$ 5,000
Patents	10,576	738	-	2,010	13,324
Computer software	2,619	200	(95)	548	3,272
Others	4,869	143	(460)	1,493	6,045
	$ 22,916	$ 1,081	($ 555)	$ 4,199	$ 27,641
Accumulated amortisation					
Trademarks	($ 2,386)	($ 496)	$ -	$ -	($ 2,882)
Patents	(3,385)	(1,138)	-	-	(4,523)
Computer software	(1,093)	(676)	95	-	(1,674)
Others	(2,141)	(690)	460	-	(2,371)
	($ 9,005)	($ 3,000)	$ 555	$ -	(11,450)
	$ 13,911				$ 16,191

Details of amortisation on intangible assets are as follows:

	Year ended December 31 2025	2024
Operating costs	$ 668	$ 600
Selling expenses	36	35
Administrative expenses	371	287
Research and development expenses	3,516	2,078
	$ 4,591	$ 3,000

(9) Other non-current assets

	December 31, 2025	December 31, 2024
Prepayments for equipment	$ 11,249	$ 720
Prepayments for patents	8,149	6,440
Prepayments for other intangible assets	3,823	3,019
Guarantee deposits paid	1,118	1,090
Prepayments for trademarks	778	-
Others	713	387
	$ 25,830	$ 11,656

(10) Short-term borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 15,000	2.50%	None

There were no such transactions as of December 31, 2024.

Interest expense recognised in profit or loss amounted to $5,000 and $1,000 for the years ended December 31, 2025 and 2024, respectively.

(11) Other payables

	December 31, 2025	December 31, 2024
Bonus payable	$ 25,130	$ 18,754
Wages and salaries payable	6,619	5,314
Labour and health insurance and pension payable	2,766	2,106
Directors' remuneration payable	2,440	1,560
Service fees payable	2,041	1,483
Others	4,449	1,876
	$ 43,445	$ 31,093

(12) Pensions

The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024, were $3,959 thousand and $3,165 thousand, respectively.

(13) Share-based payment

A. There were no such transactions for the year ended December 31, 2025.

B. For the year ended December 31, 2024, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (share in thousands)	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2024.11.27	192 units	0.0164 year	Vested immediately

C. The fair value of stock options granted on grant date is measured using the Black-Scholes optionpricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Cash capital increase reserved for employee preemption	2024.11.27	104.98	108	21.14%	0.0164 year	-	1.38%	0.2227

Expected price volatility rate was estimated by using the average of the annualised standard deviation of daily returns of stock prices over the past year as the volatility parameter.

D. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2025	2024
Equity-settled	$ -	$ 34

(14) Share capital

A. As of December 31, 2025, the Company's authorised capital was $500,000 thousand, consisting of 50,000 thousand shares of ordinary share, and the paid-in capital was $248,008 thousand, consisting of 24,801 thousand shares of ordinary share, with a par value of $10 (in NT dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows (unit: share in thousands):

	2025	2024
At January 1	$ 21,566	$ 17,086
Add: Stock dividends from undistributed surplus earnings	2,157	1,709
Stock dividends from capital surplus	1,078	854
Cash capital increase	-	1,917
At December 31	$ 24,801	$ 21,566

B. The Company's shareholders' meeting on June 24, 2024 resolved to issue 1,709 thousand new shares from undistributed surplus earnings of NT$17,086 thousand, and to issue 854 thousand new shares NT$8,543 thousand from capital reserves with a par value of $10 (in NT dollars) per share as resolved. The capital increase plan was approved by the Financial Supervisory Commission on June 28, 2024. On July 4, 2024, the Board of Directors resolved to use July 28, 2024 as the record date for this capital increase, and completed the change registration on August 7 of the same year.

C. In order to cooperate with the public underwriting before the Company initially listing on the Taiwan Innovation Board, the Board of Directors resolved to conduct a cash capital increase by issuing 1,917 thousand common shares with a par value of NT$10 per share on October 2, 2024. The total amount raised is NT$230,693 thousand (including issuance costs of NT$3,000 thousand), and the record date for the capital increase is December 4, 2024. The change registration for this capital increase has been completed.

D. The Company's shareholders' meeting on May 27, 2025 resolved to issue 2,157 thousand new shares from undistributed surplus earnings of NT$21,566 thousand, and to issue 1,078 thousand new shares from capital reserves of NT$10,783 thousand with a par value of $10 (in NT dollars) per share as resolved. The capital increase plan was approved by the Financial Supervisory Commission on June 4, 2025. On August 6, 2025, the Board of Directors resolved to use August

31, 2025 as the record date for this capital increase, and completed the change registration on September 9 of the same year.

E. The share adjustment due to distribution of stock dividends from capital surplus is provided in Note 6(15).

(15) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. On June 24, 2024, the Company increased its capital through capitalisation of capital surplus amounting to $8,543 thousand by issuing 854 thousand new shares with a par value of $10 (in NT dollars) per share as resolved by the shareholders's meeting, and the capital increase has been approved by the Financial Supervisory Committee on June 28, 2024. On July 4, 2024, the Board of Directors resolved to set the record date of capital increase on July 28, 2024, and completed the registration for the change on August 7, 2024.

C. On May 27, 2025, the Company increased its capital through capitalisation of capital surplus amounting to $10,783 thousand by issuing 1,078 thousand new shares with a par value of $10 (in NT dollars) per share as resolved by the shareholders' meeting, and the capital increase has been approved by the Financial Supervisory Committee on June 4, 2024. On August 6, 2025, the Board of Directors resolved to set the record date of capital increase on August 31, 2025, and completed the registration for the change on September 9, 2025.

D. On March 3, 2026, the Company increased its capital through capitalisation of capital surplus amounting to $18,601 thousand ($0.75 (in NT dollars) per share) by issuing 1,860 thousand new shares with a par value of $10 (in NT dollars) per share as approved by the Board of Directors, and the capitalisation of capital surplus is still pending for the approval from the shareholders' meeting.

(16) Retained earnings

A. Under the Company's Articles of Incorporation, when the Company's annual final accounts show a surplus, the taxes and dues to be paid and the accumulated losses to be covered shall be reserved first. Thereafter, 10% of the remaining surplus shall be allocated as legal reserve. Nevertheless, where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The remaining amount shall then be allocated or reversed as a special reserve in accordance with legal requirements. Any remaining balance, together with undistributed earnings, shall be used by the Board of Directors to draft a profit distribution proposal, which shall be submitted to the Shareholders' Meeting for approval to distribute dividends and bonuses to shareholders.

B. If dividends and bonuses are distributed in the form of new shares using legal reserve (limited to the portion exceeding 25% of paid-in capital) or capital reserves that meet the requirements of the Company Act, the distribution shall be handled in accordance with Article 240 of the Company Act and approved at the shareholders' meeting. If distributed in cash, the Board of Directors is authorized to approve the distribution with at least two-thirds of the directors in attendance and a majority of the attending directors in agreement, and the distribution shall be reported to the Shareholders' Meeting.

C. If the Company generates profits in the current year, 8%~12% of the profits shall be allocated as employees' compensation, which shall be allocated 1%~3% for adjusting the salaries or distributing the compensation to the non-managerial employees, and no more than 3% shall be allocated as directors' compensation. However, the Company's accumulated losses shall have been covered. The employees' compensation may be distributed in the form of shares or in cash. Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements. The directors' compensation may be distributed in cash. The preceding two items shall be resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.

D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

E. In accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

F. The appropriations of 2024 and 2023 earnings as resolved by the shareholders' meeting on May 27, 2025 and June 24, 2024, respectively, are as follows:

	2024		2023	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Legal reserve	$ 6,836		$ 2,573	
Cash dividends	32,349	$ 1.5	3,417	$ 0.2
Stock dividends – capitalisation of earnings	21,566	1.0	17,086	1.0
	$ 60,751		$ 23,076	

The abovementioned appropriations of earnings as resolved by the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

G. The appropriation of 2025 earnings as proposed by the Board of Directors on March 3, 2026 are as follows:

	2025	
	Amount	Dividends per share (in NT dollars)
Legal reserve	$ 10,251	
Cash dividends	37,201	$ 1.50
Stock dividends – capitalisation of earnings	37,201	$ 1.50
	$ 84,653	

Aside from the cash dividends which have been resolved by the Board of Directors on March 3, 2026, the remaining appropriations of earnings have not yet been resolved by the shareholders' meeting.

H. The information of employees' compensation and directors' and supervisors' remuneration is provided in Note 6(21).

(17) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	$ 304,815	$ 222,420

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time and services over time in the following major product lines and geographical regions:

	Year ended December 31, 2025					
	Semen Quality Analyzer and Semen test slide					
	Europe	Asia	America	Other regions	Rendering services	Total
Revenue from external customer contracts	$ 58,805	$ 162,026	$ 78,329	$ 5,307	$ 348	$ 304,815
Timing of revenue						
At a point in time	58,805	162,026	78,329	5,307	348	304,815
	$ 58,805	$ 162,026	$ 78,329	$ 5,307	$ 348	$ 304,815

	Year ended December 31, 2024					
	Semen Quality Analyzer and Semen test slide					
	Europe	Asia	America	Other regions	Rendering services	Total
Revenue from external customer contracts	$ 53,528	$ 112,564	$ 52,820	$ 3,361	$ 147	$ 222,420
Timing of revenue						
At a point in time	53,528	112,564	52,820	3,361	147	222,420
	$ 53,528	$ 112,564	$ 52,820	$ 3,361	$ 147	$ 222,420

B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities:			
Contract liabilities –advance sales receipts	$ 6,301	$ 5,371	$ 1,217

Revenue recognised that was included in the contract liability balance at the beginning of the period

	Year ended December 31	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period	$ 4,731	$ 993

(18) Interest income

	Year ended December 31	
	2025	2024
Interest income from bank deposits	$ 2,300	$ 2,083
Interest income from financial assets measured at amortised cost	4,567	1,853
Other interest income	8	8
	$ 6,875	$ 3,944

(19) Other gains and losses

	Year ended December 31	
	2025	2024
Net currency exchange gains	($ 2,244)	$ 3,543

(20) Finance costs

	Year ended December 31	
	2025	2024
Interest expenses:		
Lease liability	$ 127	$ 174
Bank loan	5	1
	$ 132	$ 175

(21) Expenses by nature

	Year ended December 31, 2025		
Employee benefit expense	Classified as operating costs	Classified as operating expenses	Total
Wages and salaries	$ 19,731	$ 75,550	$ 95,281
Labour and health insurance fees	2,197	5,913	8,110
Pension costs	990	2,969	3,959
Director remuneration	-	3,812	3,812
Other personnel expenses	1,486	3,177	4,663
	$ 24,404	$ 91,421	$ 115,825
Depreciation expense	$ 4,200	$ 4,109	$ 8,309
Amortization expense	$ 668	$ 3,923	$ 4,591

	Year ended December 31, 2024		
Employee benefit expense	Classified as operating costs	Classified as operating expenses	Total
Wages and salaries	$ 14,450	$ 60,504	$ 74,954
Labour and health insurance fees	1,592	4,733	6,325
Pension costs	747	2,418	3,165
Director remuneration	-	2,543	2,543
Other personnel expenses	1,115	2,578	3,693
	$ 17,904	$ 72,776	$ 90,680
Depreciation expense	$ 4,559	$ 3,346	$ 7,905
Amortization expense	$ 600	$ 2,400	$ 3,000

As at December 31, 2025 and 2024, the Company had 112 and 94 employees, respectively. There were 8 non-employee directors for both years.

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 8%~12% for employees' compensation, which shall be distributed 1%~3% for adjusting the salaries or distributing the compensation to the non-managerial employees, and shall not be higher than 3% for directors' remuneration.

B. The Group’s employees’ compensation and directors’ remuneration were estimated and accrued as follows:

	Year ended December 31	
	2025	2024
Employees’ compensation	$ 11,903	$ 7,700
Directors’ remuneration	2,380	1,560
	$ 14,283	$ 9,260

(1) For the years ended December 31, 2025 and 2024, employees’ compensation was accrued at $10,707 thousand and $7,700 thousand, respectively; while directors’ remuneration was accrued at $2,380 thousand and $1,560 thousand, respectively. For the year ended December 31, 2025, the Company started to recognise non-managerial employees’ compensation amounting to $1,196 thousand. The aforementioned amounts were recognised in salary expenses. For the years ended December 31, 2025 and 2024, the employees’ compensation was estimated and accrued based on 8.99% and 9.92% of distributable profit of current year as of the end of reporting period. For the years ended December 31, 2025 and 2024, the non-managerial employees’ compensation was estimated and accrued based on 1% and 0% of distributable profit of current year as of the end of reporting period. For the years ended December 31, 2025 and 2024, the directors’ remuneration was estimated and accrued based on 2% and 2.01% of distributable profit of current year as of the end of reporting period

(2) Employees’ compensation and directors’ remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.

(3) Information about employees’ compensation and directors’ remuneration of the Company as resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(22) Income taxes

A. Components of income tax expense

	Year ended December 31	
	2025	2024
Current tax :		
Current tax on profits for the year	$ 2,875	$ 14,037
Total current tax	2,875	14,037
Deferred tax :		
Origination and reversal of temporary differences	(629)	(14,037)
Income tax expense	$ 2,246	$ -

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	$ 20,950	$ 13,673
Temporary differences not recognised as deferred tax assets	529	364
Effect from investment tax credits	(1,232)	-
Change in assessment of realisation of deferred tax assets	(18,001)	(14,037)
Income tax expense	$ 2,246	$ -

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2025			
	Beginning balance	Recognised inprofit or loss	Recognised in other comprehensive income	Ending balance
– Deferred tax assets:				
Temporary differences:				
Allowance for inventory valuation losses	$ -	$ 506	$ -	$ 506
Unused compensated absence	-	156	-	156
Unrealised profit from sales	-	151	-	151
	$ -	$ 813	$ -	$ 813
– Deferred tax liabilities:				
Unrealised exchange gain	$ -	($ 184)	$ -	($ 184)
	$ -	($ 184)	$ -	($ 184)
	$ -	$ 629	$ -	$ 629

There were no such transactions for the year ended December 31, 2024.

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

There were no such transactions as of December 31, 2025.

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	Amount assessed	$ 35,038	$ 35,038	2031
2020	Amount assessed	49,623	49,623	2030
2019	Amount assessed	5,344	5,344	2029
		$ 90,005	$ 90,005	

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 27,280	$ 24,631

F. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(23) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in NT dollars)
Basic earnings per share			
Profit	$ 102,505	24,801	$ 4.13
Diluted earnings per share			
Profit attributable to ordinary shareholders	102,505	24,801	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	88	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 102,505	24,889	$ 4.12

	Year ended December 31, 2024				
	Amount after tax		Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in NT dollars)	
Basic earnings per share					
Profit	$	68,365	22,762	$	3.00
Diluted earnings per share					
Profit attributable to ordinary shareholders		68,365	22,762		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation		-	56		
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$	68,365	22,818	$	3.00

A. The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will be distributed in the form of shares.

B. For the distribution of stock dividends as resolved by the Company' shareholders' meeting during their meeting on May 27, 2025, the effective date of the capital increase was set as August 31, 2025 by the Board of Directors. The weighted average number of ordinary shares outstanding was retrospectively adjusted due to the above distribution of stock dividends in order to calculate the earnings per share for the years ended December 31, 2025 and 2024.

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31			
	2025		2024	
Purchase of property, plant and equipment	$	9,403	$	2,571
Add: Opening balance of payable on equipment		-		-
Ending balance of prepayments for equipment		11,249		720
Less: Opening balance of prepayments for equipment	(	720)	(	1,118)
Inventories transferred to machinery and equipment	(	1,361)		-
Cash paid during the year	$	18,571	$	2,173

	Year ended December 31	
	2025	2024
Purchase of intangible assets	$ 12,381	$ 5,280
Add: Ending balance of prepayments	12,750	9,461
Less: Opening balance of prepayments	(9,461)	(5,887)
Cash paid during the year	$ 15,670	$ 8,854

(25) Changes in liabilities from financing activities

	2025		
	Short-term borrowings	Lease liability	Dividends payable
At January 1	$ -	$ 10,215	$ -
Changes in cash flow from financing activities	15,000	(3,261)	(32,349)
Addition	-	-	32,349
At December 31	$ 15,000	$ 6,954	$ -

	2024		
	Short-term borrowings	Lease liability	Dividends payable
At January 1	$ -	$ 13,289	$ -
Changes in cash flow from financing activities		(3,074)	(3,417)
Addition	-	-	3,417
At December 31	$ -	$ 10,215	$ -

7. Related Party Transactions

(1) Names related parties and relationship

Names of related parties	Relationship with the Company
BONRAYBIO HOLDING (SAMOA) CO., LTD.	Subsidiary
BONRAYBIO USA CORP.	Subsidiary
BONRAYBIO (SICHUAN) CO., LTD.	Subsidiary

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2025	2024
Sales of raw materials and goods:		
BONRAYBIO (SICHUAN)	$ 357	$ 1,556
BONRAYBIO USA	-	152
	$ 357	$ 1,708

The Company sold raw materials to subsidiaries, and the selling price was determined based on mutual agreement. The credit term was 180 days after monthly billings. As similar raw materials were not sold to non-related parties, there were no non-related parties for comparison. The

Company sold finished goods to subsidiaries, and the price was determined based on the profitability of different finished goods. The credit term was 180 days after monthly billings. However, the credit term of third parties was prepayments or 30 days after monthly billings.

B. Accounts receivable due from related parties

	December 31, 2025	December 31, 2024
Subsidiary		
BONRAYBIO (SICHUAN)	$ 163	$ 583

C. Other receivables due from related parties

	December 31, 2025	December 31, 2024
Subsidiary		
BONRAYBIO USA	$ -	$ 6,429

The other receivables listed above are payments for goods collected by the subsidiary on behalf of the Company.

(3) Key management compensation

	Year ended December 31	
	2025	2024
Salaries and other short-term employee benefits	$ 21,809	$ 17,738
Post-employment benefits	368	423
	$ 22,177	$ 18,161

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2025
Property, plant and equipment	$ 2,089

B.There were no such transactions for the year ended December 31, 2024.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Information about the distribution of dividends from capital surplus and the proposed distribution of earnings as resolved by the Board of Directors of the Company on March 3, 2026 is provided in Notes 6(15) and 6(16).

12. Others

(1) Capital management

The Company’s objectives when managing capital are based on the industrial scale, considering industrial future growth and product development, and setting appropriate market share, as well as plan on corresponding capital expenditure, calculation of operating capital needed for financial operations, and considering operating profits and cash inflows arising from product competitiveness, to determine appropriate capital structure.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 267,870	$ 402,150
Current financial assets at amortised cost	302,000	117,600
Notes receivable	800	-
Accounts receivable (including related parties)	24,738	18,798
Other receivables (including related parties)	265	6,580
Guarantee deposits paid	1,118	1,090
	$ 596,791	$ 546,218

	December 31, 2025	December 31, 2024
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 15,000	$ -
Accounts payable (including related parties)	2,058	4,234
Other payables	43,445	31,093
	$ 45,503	$ 35,327
Lease liability	$ 6,954	$ 10,215

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (foreign exchange risk), credit risk and liquidity risk.

(b) Risk management is carried out by Company treasury to identify, evaluate and hedge financial risks in close co-operation with the Company's operating units, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Company’s businesses involve some non-functional currency operations (the Company’s functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,727	31.430	$ 54,280
Non-monetary items			
CNY:NTD	$ 772	4.496	$ 3,470

	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,874	32.785	$ 61,439
Non-monetary items			
CNY:NTD	$ 844	4.478	$ 3,779

iii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	December 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 543	$ -
Non-monetary items			
CNY:NTD	1%	-	Inapplicable

	December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 614	$ -
Non-monetary items			
CNY:NTD	1%	-	Inapplicable

iv. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to a net loss of $2,244 thousand and gain of $3,543 thousand, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of time deposits stated at amortised cost.

ii. The Company manages their credit risk taking into consideration the entire company's concern. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Additionally, the Company uses certain credit enhancement tools (such as advance sales receipts) at appropriate times to decrease the credit risk of certain customers and to assess their credit risk.

iii. Company treasury manages credit risk of cash in banks and other financial instruments based on the Company's credit policy. Because the Company's counterparties are determined based on the Company's internal control, only rated banks with an optimal rating and financial institutes with investment grade are accepted.

iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

vi. The Company applies the modified approach using a provision matrix to estimate expected credit loss of customer's accounts receivable under the provision matrix basis.

vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

viii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. The expected loss rate of the Company was 0.02%~0.63%, therefore, the amount of loss allowance as of December 31, 2025 and 2024 were both remote.

ix. The Company assessed that the expected loss rates of its financial assets at amortised cost, other receivables and guarantee deposits paid were small. Therefore, the amount of loss allowance as of December 31, 2025 and 2024 were both remote.

(c) Liquidity risk

i. Cash flow forecasting is performed in the units of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

ii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2025

Non-derivative financial liabilities	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 15,005	$ -	$ -	$ -	$ -	$ 15,005
Accounts payable	2,058	-	-	-	-	2,058
Other payables	27,200	16,245	-	-	-	43,445
Lease liability	870	2,611	3,579	-	-	7,060

December 31, 2024

Non-derivative financial liabilities	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$ 4,234	$ -	$ -	$ -	$ -	$ 4,234
Other payables	8,943	22,150	-	-	-	31,093
Lease liability	847	2,541	3,482	3,579	-	10,449

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

F. Trading in derivative instruments undertaken during the reporting period: None.

G. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 1.

(3) Information on investments in Mainland China

A. Information of investment in Mainland China: Please refer to table 2.

B. Significant events generated from direct and indirect transactions between the Company and its investees in Mainland China through existing companies in a third area: None.

14. Operating Segment Information

Not applicable.

BONRAYBIO CO., LTD.

Information on investees

Year ended December 31, 2025

Table 1 Expressed in thousands of NTD

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2025 (Note 2)	Initial investment amount: Balance as at December 31, 2024	Shares held as at December 31, 2025: Nunber of shares (in thousand shares)	Shares held as at December 31, 2025: Ownership (%)	Shares held as at December 31, 2025: Book value	Net loss of the investee for the year ended December 31, 2025 (Note 3)	Investment loss recognised by the Company for the year ended December 31, 2025 (Note 3)	Footnote
BONRAYBIO CO., LTD.	BONRAYBIO HOLDING (SAMOA) CO., LTD.	Samoa	Holding company	$ 29,376	$ 26,415	996	100	$ 3,470	($ 2,401)	($ 2,401)	The Company's subsidiary (Notes 3, 4, 5 and 6)
BONRAYBIO CO., LTD.	BONRAYBIO USA CORP.	USA	Sales of Semen Quality Analyzer and Semen Test Slide	2,804	2,199	92	100	466	(231)	(231)	The Company's subsidiary (Notes 3, 4, and 7)

Note 1: The amounts listed in the table denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates at the balance sheet date.

Note 2: It's the investment amount as of December 31, 2025.

Note 3: Recognize investment gains and losses through each subsidiary.

Note 4: The transactions were eliminated when preparing the consolidated financial statements.

Note 5: Based on the delegation of authorisation and the chairman's approval, after reporting to the Board of Directors on December 27, 2023, the Company increased its capital in its wholly-owned reinvested subsidiary, BONRAYBIO HOLDING (SAMOA) CO., LTD., amounting to CNY 1,134 thousand (approximately to NT$4,961 thousand), and then invested in the Company's wholly-owned second-tier subsidiary, BONRAYBIO (SICHUAN) CO., LTD, with the same amount. The post-registration for the foreign investment had been filed with the Investment Commission, Ministry of Economic Affairs for verification on March 7, 2024.

Note 6: The Company has approved by Chairman according to the approval authority to increase capital amounting to CNY 650 thousand (NT$2,961 thousand) to BONRAYBIO HOLDING (SAMOA) CO., LTD., a wholly-owned subsidiary of the Company, and reported to the Board of Directors on February 24, 2025.BONRAYBIO HOLDING (SAMOA) CO., LTD. invested the same amount to its wholly-owned subsidiary, BONRAYBIO (SICHUAN) CO., LTD. The subsequent overseas capital increase declaration was completed to the Investment Review Office of the Ministry of Economic Affairs on April 25, 2025.

Note 7: The Company has approved by Chairman according to the approval authority to increase capital amounting to USD 20 thousand (NT$605 thousand) to BONRAYBIO USA CORP., a wholly-owned subsidiary of the Company. The subsequent overseas capital increase declaration was completed to the Investment Review Office of the Ministry of Economic Affairs on July 4, 2025.

BONRAYBIO CO., LTD.

Information on investments in Mainland China

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net loss of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment loss recognised by the Company for the year ended December 31, 2025	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
BONRAYBIO (SICHUAN) CO., LTD.	Production and sales of Semen Quality Analyzer and Semen Test Slide	$ 29,898	2	$ 18,353	$ 2,961	$ -	$ 21,314	($ 2,401)	100.00	($ 2,401)	$ 3,470	$ -	Notes 2, 3, 4, 5, 6 and 7

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others.

Note 2: BONRAYBIO (SICHUAN) CO., LTD. ("BONRAYBIO (SICHUAN)")'s paid-in capital was CNY 6,650 thousand, and accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025 was CNY 4,784 thousand.

Note 3: To increase BONRAYBIO (SICHUAN)'s working capital, on March 30, 2021 and October 27, 2021, the Company remitted the investment amounting to CNY 500 thousand and CNY 1,000 thousand, respectively, to increase capital of BONRAYBIO HOLDING (SAMOA) CO., LTD. (the "BONRAYBIO (SAMOA)"), and BONRAYBIO (SAMOA) increased the capital of BONRAYBIO (SICHUAN) in the amount of CNY 500 thousand and CNY 1,000 thousand, respectively.

Note 4: Due to the insufficient funding capacity of BONRAYBIO (SICHUAN) and the improvement of the Company's loans to BONRAYBIO (SICHUAN), on April 25, 2022, the Board of Directors of the Company resolved to capitalise the loans as share capital. As of December 31, 2021, the accounts receivable after three months under normal credit terms amounting to CNY 1,866 thousand (approximately NT$8,057 thousand) was fully transferred to BONRAYBIO (SAMOA). Subsequently, BONRAYBIO (SAMOA) used the debt as the capital to reinvest in BONRAYBIO (SICHUAN), without any funds being remitted by the Company.

Note 5: Based on the delegation of authorisation and the chairman's approval, after reporting to the Board of Directors on December 27, 2023, the Company increased its capital in its wholly-owned reinvested subsidiary, BONRAYBIO HOLDING (SAMOA) CO., LTD., amounting to CNY 1,134 thousand (approximately to NT$4,961 thousand), and then invested in the Company's wholly-owned second-tier subsidiary, BONRAYBIO (SICHUAN) CO.,LTD., with the same amount. The post-registration for the foreign investment had been filed with the Investment Commission, Ministry of Economic Affairs for verification on March 7, 2024.

Note 6: Based on the delegation of authorisation and the chairman's approval, after reporting to the Board of Directors on February 24, 2025, the Company increased its capital in its wholly-owned reinvested subsidiary, BONRAYBIO HOLDING (SAMOA) CO., LTD., amounting to CNY 650 thousand (approximately to NT$2,961 thousand), and then invested in the Company's wholly-owned second-tier subsidiary, BONRAYBIO (SICHUAN) CO.,LTD., with the same amount. The post-registration for the foreign investment had been filed with the Investment Commission, Ministry of Economic Affairs for verification on April 25, 2025.

Note 7: Paid-in capital was translated at the exchange rate of NTD 4.496:CNY 1 prevailing on December 31, 2025.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 8)
BONRAYBIO CO., LTD.	$ 21,314	$ 29,898	$ 384,844

Note 8: Ceiling on public companys' investments in Mainland China, the limitation of the Company's accumulated investment amount in Mainland China is 60% of the net equity of the Company.

BONRAYBIO CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description		Amount	
Cash on hand			$	194
Demand deposits				236,936
Time deposits	USD 700 thousand	Exchange rate 31.430		22,001
Foreign currency deposits	USD 248 thousand	Exchange rate 31.430		7,804
	CNY 136 thousand	Exchange rate 4.496		613
	EUR 9 thousand	Exchange rate 36.900		322
			$	267,870

BONRAYBIO CO., LTD.

STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - CURRENT

DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Item	Description	Contract Period	Rate	Amount	Note
Financial assets at amortised cost					
Time deposits maturing in excess of three months	NT$302,000 thousand	May 27,2025~September 9, 2026	1.64%	$ 302,000	

BONRAYBIO CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Item	Description	Amount: Cost	Amount: Market Value	Note: Method Used in Determining The Net Realisable Value
Raw materials		$ 24,229	$ 25,059	Replacement cost
Work in progress		14,048	69,910	Net realisable value of inventory
Finished goods		5,213	28,200	Net realisable value of inventory
		$ 43,490	$ 123,169	
Less: Allowance to reduce inventory to market		(2,531)		
		$ 40,959		

BONRAYBIO CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

	Opening Balance		Addition		Decrease		Ending Balance			Net Assets Value				
Investee	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Percentage of Ownership	Amount	Unit Price	Total Amount	Valuation Basis	Collateral or Pledge	Note
BONRAYBIO HOLDING (SAMOA) CO., LTD.	906	$ 2,939	90	$ 2,961	-	($ 2,430)	996	100%	$ 3,470	$ 3	$ 3,470	Equity method	None	
BONRAYBIO USA CORP.	72	74	20	605	-	(213)	92	100%	466	5	466	Equity method	None	
		$ 3,013		$ 3,566		($ 2,643)			$ 3,936		$ 3,936			

BONRAYBIO CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Item	Unit	Quantity	Amount	Note
Semen Quality Analyzer	Sets	497	$ 112,365	
Semen test slide	PCS	689,225	103,608	
Sperm Separation Device	PCS	89,275	53,517	
Sperm DNA Fragmentation Test Kit	PCS	33,300	23,879	
Others			11,446	Balance of each product has not exceeded 5% of total account balance.
			$ 304,815	

BONRAYBIO CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Item	Amount
Beginning raw materials	$ 15,932
Add: Net purchased for the year	47,234
Less: Raw materials sold	(229)
Ending raw materials	(39)
Transfer to miscellaneous expenses	(24,229)
Raw materials transferred out	(1,278)
Inventory scrap	(540)
Raw materials used for the year	36,851
Direct labor	11,913
Manufacturing expense	24,032
Manufacturing cost	72,796
Add: Beginning work in progress	8,409
Raw materials transferred into semi-finished goods	2,545
Raw materials purchased for outsourcing	(16)
Less: Work in progress sold	(14,048)
Ending work in progress	(1,158)
Transfer to miscellaneous expenses	(2,146)
Inventory scrap	(198)
Cost of finished goods	66,184
Add: Beginning finished goods	3,665
Less: Ending finished goods	(5,213)
Transfer to miscellaneous expenses	(164)
Inventory scrap	(244)
Cost of products sold	64,228
Cost of raw materials sold	229
Cost of work in process sold	16
Lose for inventory scrap	720
Loss for market price decline	738
Operating costs	$ 65,931

BONRAYBIO CO., LTD.
STATEMENT OF MANUFACTURING EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Item	Description	Amount	Note
Wages and salaries		$ 10,659	
Depreciation expense		4,200	
Consumables		2,803	
Other expenses		6,370	Balance of individual accounts has not exceeded 5% of total account balance.
		$ 24,032	

BONRAYBIO CO., LTD.
OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Items	Selling expenses	Administrative expenses	Research and development expenses	Total	Note
Wages and salaries	$ 17,523	$ 32,438	$ 32,369	$ 82,330	
Service fees	47	4,502	2,327	6,876	
Insurance expense	1,357	2,251	2,799	6,407	
Advertisement expense	6,369	4	-	6,373	
Traveling expense	3,595	1,824	706	6,125	
Depreciation	262	1,100	2,747	4,109	Balance of each account has not exceeded 5% of total account balance.
Other expenses	4,285	5,851	13,879	24,015	
	$ 33,438	$ 47,970	$ 54,827	$ 136,235	

BONRAYBIO CO., LTD.
INTEREST INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Item	Description	Amount	Note

The related information of interest income is provided in Note 6(19).

BONRAYBIO CO., LTD.
OTHER INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Item	Description	Amount	Note

The related information of other income is provided in Note 6(20).

BONRAYBIO CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

Function / Nature	Year ended December 31, 2025			Year ended December 31, 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Salary expenses	$ 19,731	$ 75,550	$ 95,281	$ 14,450	$ 60,504	$ 74,954
Labour and health insurance fees	2,197	5,913	8,110	1,592	4,733	6,325
Pension costs	990	2,969	3,959	747	2,418	3,165
Directors’ remuneration	-	3,812	3,812	-	2,543	2,543
Other personnel expenses	1,486	3,177	4,663	1,115	2,578	3,693
Depreciation expense	4,200	4,109	8,309	4,559	3,346	7,905
Amortisation charge	668	3,923	4,591	600	2,400	3,000

Note:

A. As at December 31, 2025 and 2024, the Company had 112 and 94 employees, including 8 non-employee directors.

B. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：

(a) The average employee benefit expense of current year was $ 1,077 thousands (in NT dollars) ((Total employee benefit expense of current year-Total directors’ compensation of current year)/(Number of employees of current year-Number of non-employee directors of current year)).

The average employee benefit expense of prior year was $1,025 thousands (in NT dollars) ((Total employee benefit expense of prior year-Total directors’ compensation of prior year)/(Number of employees of prior year-Number of non-employee directors of prior year)).

BONRAYBIO CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

(b) The average wages and salaries of current year were $916 thousands (in NT dollars) ((Total wages and salaries of current year)/(Number of employees of current year-Number of non-employee directors of current year)).
The average wages and salaries of prior year were $872 thousands (in NT dollars) ((Total wages and salaries of prior year)/(Number of employees of prior year-Number of non-employee directors of prior year)).
(c) The adjustment on the average salary expenses in 2025 is approximately (_%) ((Average wages and salaries of current year-Average wages and salaries of prior year)/Average wages and salaries of prior year).
(d) The Company set up an audit committee and therefore, it has no supervisors.
(e) The Company's Salary and Compensation Policy (including directors, managers and employees) is as follows:
i. The Company set up an audit committee and therefore, it has no supervisors.
ii. Reward, remuneration and transportation allowance of directors (including independent directors), functional committee members and managers are paid in accordance with reward and remuneration payments regulations for directors, independent directors, functional committee members and managers.
iii. Reward of Chairman and managers includes salary and bonus, etc., of which salary is made based on their participation in the operation and contribution, referring to the general pay levels of the industry, and takes into consideration education and work experience, professional skill and job responsibility. In addition, bonus is made based on individual performance achievements and degree of contribution.
iv. Compensation of employees includes salary and bonus, of which salary is referred by market quotes taking into consideration personal work experience, performance and prior salary conditions, and considers employees' position and job responsibility. In addition, bonus is made based on individual performance assessment.
v. Annual salary adjustment of employees is implemented based on the Company's operating conditions, referring Economic Growth Rate in Taiwan, Consumer Price Index and salary adjustments in industry, accordingly, to determine the adjustment degree of employees' salary based on personal working performance and performance assessment.
vi. In accordance with the Company's Articles of Incorporation, employees' compensation is contributed based on annual profit. Profit to managers is accrued based on operating performance and profit to employee is accrued according to personal performance assessment.
vii. Year-end bonus is distributed to managers and employees based on personal performance assessment at end of year.

Appendix 3

Sustainability Section

Bonraybio CO., LTD.

Sustainability Section
2025

Table of Contents

1. Preface

1.1 Company Introduction

Bonraybio CO., LTD. (Stock Code: 6955) takes "Your health, Our focus: Evolving medical innovation and focusing on health" as its long-term vision and policy, and strives to move forward with this motto as its driving force.

Established in early 2016, Bonraybio's core R&D technology mainly consists of miniaturized high-resolution microscopic optical lenses combined with its self-developed and integrated hardware and software platform. It also utilizes artificial intelligence (AI) algorithms to build various models and apply deep learning to image analysis. Its features include intelligence, automation, standardization, and ease of operation, enabling it to quickly and accurately produce test results, which is also the main focus of the Company's entire product line development.

The Company's business includes biological testing instruments and related medical consumables, primarily providing the global reproductive healthcare industry with complete Male Infertility Total Solutions. It is committed to continuous innovation in testing products to simplify and standardize complex medical testing procedures. Currently, its full range of products includes: the Sperm Quality Analyzer (X3 PRO) with dedicated test strips, which uses AI calculations to produce routine sperm test data; the Sperm Quality Analyzer (X12 PRO) with a sperm DNA fragmentation detection kit to accurately interpret male fertility indicators; the Sperm Optimizer (CA0/CA1) focused on improving the recovery rate of high-quality sperm; and other products, all sold globally under the Company's own brand.

In 2026, Bonraybio will celebrate its first 10^{th} Anniversary. Looking back on the past decade, the Company has overcome numerous difficulties in the field of male reproductive testing, turning from initial losses to later profitability and growth. This success is attributed to its complete product line and its establishment as a leading brand in the industry. In order to further expand its business advantages, starting in 2026, the Company plans to upgrade and transform its product positioning from "Male Infertility Total Solution" to "AI-Powered Fertility Science". By using AI and more scientific technologies, the Company will provide a comprehensive expansion of its male and female reproductive medical layout, thereby strengthening its product differentiation and technological leadership in the marketplace.

1.2 Compliance Statement

Bonraybio has prepared its documents in accordance with the "Guidelines on Matters to be Recorded in Annual Reports of Publicly Offered Companies" and the International Financial Reporting Standards (IFRS) Perpetual Disclosure Standards (hereinafter referred to as the "IFRS Perpetual Disclosure Standards") approved by the Financial Supervisory Commission (hereinafter referred to as the FSC). However, the Company is not currently a company required by the FSC to disclose information under the IFRS Perpetual Disclosure Standards. 【S1.72】

1.3 Date and Procedure of Approval of the “Sustainability-Related Financial Information Chapter”

This Sustainability-Related Financial Information Chapter (hereinafter referred to as “this Chapter”) was approved by the Board of Directors on March 3, 2026 and subsequently published.

1.4 Application of Exemption Provisions

Given that the Financial Supervisory Commission (FSC) allows listed companies to apply the exemptions provided by the transitional provisions of IFRS S1 "General Requirements for Disclosure of Sustainability-Related Financial Information" (hereinafter referred to as IFRS S1) Sections E3 and E5 to E6 and IFRS S2 "Climate-Related Disclosures" (hereinafter referred to as IFRS S2) Sections C3 to C5, Bonraybio's exemptions for this year, in accordance with the "Transitional Provisions of the IFRS Sustainability Disclosure Standards" and other applicable exemptions, are shown in the table below: **【S1.E5】**

Table 1.4 Exemptions Applicable to Bonraybio

Exemptions	Explanation	Corresponding paragraphs of "IFRS Sustainable Disclosure Guidelines"
Comparative information	This refers to the period during which comparative information (including information related to climate-related risks and opportunities) is not required to be disclosed during the first annual reporting period of IFRS S1.	IFRS S1.E3& E6(a)、IFRS S2.C3
Only climate-related issues may be disclosed.	This refers to the first annual reporting period for disclosing the "IFRS Sustainable Disclosure Guidelines," during which only information on climate-related risks and opportunities may be disclosed (according to IFRS S2 "Climate-Related Disclosures"), and only the provisions in IFRS S1 relating to the disclosure of information on climate-related risks and opportunities shall apply.	IFRS S1.E5
Category 3 Greenhouse Gas Emissions	This refers to the period during which an individual is not required to disclose its Category 3 greenhouse gas emissions, including additional information on its investment and financing emissions (such as its involvement in asset management, commercial banking, or insurance activities), during the first annual reporting period of IFRS S2 disclosure.	IFRS S2.C4(b)

2. Governance

2.1 Purpose of Climate-Related Financial Disclosures in Governance

Bonraybio's purpose in providing climate-related financial disclosures is to enable users of financial statements to understand the Company's governance of climate-related risks and opportunities, including the monitoring, management, governance processes, and procedures of governance units and management regarding these issues. 【S2.5】

The highest-ranking person in charge of the Company's sustainable development is the Chairman and General Manager, and the Deputy General Manager of the Finance and Administration Department and his team are responsible for overall planning and handling related matters.

This team is linked to the functions of various departments within the Company based on their actual operational importance. A senior manager serves as the person in charge of authority and responsibility, sets goals for each issue, leads colleagues in implementation and cross-departmental cooperation, and regularly reviews and reports on implementation effectiveness and improvement directions. At least once a year, the team reports to the Board of Directors on the results of sustainable development implementation and future work plans. 【S2.5】

2.2 Requirements for Disclosure of Governance Information

2.2.1 The Role of Governance Units in Climate-related Risks and Opportunities

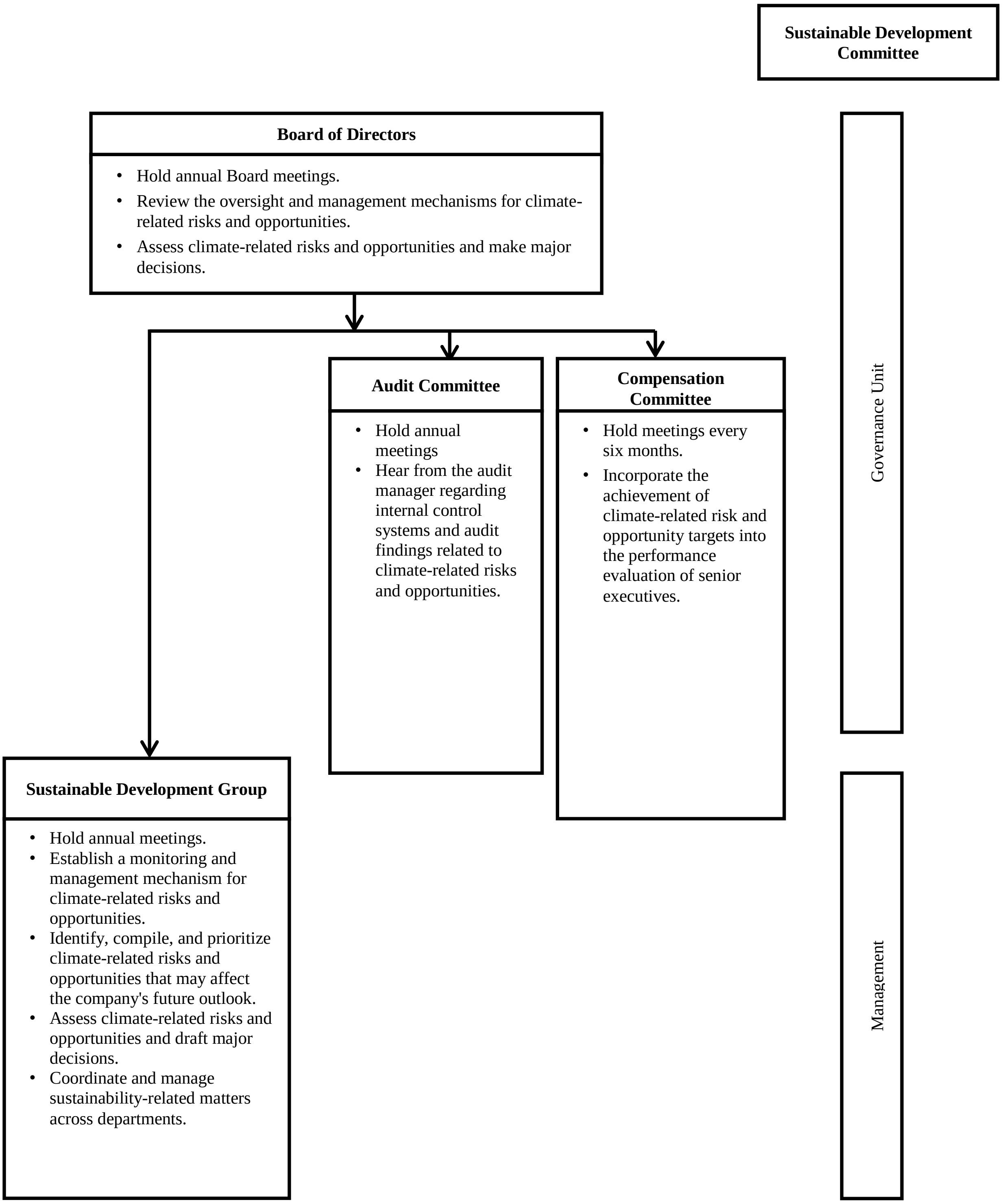
Bonraybio's Board of Directors comprises 9 members, including 4 Independent Directors (representing 44.44% of the total board), and is chaired by the Chairman. The Board bears ultimate oversight responsibility for the climate-related risks and opportunities of consolidated companies, particularly regarding how to address the impact of climate change on the merged company's business model and strengthen the effectiveness of related operations. **【S2.6(a)】**

2.2.1.1 Governance of Climate-Related Risks and Opportunities

In light of the ever-evolving climate change regulations and the growing threat of extreme weather events, Bonraybio established the "Sustainability Group" on August 6, 2025 to address climate challenges from all sides and explore potential climate-related opportunities. The highest-ranking person in charge of the Company's sustainable development is the Chairman and General Manager, and the Deputy General Manager of the Finance and Administration Department and his team are responsible for overall planning and handling related matters. For details regarding the responsibilities of the Board of Directors and the Sustainability Group for climate-related risks and opportunities, please refer to "Figure 2.2.1.1 Overview of Governance and Management Structure and Responsibilities for Climate-Related Risks and Opportunities". This team is linked to the functions of various departments within the Company based on their actual operational importance. A senior manager serves as the person in charge of authority and responsibility, sets goals for each issue, leads colleagues in implementation and cross-departmental cooperation, and regularly reviews and reports on implementation effectiveness and improvement directions. At least once a year, the team reports to the Board of Directors on the results of sustainable development implementation and future work plans. 【S2.6(a)(i)、S2.6(a)(iii)】

In addition, other existing functional committees (such as the Audit Committee and the Compensation Committee) are also responsible for the governance of some climate-related issues. The Audit Committee meets annually to discuss relevant issues, hear reports from the head of internal audit on the design and effectiveness of the internal control system for climate-related risks and opportunities, and audit matters. 【S2.6(b)(ii)】 For the Compensation Committee, please refer to the information in "2.2.1.5 Setting Objectives for Climate-Related Risks and Opportunities and Linking Performance and Compensation Policies".

Figure 2.2.1.1 Overview of Governance and Management Structure and Responsibilities for Climate-Related Risks and Opportunities【S2.6(a) (i) (iii)】



2.2.1.2 Skills and Professional Competence for Climate-related Risks and Opportunities

Of the nine directors on the Company's Board of Directors, each possesses capabilities in sustainable development and corporate management. The distribution of their respective professional competencies is detailed in the table below:

Table 2.2.1.2 Professional Skills and Competencies of Each Director

Title	Name	Gender	General Director			Sustainability (including climate change) related functions
			Biotechnology and medical treatment	Finance /Accounting /Economics	Others	
Chairman	Cheng-Teng Hsu	Male	◎			◎ (Sustainable Development and Business Management)
Vice Chairman	Sheng-Chuan Cheng	Male		◎		◎ (Sustainable Development and Business Management)
Director	Jane SC Tsai	Female	◎			◎ (Sustainable Development and Business Management)
Director	Yuh-Geng Tsay	Male	◎		◎(Diagnostic Medicine)	◎ (Sustainable Development and Business Management)
Director	Chun-Mu Huang	Male	◎			◎ (Sustainable Development and Business Management)
Independent Director	Yu-Hsiang Wang	Female		◎	◎ (Internal Audit)	◎ (Sustainable Development and Business Management)
Independent Director	Shao-Hua Wang	Male			◎ (Industrial Development)	◎ (Energy Technology, Sustainability and Business Management)
Independent Director	Chieh-Hsiao Chen	Male	◎		◎ (Male Reproductive Medicine)	◎ (Sustainable Development and Business Management)
Independent Director	Tien-Tai Chou	Male			◎ (Legal Compliance)	◎ (Sustainable Development and Business Management)

Bonraybio's governance unit possesses knowledge, skills, expertise, and extensive experience, playing a crucial role in driving the Company's sustainable development. To ensure that its directors possess sufficient professional competence and skills to make critical decisions regarding climate-related risks and opportunities, the Company is also progressively developing a sustainable training program. The first year focuses on enhancing overall sustainability knowledge, with a projected total of 12 hours of training in 2025, and 27 to 54 hours in 2026. 【S2.6(a)(ii)】

2.2.1.3 Frequency of Communicating Climate-related Risks and Opportunities

For the frequency of communication between the governance unit and management regarding climate-related risks and opportunities, please refer to the explanation in "Figure 2.2.1.1 Overview of the Governance and Management Structure and Responsibilities for Climate-Related Risks and Opportunities".

2.2.1.4 Policy Trade-offs between Climate-Related Risks and Opportunities

In its decision-making process, the Sustainability Group has considered the trade-offs between climate-related risks and opportunities. To this end, climate-related risks and opportunities have been incorporated into the Company's overall sustainability risk management framework, and are dynamically weighed and managed through annual assessments and board reports. In addition, senior executives regularly assess the physical risks of climate change (such as the potential impact of extreme weather and natural disasters on operating facilities and supply chains) as well as the risks and opportunities of environmental transition (such as greenhouse gas reduction regulations, changes in energy costs, and the adoption of low-carbon technologies). After discussions with the sustainability team, they set targets, allocate resources, and adjust response strategies accordingly to enhance the Company's operational resilience and sustainability. The Board of Directors also considers climate-related risks and opportunities when overseeing the implementation of the Company's strategies and risk management processes. 【S2.6(a)(iii)】【S2.6(a)(iv)】

2.2.1.5 Setting Climate-related Risk and Opportunity Objectives and Their Linkage with Performance and Compensation Policies

To achieve its strategic objectives of "Smart Engineering" and "Sustainable Development," the Company has established specific sub-objectives and defined performance indicators for each sub-objective. Accordingly, the Sustainability Group holds regular performance evaluation meetings to monitor the progress of these objectives. To further incentivize management to achieve both company profitability and sustainable operation, the Company's compensation policy incorporates the achievement of climate-related risk and opportunity targets and indicators into the performance evaluation and compensation system for senior executives, thereby linking the reward system to relevant climate change management outcomes. This compensation system will be submitted along with the Compensation Committee during its review.

The Compensation Committee meets every six months to discuss, evaluate, and review senior executives' achievement of climate-related risk and opportunity targets and indicators, thereby determining their performance evaluations and compensation. Specific items are explained below:

- **Climate-related targets and indicators**: Strategic targets include "Smart Engineering" and "Sustainable Development," as well as greenhouse gas emissions management, energy management, and production automation engineering developed from these targets.
- **Climate-related targets and indicators** as a percentage of overall senior executive performance evaluation: 10%. 【S2.6(a)(v)】

2.2.2 The Role of Management in the Governance of Climate-related Risks and Opportunities

In 2023, the Company's Board of Directors adopted the "Sustainable Development Best Practice Principles" and the "Risk Management Best-Practice Principles", and in 2024 it also adopted the "Sustainability Information Management Measures", demonstrating the Company's commitment to sustainable development and the implementation of corporate social responsibility.

The highest-ranking person in charge of the Company's sustainable development is the Chairman and General Manager, and the Deputy General Manager of the Finance and Administration Department and his team are responsible for overall planning and handling related matters.

This team is linked to the functions of various departments within the Company based on their actual operational importance. A senior manager serves as the person in charge of authority and responsibility, sets goals for each issue, leads colleagues in implementation and cross-departmental cooperation, and regularly reviews and reports on implementation effectiveness and improvement directions. At least once a year, the team reports to the Board of Directors on the results of sustainable development implementation and future work plans. 【S2.6(b)(ii)】

The Sustainability Group holds at least one interdepartmental meeting annually to collect lists of climate-related risks and opportunities identified by each unit. These lists are then compiled, screened, and prioritized to formulate preliminary response strategies. Through this process, the Sustainability Group focuses on considering the nature, impact, and likelihood of the risks. Details of the process are provided in "4. Risk Management". The Sustainability Group reports the aforementioned results, individual climate risks and opportunities, and corresponding response strategies to the Board of Directors at least once a year. 【S2.6(b)(i)】

3. Strategy

3.1 Purpose of Disclosing Strategic Climate-Related Financial Information

The primary purpose of the Company's climate-related financial disclosures is to enhance the integration and transparency of strategic decision-making regarding climate change risks and opportunities, and to ensure that climate factors are systematically incorporated into medium- and long-term operational planning, investment evaluation, and resource allocation. Disclosing the potential financial impacts of climate change on operating costs, supply chain stability, capital expenditures, and market competitiveness enables the Company to improve its ability to identify and respond to physical and transitional risks, and to assess strategic opportunities arising from low-carbon transition, energy conservation and carbon reduction, and sustainable management measures. This disclosure mechanism also helps stakeholders understand the Company's risk-taking, response strategies, and long-term value regarding climate issues, thereby strengthening corporate governance quality and sustainable operational resilience. 【S2.8】

3.2 Strategic Information Disclosure on Climate-Related Risks and Opportunities

【S2.9(a)】

"Sustainable development" is listed as the core of the Company's overall strategic development, and climate change is also a significant sustainable risk and opportunity that is highly relevant to the medical device/supplies industry. Based on this, the Company systematically incorporates the identification of climate-related risks and opportunities into its operating processes and strategic decision-making framework, and uses it as an important basis for business development and medium- and long-term strategic planning.

When identifying climate-related risks and opportunities that are reasonably expected to affect the Company's outlook, the Company refers to and considers the applicability of the disclosure topics in "IFRS S2 Industry-Based Implementation Guidance No. 31—Medical Devices and Supplies" 【S2.12】, and determines that the disclosure topic "Product Design and Lifecycle Management" is applicable to the Company. Furthermore, all reasonable and verifiable information (obtainable without excessive cost or investment), including past events, current conditions, and projections of future conditions, is considered. 【S2.11】

Since 2025, the Company has continuously employed climate-related scenario analysis to systematically identify potential physical risks, transformation risks, and strategic opportunities arising from different climate development paths. It has also assessed the potential financial impact on operating cost structure, revenue generation capabilities, operational disruption risks, supply chain stability, and major event risks, thereby determining climate-related risks and opportunities that have a significant impact on the Company's outlook. All analysis results have been incorporated into the Company's strategic planning, operational adjustments, and resource allocation decision-making mechanisms, serving as a crucial strategic basis for strengthening the Company's climate resilience and sustainable value creation capabilities. Please refer to "3.7 Climate-Related Scenario Analysis and Assessment of Climate Resilience" for details. 【S2.22(b)(iii)】

3.2.1 Climate-related risks and opportunities affecting the Company's outlook

The Company has identified climate-related risks and opportunities that are reasonably expected to affect individual outlooks, and the timeframes that may be affected, as shown below 【S2.10】:

Climate-related risks include:

Short-term (within 2 years)

1. Due to the disclosure obligations of listed companies, it is necessary to collect, investigate, and disclose information on greenhouse gas emissions and climate change-related risks.
2. Increased administrative and compliance costs (such as outsourced investigation fees, consulting fees, and report preparation fees).

Medium-term (2 to 7 years)

1. Failure to continuously strengthen carbon management and climate risk response capabilities may lead to a decline in ESG ratings and changes in capital market investment preferences, thereby impacting investor confidence.
2. Potential regulatory tightening (carbon tax, carbon trading system) may impose additional compliance costs or carbon emission costs, indirectly increasing operating expenses.

Long-term (7 years or more)

1. Continued escalation of global climate change could indirectly impact the stability of the upstream supply chain in the medical and biotechnology industry (e.g., limited access to raw materials and increased logistics costs).
2. Increased societal expectations of corporate responsibility: Companies that fail to adequately address climate issues risk damage to their brand value and a decline in market competitiveness.

Fixed Risk

1. Production is halted due to natural disasters.

Climate-related opportunities include:

Short-term (within 2 years)

1. The carbon inventory and climate risk identification process initially established by the Company not only enhances our basic capabilities in the Environmental, Social, and Governance (ESG) fields, but also meets the requirements of general investors and regulatory authorities for the transparency of sustainability information.

Medium-term (2 to 7 years)

1. Proactively addressing climate change will enhance the Company's brand image and strengthen trust among customers, investors, and partners.
2. By improving its sustainability performance, the Company can participate in domestic and international capital market sustainability indices or ESG investment funds, thereby increasing its visibility in the capital markets.

Long-term (7 years or more)

1. Our company has proactively established climate governance and greenhouse gas management mechanisms to build a competitive and sustainable business model, and enhance our market adaptability under future stringent environmental standards.

2. We can expand our business development potential by responding to emerging climate-related market opportunities in the biotechnology industry (such as green medical devices and low-carbon production technology collaborations).

Bonraybio has compiled a list of climate-related risks and opportunities, including the timeframes in which they may be affected, as follows.

Table 3.2.1 Climate-Related Risks and Opportunities of Bonraybio

Risk/Opportunity Type 【S2.10(b)】	**Risk/Opportunity Description** 【S2.10(a)】	**Potentially affected time range** 【S2.10(C)】		
		Short-term	**Medium-term**	**Long-term**
Physical risk	Extreme weather events could impact the stability of the upstream supply chain.	◎	◎	◎
	Production is halted due to natural disasters.	◎	◎	◎
Transition risk	Increased administrative and compliance costs		◎	◎
	Potential regulatory tightening		◎	◎
Opportunity	Enhance fundamental capabilities in the area of sustainable development (ESG).	◎		
	Use of environmentally friendly materials		◎	◎
	Actively responding to climate change issues helps enhance a company's brand image.		◎	◎
	Establish a competitive and sustainable business model.		◎	◎
	A non-disruptive operation mechanism is planned.		◎	◎

3.2.2 Identifying climate-related risks: Transition risks and physical risks

For the categories of climate-related risks, please refer to "Table 3.2.1 Climate-related Risks and Opportunities of Bonraybio". 【S2.10(b)】

3.2.3 Timeframe of impact of climate-related risks and opportunities: Short-term, medium-term, or long-term

For the categories of climate-related risks, please refer to "Table 3.2.1 Climate-related Risks and Opportunities of Bonraybio". 【S2.10(c)】

3.2.4 Timeframe: Refers to the definition and connection with the strategic decision-making and planning timeline.

Bonraybio divides the expected timeframes for climate-related risks and opportunities into "short-term," "medium-term," and "long-term," as detailed in Table 3.2.4:

Table 3.2.4 Timeframes for Expected Impact of Climate-Related Risks and Opportunities on the Company's Outlook【S2.10(d)】

Timeframe	Definition	Connection with the strategic decision-making and planning timeline
Short-term	• Less than 2 years. • 2026 to 2027	The planning cycle for major decisions at Bonraybio is approximately two years, after which a review and adjustment are conducted.
Medium-term	• More than 3 to less than 6 years. • 2028 to 2032	Bonraybio's strategic decisions typically show significant results within 2 to 7 years.
Long-term	• 7 years or more • 2033 or more	In line with the nation’s “Net-Zero Emissions Pathway to 2050” and related policies, our company will make every effort through long-term strategic planning to achieve “net-zero emissions” by 2050.

3.3 At present and Expected Impacts of Climate-Related Risks and Opportunities on Business Models and Value Chain

【S2.9(b)】

3.3.1 Description of at present and expected impacts of climate-related risks and opportunities on the business model and value chain

【S2.13(a)】

Risk/ Opportunity Category		Risk/ Opportunity Description	Impact on Business Model		Impact on the Value Chain	
			At present	Expected	At present	Expected
Physical Risk	Supply Chain	Extreme weather events could impact the stability of the upstream supply chain.	No impact at present.	This results in the unavailability of raw materials, or the need to incur higher costs to obtain them.	No impact at present.	Upstream suppliers may be unable to obtain raw materials due to extreme weather events, which could ultimately lead to production disruptions and inability to ship goods.
	Immediate Physical Risk	Production is halted due to natural disasters.	No impact at present.	Production halts may affect delivery schedules and could lead to defaults.	No impact at present.	Upstream suppliers may be unable to ship goods due to production disruptions caused by natural disasters, which will also affect the Company's acquisition of raw materials and production arrangements.
Transition Risk	Policy and Finance	Increased administrative and compliance costs	Additional manpower and resources are needed to handle climate information disclosure, auditing, and internal management operations.	This will increase management costs in the short term. As disclosure requirements increase in the future, such operations will become the norm.	The main impact currently lies in internal management and the collection of supplier information.	It may be necessary to require the supply chain to disclose relevant environmental information, which also increases upstream and downstream coordination and management costs.
	Regulations	Potential regulatory tightening	We will continue to monitor new developments in climate and environment-related regulations in order to adjust our internal control systems and operations.	If future regulations become more stringent, they may affect the Company's product design, process management, and capital expenditure planning.	No impact at present.	This could potentially extend to supplier selection, raw material sourcing, and logistics arrangements, impacting the overall value chain configuration.

Risk/ Opportunity Category		Risk/ Opportunity Description	Impact on Business Model		Impact on the Value Chain	
			At present	Expected	At present	Expected
Opportunity	Knowledge Ability	Enhance fundamental capabilities in the area of sustainable development (ESG).	ESG fundamental capabilities are strengthened through the establishment of systems and internal management.	Sustainability factors will be more effectively incorporated into strategic decision-making and operational management.	No impact at present.	This will promote cooperation and integration with the supply chain on environmental and governance issues.
	Resource Efficiency	Use of environmentally friendly materials	No impact at present.	Using environmentally friendly materials will improve product design and cost structure, and enhance sustainable competitiveness.	No impact at present.	This will prompt the supply chain to adjust its material sourcing, thereby reducing the overall environmental impact of the value chain.
	Brand Image	Actively responding to climate change issues helps enhance a company's brand image.	Corporate responsibility is demonstrated through information disclosure and management measures.	This will help strengthen market trust and stakeholder relationships.	This could affect external communication and brand positioning.	This will enhance long-term partnerships with customers and partners.
	Sustainable Development	Establish a competitive and sustainable business model.	Climate and sustainability considerations are now being gradually incorporated into operational planning.	This will create a business model with differentiation and long-term competitive advantage.	No impact at present.	This will drive the entire value chain toward a more resilient and sustainable operating model.
	Operations	A non-disruptive operation mechanism is planned.	Implement relevant risk identification and response plans.	This will reduce the operational disruptions and financial impact caused by extreme weather events.	No impact at present.	This will enhance the overall resilience of the supply chain and ensure the continuity of critical resources and services.

3.3.2 Description of where climate-related risks and opportunities are concentrated in the business model and value chain

Bonraybio's main operating locations include its headquarters in Taichung and its factory in Sichuan, Mainland China. The Taichung Headquarters is responsible for technology research and development, new product design, product manufacturing and assembly, sales, and after-sales service. The Sichuan factory provides product assembly, sales, and after-sales service. Each location is susceptible to different climate risks due to its geographical location and business differences, as illustrated in the table below: 【S2.13(b)】

Risk/ Opportunity Category		Risk/ Opportunity Description	Climate-related Risks and Opportunities Business Model/Value Chain		
			Upstream	Bonraybio Group	Downstream
Physical Risk	Supply Chain	Extreme weather events could impact the stability of the upstream supply chain.	◎	◎ (Taichung Headquarters, Sichuan Plant)	
	Immediate Physical Risk	Production is halted due to natural disasters.		◎ (Taichung Headquarters, Sichuan Plant)	◎
Transition Risk	Policy and Finance	Increased administrative and compliance costs		◎ (Taichung Headquarters)	
	Regulations	Potential regulatory tightening	◎	◎ (Taichung Headquarters, Sichuan Plant)	◎
Opportunity	Knowledge Ability	Enhance fundamental capabilities in the area of sustainable development (ESG).		◎ (Taichung Headquarters)	◎
	Resource Efficiency	Use of environmentally friendly materials	◎	◎ (Taichung Headquarters)	
	Brand Image	Actively responding to climate change issues helps enhance a company's brand image.		◎ (Taichung Headquarters)	◎
	Sustainable Development	Establish a competitive and sustainable business model.		◎ (Taichung Headquarters)	
	Operations	A non-disruptive operation mechanism is planned.		◎ (Taichung Headquarters, Sichuan Plant)	

3.4 Impact of Climate-Related Risks and Opportunities on Strategies and Decisions

【S2.9(c)】

Bonraybio is committed to addressing climate change issues. In addition to striving to reduce the environmental impact of its operations, the Company has taken concrete actions in recent years to implement corporate sustainability. To this end, the Company has established comprehensive management systems and processes, and selected 2025 as the baseline year for its greenhouse gas inventory, including subsequent emissions monitoring, target setting, and performance evaluation. This is also in response to Taiwan's "Net-Zero Emissions by 2050" policy and to continuously enhance the Company's commitment to environmental governance and operational resilience. 【S2.14】

3.4.1 Climate-related risks and opportunities in strategy and decision-making: response plan and goal achievement

The Company discloses in detail the current and anticipated changes to its business model and resource allocation in response to climate-related risks and opportunities, explaining how the plan will achieve its set objectives and legal compliance, ensuring that key users fully understand the impact of these changes on the Company. 【S2.14(a)】

3.4.1.1 Responding to climate-related risks and opportunities: Current and expected changes in business model and resource allocation

3.4.1.1.1 Responding to climate-related risks: Current and expected changes in business model and resource allocation 【S2.14(a)(i)】

<table>
<tr><th colspan="2" rowspan="2">Risk Category</th><th rowspan="2">Risk Description</th><th colspan="2">Changes in Business Model and Resource Allocation</th></tr>
<tr><th>Current</th><th>Expected</th></tr>
<tr><td rowspan="2">Physical Risk</td><td>Supply Chain</td><td>Extreme weather events could impact the stability of the upstream supply chain.</td><td>The Company has complete control over key raw materials and processes, and the molds are its own assets. When the main supplier faces the risk of material shortage, it can still immediately use a second supplier with development capabilities to supply goods, thereby reducing the risk of operational disruption.</td><td>In the future, we will increase supplier diversification and inventory management resource allocation to reduce the risk of operational disruption.</td></tr>
<tr><td>Immediate Physical Risk</td><td>Production is halted due to natural disasters.</td><td>The Company has identified key operational disruption risks and developed contingency plans.</td><td>We will invest capital and management resources in backup mechanisms and uninterrupted operation planning to enhance operational resilience.</td></tr>
<tr><td rowspan="2">Transition Risk</td><td>Policy and Finance</td><td>Increased administrative and compliance costs</td><td>Additional human and system resources have been allocated to address climate-related management and disclosure.</td><td>The aim is to institutionalize and optimize processes to make the allocation of relevant resources a routine management cost.</td></tr>
<tr><td>Regulations</td><td>Potential regulatory tightening</td><td>Implement continuous monitoring of climate and environment-related regulations and developments, and reserve resources for compliance responses.</td><td>It is anticipated that resources will be increased for regulatory compliance, product design, and operational adjustments to mitigate compliance risks.</td></tr>
</table>

3.4.1.1.2 Responding to climate-related opportunities: Current and expected changes in business model and resource allocation 【S2.14(a)(i)】

Opportunity Category		**Opportunity Description**	**Changes in Business Model and Resource Allocation**	
			Current	**Expected**
Opportunity	Knowledge Ability	Enhance fundamental capabilities in the area of sustainable development (ESG).	We are gradually investing human resources and institutional resources to strengthen ESG management.	Sustainable management is expected to become an important consideration in strategic decision-making and resource allocation.
	Resource Efficiency	Use of environmentally friendly materials	A feasibility and cost-benefit assessment is underway.	Once all conditions are met, we will adjust our procurement strategy and allocate resources to material conversion in order to reduce environmental impact.
	Brand Image	Actively responding to climate change issues helps enhance a company's brand image.	Our company demonstrates its commitment to climate issues through information disclosure and internal management.	Resources are expected to be allocated appropriately to sustainable communication and brand management to strengthen market trust.
	Sustainable Development	Establish a competitive and sustainable business model.	We are gradually incorporating climate and sustainability factors into our operational planning.	In the future, resource allocation will be adjusted to make sustainability considerations the core of supporting long-term competitiveness.
	Operations	A non-disruptive operation mechanism is planned.	The Company has identified key operational disruption risks and developed contingency plans.	Resources will be invested in backup, personnel training, and the establishment of contingency mechanisms to mitigate the operational impact of extreme weather.

3.4.1.2 Current and anticipated direct mitigation and adaptation efforts

Our company is currently promoting energy-saving measures, improving resource utilization efficiency, and conducting greenhouse gas emission monitoring for projects that can be directly controlled during operation. Extreme climate-related risks are also included in the operational risk and uninterrupted management plan to reduce the potential impact of climate change. The Company will continue to strengthen investments in energy management, equipment performance improvement, and operational resilience. In the future, it will gradually adjust the depth of implementation of these measures based on actual operational needs to address climate-related entity risks and transition risks. 【S2.14(a)(ii)】

Bonraybio is in the pilot factory stage and has not yet started large-scale manufacturing, but the Company's senior management attaches great importance to energy efficiency and sustainable operation. In an attempt to improve the overall energy management efficiency and prepare for the foundation required for future factory expansion, in 2025, the Company officially commissioned the Tunghai University team to conduct energy use testing of the factory area, including a comprehensive review and performance evaluation of equipment operation, air conditioning system, lighting configuration and energy management.

3.4.1.3 Current and anticipated indirect mitigation and adjustment efforts

To implement supply chain management and ensure the fulfillment of quality, delivery, and sustainability responsibilities, our company has established a "Supplier Management Policy" and conducts regular (quarterly) evaluations, including initial cooperation and subsequent operations, to ensure that the performance of our supply partners meets company standards and sustainability requirements.

The assessment system employs both "on-site verification" and "internal assessment" methods.

On-site verification involves assigning personnel to the supplier's location. The evaluation covers the following four aspects:

1. Factory and Equipment Condition: Whether regular maintenance and systematization capabilities are maintained.
2. Quality Operation Procedures: Whether relevant certifications (e.g., ISO or GMP) have been obtained and the supplier's finished product inspection capabilities.
3. Professional Technology: Whether the engineering equipment and personnel's professional knowledge meet the Company's needs.
4. Business Management: On-site organizational capabilities, public security and crime prevention measures, and whether there are any illegal activities.

Internal evaluation refers to the process by which purchasing personnel complete an evaluation report according to company-established standards. This report primarily includes a self-examination and disclosure of internal management and related operating procedures. The evaluation items cover the following five dimensions:

1. Quality: Whether it meets established specifications and quality standards.
2. Price: Whether the supply price is reasonable and competitive in the market.
3. Delivery Time: Whether delivery is accurate and timely.
4. Service: This refers to the supplier's efficiency and level of assistance in pre-sales and after-sales service.
5. Cooperation: Whether the supplier cooperates with the Company's internal operating processes, improvement requirements, and emergency response capabilities.

The evaluation results will be included in our supplier management database and will serve as an important reference for contract renewal, cooperation adjustments, or potential risk warnings. Suppliers that do not meet the standards will be placed on a "watch list," and the Company will provide guidance for improvement or, if necessary, terminate the cooperation relationship.

【S2.14(a)(iii)】

3.4.1.4 Climate transition plans (including key assumptions, elements and conditions)

Given that climate change is a critical factor affecting sustainable development, our company has formulated a climate transition plan as a strategic path to systematically reduce related risks and enhance opportunities. This plan is based on the assumption that global and Taiwanese regulations on greenhouse gas management, energy structure, and environmental regulations will become increasingly stringent, and that stakeholders' demands for corporate climate information transparency will increase accordingly. Thus, it is necessary to integrate climate-related risks and opportunities into the overall corporate risk management mechanism. Key elements of this plan include:

1. Climate Risk and Opportunity Identification/Assessment Mechanism: Identify climate-related issues based on empirical data, industry trends, and external policy changes, and conduct annual assessments of their impact on operating costs, capital expenditures, supply chain resilience, and market opportunities.

2. Greenhouse Gas Emissions Management/Inspection: Maintain the emission inspection processes based on the standards for Categories I and II as the foundation for designing reduction strategies. An emission inspection process for the Category III standards is expected to be established by 2028.

3. Cross-departmental Collaboration/Sustainability Governance Structure: The Board of Directors will approve the "Sustainable Development Best Practice Principles and Risk Management Best-Practice Principles," and the Deputy General Manager of the Finance and Administration

Department will be responsible for coordination to ensure strategy implementation and cross-departmental integration. A Sustainability Development Committee is expected to be established by 2026.

The aforementioned transformation plan incorporates climate-related information disclosure into the overall corporate governance process and requires annual reports to the Board of Directors on progress and target implementation to ensure strategic alignment and the effectiveness of resource deployment.

【S2.14(a)(iv)】

3.4.1.5 Methods for achieving climate-related goals

To achieve our medium- and long-term climate-related goals, our company adopts the following approach as an implementation path:

1. Establish and publicly disclose greenhouse gas emission targets: This refers to setting carbon reduction targets based on climate-related risk assessment results and implementing transparent management through public information disclosure. (Cumulative carbon reduction of 3% from 2025 to 2029, with an annual reduction of 0.5% to 1%)
2. Strengthen internal sustainability capabilities: This refers to enhancing sustainability governance capabilities through employee education and training, environmental monitoring, and management systems. (The Sustainability Development Team has already participated in 6 to 18 hours of training courses by 2025.)
3. Integrate environmental management and risk response: This refers to incorporating climate-related risk identification results into the company's overall risk management procedures and enhancing resilience and adaptability through annual reviews and strategy adjustments.
4. Stakeholder collaboration: This refers to collaborating with suppliers and industry partners to promote carbon reduction measures and sustainability practices. (Starting in 2025, we will collaborate with Tunghai University to promote carbon inventory and energy utilization monitoring in the plant area.)
5. Regularly conduct management reports and improvement cycles: This refers to regularly reviewing climate-related strategies and their implementation progress according to established plans and targets, and proposing necessary improvement solutions.

Our company integrates climate goals with our core business strategies in the above manner, making climate transition a key pillar of our internal governance and external sustainability commitments.

【S2.14(a)(v)】

3.4.2 Methods of providing and planning to provide resources

Currently, our main source of funding for climate-related and sustainable development plans is our own capital. In the future, depending on operational and strategic development needs, we will assess the possibility of expanding funding sources through bank loans or cash capital increases to support the continued implementation of these plans. This year's resource allocation will focus on cultivating internal professional talent and engaging external experts for guidance, thereby strengthening the Company's execution capabilities in climate risk management, sustainable governance, and related system establishment. Each plan is disclosed in "5.2.5 Capital Allocation" and will be reviewed and adjusted on a rolling basis according to implementation progress and operations.

For details on future investment plans, please refer to "3.5.3 Expected impact of climate-related risks and opportunities on short-term, medium-term and long-term financial condition, financial performance and cash flow".【S2.14(b)】

3.4.3 Quantitative and qualitative information: Refers to the progress of the project disclosed during the previously reported period.

The Company is implementing its climate-related management and sustainable development plans in accordance with established programs. Please refer to attached Table 2-2-3 of our 2025 Annual Report for details of greenhouse gas emission reduction targets in Categories 1 and 2 (cumulative carbon reduction of 3% from 2025 to 2029, with annual reductions of 0.5% to 1%).These targets are based on the consolidated financial statements, with 2025 as the base year. As 2026 data has not yet been released, only historical comparisons and progress assessments are conducted. Total greenhouse gas emissions in 2025 amounted to 120.588 metric tons of CO2e/year, an increase of 3.127 metric tons from 117.461 metric tons of CO2e/year in 2024. This increase is primarily attributed to increased electricity consumption (Category 2) due to the Company's expansion of offices and machinery. However, emissions in Categories 1 and 3 are effectively controlled and reduced. 【S2.14(c)】

3.5 Impact of Climate-Related Risks and Opportunities on Financial Condition, Financial Performance, and Cash Flow

【S2.9(d)】

By disclosing information on the current and anticipated financial impacts of climate-related risks and opportunities on the Company's financial condition, financial performance, and cash flows, we ensure that key users have a full understanding of these impacts and the Company's considerations in its financial planning. Specific details are as follows: 【S2.15】

3.5.1 Impact of climate-related risks and opportunities on financial condition, financial performance and cash flow during the reporting period

【S2.15(a)】

Risk/ Opportunity Category	Risk/ Opportunity Description	Financial impact during the reporting period Note 【S2.16(a)】
Climate-related Physical Risks	Extreme weather events could impact the stability of the upstream supply chain.	This risk may affect the medium and long term, but there are no relevant financial impacts during the current period.
	Production is halted due to natural disasters.	This risk may affect the short, medium and long term, but there is no relevant financial impact in the current period.
Climate-related Transition Risks	Increased administrative and compliance costs	This opportunity may have an impact in the short, medium and long term, and its relevant financial impact on the current period is as follows: ● We have commissioned a team from Tunghai University to provide guidance on greenhouse gas inventory, energy utilization monitoring, and personnel training, at a cost of NT$40,000.
	Potential regulatory tightening	This risk may affect the medium and long term, but there are no relevant financial impacts during the current period.
Climate-related Opportunities	Enhance fundamental capabilities in the area of sustainable development (ESG).	This opportunity may have impacts in the short, medium, and long term, and will have effects on relevant financials of the current period, as follows: ● The training of personnel has been commissioned to a team from Tunghai University at a cost of NT$40,000.
	Use of environmentally friendly materials	This risk may affect the medium and long term, but there are no relevant financial impacts during the current period.

Risk/ Opportunity Category	Risk/ Opportunity Description	Financial impact during the reporting period Note 【S2.16(a)】
	Actively responding to climate change issues helps enhance a company's brand image.	This risk may affect the short, medium and long term. As the Company's brand image is enhanced by the Marketing and Planning Department and colleagues from various units, there is no relevant financial impact in the current period.
	Establish a competitive and sustainable business model.	This risk may affect the medium and long term, but there are no relevant financial impacts during the current period.
	A non-disruptive operation mechanism is planned.	This risk may affect the short, medium and long term, but there is no relevant financial impact in the current period.

Note: The scope of the assessment refers to the impact of climate-related risks and opportunities on the Company's financial position, financial performance, and cash flows in the current period. 【S2.16(a)】

3.5.2 Climate-related risks and opportunities and significant adjustments to financial position in the next reporting year

Having assessed and identified climate-related risks and opportunities, and taking into account the Company's scale of operations, business nature, and existing response measures, the Company believes that these climate-related risks and opportunities will not require significant adjustments to its financial position, operating results, or cash flows in the next reporting year. At present, the impact is primarily reflected in ongoing management and system establishment costs, but does not constitute any significant impact on asset value, liability structure, or capital allocation. Therefore, the Company will closely monitor changes in climate-related regulations, market conditions, and entity risks, and will disclose any significant financial adjustments as appropriate during future reporting periods. 【S2.16(b)】

3.5.3 Expected impact of climate-related risks and opportunities on short-, medium-, and long-term financial condition, financial performance, and cash flows

【S2.15(b)】

Risk/ Opportunity Category	Risk/ Opportunity Description	Expected Financial Impact note1 【S2.2、S2.16(c)-(d)、S2.21(a) to (c)】
Climate-related Physical Risks	Extreme weather events could impact the stability of the upstream supply chain.	【Assuming Partial Quantitative and Partial Qualitative Information】 In line with reducing reliance on major suppliers, the Company plans to diversify its suppliers and strengthen inventory management resources. Therefore, increased management and procurement costs may impact operating profit and net profit in the medium term. As procurement scale gradually expands, unit costs have significant potential for reduction; however, the specific impact is currently difficult to quantify.
	Production is halted due to natural disasters.	【Assuming Partial Quantitative and Partial Qualitative Information】 To ensure continued access to critical information during production shutdowns caused by natural disasters, the Company plans to expand its UPS uninterruptible power supply system. This is expected to incur costs and corresponding cash outflows of NT$50,000 to NT$100,000 in the medium term. Long-term climate-related risks may lead to damage to plant and equipment, potentially reducing the carrying amount of currently recorded non-current assets (real estate, plant and equipment).
Climate-related Transition Risks	Increased administrative and compliance costs	【Assuming Partial Quantitative and Partial Qualitative Information】 Medium-term Plan: Engage a third-party professional organization to provide guidance on disclosures related to greenhouse gases (Category III), with estimated costs of approximately NT$50,000 to NT$100,000. Medium-term Plan: Engage a third-party organization to conduct a

Risk/ Opportunity Category	Risk/ Opportunity Description	Expected Financial Impact note1 【S2.2、S2.16(c)-(d)、S2.21(a) to (c)】
		verification process on the Company's sustainability report, with estimated costs of approximately NT$200,000 to NT$300,000. Long-term Plan: Establish a sustainability specialist position; salary will be determined based on the prevailing market conditions and available manpower.
	Potential regulatory tightening	【Assuming Partial Quantitative and Partial Qualitative Information】 As relevant policies are adjusted, the Company may be required to bear carbon fees due to compliance standards, which will have a long-term impact on operating expenses, operating profit and loss, and net profit. Furthermore, considering the government's adjustment of carbon fee rates in line with international trends, the related expenditures are highly uncertain and cannot be quantified at present.
Climate-related Opportunities	Enhance fundamental capabilities in the area of sustainable development (ESG).	【Assuming Partial Quantitative and Partial Qualitative Information】 It is planned to arrange for relevant personnel to participate in professional courses, with each person expected to receive 6 to 24 hours of training per year. The related costs are estimated at NT$20,000 to NT$60,000 per year, resulting in corresponding cash outflows.
	Use of environmentally friendly materials	【Assuming Partial Quantitative and Partial Qualitative Information】 Medium- and long-term assessments indicate that adopting environmentally friendly packaging materials would incur substantial cash expenditure for mold development, impacting current operating profit and net profit. Due to uncertainties surrounding future environmental conditions and technological developments, the exact amount of the impact cannot be reasonably quantified at this time.
	Actively responding to climate change issues helps enhance a company's brand image.	【Assuming Partial Quantitative and Partial Qualitative Information】 Climate change is receiving increasing attention, and the requirements for related disclosures are expected to rise. Our company is not subject to the first or second phase of the program, and its impact is mostly medium- or long-term. However, it may incur expenses such as energy equipment replacement, consulting and guidance, and third-party verification in the future, which will affect operating profit and net profit. The amount of these expenses is highly uncertain and cannot be quantified at present.
	Establish a competitive and sustainable business model.	【Assuming Partial Quantitative and Partial As the Company moves towards a competitive and sustainable operating model, the implementation of related strategies may have medium- to long-term financial impacts, including: 1.Operating cost structure and expense control (such as improvements in energy and resource efficiency). 2.Capital expenditures and investment allocation (such as investments in sustainable management systems or capabilities). 3.Revenue stability and market competitiveness (potentially positive impacts from improved brand trust and stakeholder relationships). 4. Risk costs and potential losses (such as reduced regulatory compliance risks and operational disruption risks). 5. Overall financial uncertainty and long-term value assessment. The actual impact will vary depending on changes in the external environment and the Company's strategy implementation. The Company will continue to assess these impacts and disclose them as appropriate in subsequent reports.

Risk/ Opportunity Category	Risk/ Opportunity Description	Expected Financial Impact note1 【S2.2、S2.16(c)-(d)、S2.21(a) to (c)】
	A non-disruptive operation mechanism is planned.	【Assuming Partial Quantitative and Partial Qualitative Information】 To enhance supply chain resilience and reduce the risk of relying on a single source of supply, the Company plans to diversify its suppliers and strengthen inventory management resources. Therefore, increased management and procurement costs may impact operating profit and net profit in the medium term. As procurement scale gradually expands, unit costs have significant potential for reduction; however, the specific impact is currently difficult to quantify. To ensure the continued operation of critical information in the event of a natural disaster, the Company plans to expand its UPS uninterruptible power supply system, with related expenses and cash outflows expected to be approximately NT$50,000 to NT$100,000 in the medium term.

Note 1: This refers to the scope of the assessment: the expected impact of climate-related opportunities on the Company's short-, medium-, and long-term financial condition, financial performance, cash flows, financing availability, and cost of capital. However, the relevant financial impacts may be unknown or cannot be reasonably quantified due to the unknown level of risk/opportunity; therefore, only a qualitative description is provided. 【S2.16(c)-(d)、S2.2】

Note 2: Amounts affected by high uncertainty: 【S1.78(b)】

1. To enhance supply chain resilience, the Company implements to diversify its suppliers and strengthen inventory management resources in the medium term. Thus, increased management and procurement costs may impact operating profit and net profit. As procurement scale gradually expands, unit costs have significant potential for reduction; however, it is currently impossible to reasonably estimate the actual amount of its financial impact.
2. Potential Impairment Risks to Plant and Equipment: Climate-related entity risks may lead to long-term damage to real estate, plant, and equipment, thereby affecting their recoverable value and potentially reducing their book value. However, the extent of such impairments and their actual amounts depend on the nature and frequency of future climate events, and cannot currently be reasonably quantified.
3. Costs of Sustainability Personnel and Education and Training: To strengthen its sustainability and climate management capabilities, the Company plans to add more sustainability-related personnel and continue to invest in education and training. The relevant personnel and training costs will depend on the future salary levels of the industry, organizational needs and human resource conditions, and the relevant amount is still uncertain.
4. Potential Financial Impact of Carbon Fee Policy: Given the potential expansion of the scope and eligibility of the carbon fee in the future, the Company may incur carbon fee expenses due to greenhouse gas emissions, thereby affecting operating expenses, operating profit and loss, and net profit. However, the carbon fee rate, application period, and actual expenditure amount are highly uncertain and cannot be reasonably estimated at this time.
5. Expenditures Related to Increased Requirements for Environmental Packaging and Sustainability Disclosure: The Company will incur related expenses in the medium to long term due to the implementation of environmental packaging, replacement of energy equipment, consulting services, or third-party verification, which will affect operating profit and net profit. However, the timing and amount of the above-mentioned expenses are still subject to regulatory requirements and technological developments at that time, and are currently highly uncertain.

3.6 Disclosure requirements for quantitative information on climate-related risks or opportunities (under conditions of exemption)

Due to resource constraints, low data availability, or excessively high uncertainty in the description of the expected financial impact in "3.5 Impact of Climate-Related Risks and Opportunities on Financial Condition, Financial Performance, and Cash Flow," some information may lack reliability or usefulness, or require excessive cost or investment to obtain. Based on further assessment, even if quantitative information on the comprehensive financial impact is derived from these climate-related risks, opportunities, or other factors, it would not improve the usefulness of the information. Therefore, qualitative information is used instead to help users better understand the expected financial impact. For the qualitative information provided in 【S2.21(a)、S2.21(c)】, please refer to "3.5 Impact of Climate-Related Risks and Opportunities on Financial Condition, Financial Performance, and Cash Flow." 【S2.21(b)】

3.7 Climate Resilience: Analysis and Assessment of Climate-Related Scenarios

Following the initial identification of climate-related risks and opportunities, the Company employed climate scenario analysis to gain deeper insights into different aspects of the Group's future operations. This section details the climate resilience assessment corresponding to the climate-related physical risks, transformation risks, and opportunities identified by the Company. 【S2.9(e)】

3.7.1 Scenario analysis and evaluation of strategy and business model

Table 3.7.1-1 Summary Table of Climate Resilience Assessment

Type 【S2.22(b)(i)(3)】	Main Assumptions 【S2.22(b)(ii)】	Select Scenario 【S2.22(b)(i)(2)&(4)】	Timeframe 【S2.22(b)(i)(6)】	Analysis Scope 【S2.22(b)(i)(7)】	Assessment of Impact and Resilience 【S2.22(a)(i)】
Physical risks: Production shutdowns or supply chain instability caused by extreme weather events.	1. Increased frequency of extreme weather events and increased risk of logistical disruptions. 2. Increased frequency of natural disasters and increased vulnerability of infrastructure.	SSP3-7.0～SSP5-8.5	Medium to long term	This analysis focuses on the primary operational location (Taiwan).	**Impact:** 1. Disruptions in the upstream supply chain are highly likely to cause delivery delays and increased procurement costs, thereby affecting operating profit and loss. 2. If operational disruptions result in revenue loss and additional repair costs, it will impact cash flow. **Resilience and Response:** 1. Plan to promote supplier diversification, strengthen inventory management, and enhance supply chain resilience. 2. Plan to establish an uninterrupted operation mechanism, expand the UPS backup system, and strengthen contingency management. Resilience and Response
Transition Risks: Increased administrative and compliance costs	Strict carbon reduction policies, increased carbon fees, and stricter ESG disclosure requirements.	SSP1-2.6	Short to long term		**Impact:** The main impacts will be on operating expenses and net profit due to increased administrative workload and rising consulting and assurance fees. **Resilience and Response:** This refers to institutionalized review and disclosure processes, internal talent development, and engaging expert mentoring.
Transition Risks: Potential regulatory tightening	Carbon inventory has become mandatory, and environmental regulations are becoming more stringent.	SSP1-2.6／SSP2-4.5	Medium to long term		**Impact:** Adjustments to product design and lifecycle management will increase capital expenditures and compliance costs. **Resilience and Response:** We will continue to monitor regulations, reserve compliance resources, and strengthen internal controls and governance structure.
Opportunity: Enhance fundamental capabilities in the area of sustainable development (ESG).	ESG standards are rising and stakeholders are paying more attention to sustainable governance	SSP1-2.6／SSP2-4.5	Short to long term		**Impact:** This will help reduce compliance risks and improve governance quality, supporting long-term value creation. **Resilience and Response:**

	issues.				This refers to talent development, system establishment, continuous disclosure, and board oversight.
Opportunity: Use of environmentally friendly materials	The supply of environmentally friendly materials has increased, and related technologies have matured.	SSP1-2.6／SSP2-4.5	Medium to long term		**Impact:** This will influence product design and cost structure, enhancing sustainable competitiveness. **Resilience and Response:** This refers to assessing the feasibility of material substitutions, adjusting procurement strategies, and collaborating with the supply chain.
Opportunity: Actively responding to climate change issues helps enhance a company's brand image.	Climate issues are gaining increasing attention, and customers prefer sustainable businesses.	SSP1-2.6	Short to long term		**Impact:** This refers to enhancing company trust and partnerships, indirectly supporting revenue stability. **Resilience and Response:** This refers to proactively addressing climate issues and strengthening sustainability communication and transparency.
Opportunity: Establish a competitive and sustainable business model.	Low-carbon transformation has become an industry trend.	SSP2-4.5	Medium to long term		**Impac**t: This refers to reducing long-term financial uncertainty and creating a differentiated competitive advantage. **Resilience and Response:** This refers to incorporating climate factors into strategy and capital allocation, and continuously improving operational efficiency.
Opportunity: A non-disruptive operation mechanism is planned.	In response to the increase in extreme events, businesses need to strengthen their resilience.	SSP3-7.0～SSP5-8.5	Medium to long term		**Impact:** This refers to mitigating the financial impact of operational disruptions and improving cash flow stability. **Resilience and Response:** This refers to establishing backup mechanisms, strengthening supply chain resilience, and conducting continuous scenario analysis.

Table 3.7.1-2 Physical Risk Scenario Analysis: Risk Levels in Different Scenarios

Climate-related Physical Risks	Physical Risk Scenario Analysis						
	Scenario	SSP2-4.5 【S2.22(b)(i)(2)】、【S2.22(b)(i)(4)】			SSP5-8.5 【S2.22(b)(i)(2)】、【S2.22(b)(i)(4)】		
	Timeframe 【S2.22(b)(i)(6)】	Short term	Medium term	Long term	Short term	Medium term	Long term
Production shutdowns or supply chain instability caused by extreme weather events.	**Risk Levels**	Low level	Moderate level	High level	Moderate level	High level	High level

Table 3.7.1-3 Transition Risk Scenarios Analysis: Risk Levels under Different Scenarios

Climate-related Transition Risks	Transition Risk Scenario Analysis			
	Scenario	Net-zero emissions scenario (NZE) by 2050 【S2.22(b)(i)(2)】、【S2.22(b)(i)(4)】		
	Timeframe 【S2.22(b)(i)(6)】	Short term	Medium term	Long term
Increased administrative and compliance costs	**Risk Levels**	Low degree	Moderate level	High level
Potential regulatory tightening		Moderate level	High level	High level

3.7.2 Major areas of uncertainty in assessing climate resilience

The significant uncertainties identified in the climate resilience assessment refer to variables that could have a significant impact on the Company's strategy, financial planning, or operating model. By incorporating these uncertainties, the Company can flexibly adjust its strategies in different climate scenarios to ensure resilience and sustainable operation.

Regarding areas of significant uncertainty, the following points are addressed:

1. Policy and Legal Changes:

   Based on Taiwan's "Net-Zero Emissions by 2050" roadmap and related regulations, such as the evolution of the Climate Change Response Act, and influenced by global geopolitics and extreme weather events, the Company may face stricter policies or changes in carbon fee collection mechanisms, thereby impacting operating costs and supply chain management.

2. Technology and R&D Progress:

   Currently, our company is a pilot plant. While the carbon emissions from water and electricity consumption in small-batch manufacturing are low, we continuously monitor the maturity of energy-saving equipment and renewable energy technologies. If the adoption of new technologies exceeds expectations in the future, it will be a key opportunity for our company to reduce Category II emissions and enhance competitiveness.

3. Changes in Market Demand:

   As the global biomedical industry has increasingly emphasized low-carbon footprint products, customer demand for biotechnology testing products with "low-carbon, environmentally friendly packaging, or sustainability certification" has shown a significant upward trend in recent years. Therefore, our company must accurately predict market trends to ensure that our product portfolio continues to meet the international customers' requirements for a "green supply chain." 【S2.22(a)(ii)】

3.7.3 Short-, medium- and long-term climate change strategies and business model adaptation capabilities

Bonraybio possesses the capability to adapt its business strategies and models to meet the challenges posed by climate change, and is committed to continuously enhancing its climate resilience in the short, medium, and long term. When assessing the impact of climate change on operations, the Company primarily integrates climate-related risks and opportunities into its corporate risk management plan to develop a comprehensive response strategy. 【S2.22(a)(iii)】

3.7.3.1 Availability and flexibility of financial resources

Bonraybio has been profitable for the past three years. In terms of financial ratios, its gross profit margins were 78%, 79%, and 75%, respectively, maintaining above 70%; and its debt ratios were 11%, 8%, and 12%, respectively, maintaining below 20%. This shows that the Company's existing financial resources are readily available and flexible. In addition, it has formulated specific and effective plans to deal with climate-related risks and opportunities, and has the ability to adjust and adapt its strategies and business models in the short, medium and long term. 【S2.22(a)(iii)(1)】

3.7.3.2 Asset reallocation and upgrade capabilities

Our company demonstrates a high degree of flexibility in capital allocation thanks to its robust equity strength, which is sufficient to meet the asset transformation needs brought about by climate risks. See "3.4.2 Methods of providing and planning to provide resources". 【S2.22(a)(iii)(2)】

3.7.3.3 Impact on climate-related mitigation, adaptation, and climate resilience opportunity investments

Please refer to 3.4.1.1. Responding to climate-related risks: Current and expected changes in business model and resource allocation 【S2.22(a)(iii)(3)】

3.7.4 Timing and methods of climate-related scenario analysis

In 2026, our company conducted a climate-related scenario analysis, mainly referencing international scientific and domestic policy reports, to analyze the impact of climate physical risks and transition risks on the Company. 【S2.22(b)】

3.7.4.1 Disclosing information using input values

Our company uses the following input values in climate-related scenario analysis:【S2.22(b)(i)】

3.7.4.1.1 Analysis and source identification of climate-related scenarios

3.7.4.1.1.1 Intergovernmental Panel on Climate Change, IPCC：Physical climate scenarios

In 2021, the IPCC of United Nations released the 6th Assessment Report (AR6), which combines the Representative Concentration Pathway (RCP) and the Shared Socioeconomic Pathway (SSP) to list five scenarios for greenhouse gas emission levels. These scenarios provide a reasonably credible path up to 2100, as shown in the table below: 【S2.22(b)(i)(1)、S2.22(b)(i)(3)】

Table 3.7.4.1.1.1 Greenhouse gas emission scenarios and pathways proposed in the AR6 Working Group report

b) **Scenarios and pathways across AR6 Working Group reports**

Category in WGIII	Category description	GHG emissions scenarios (SSPx-y*) in WGI & WGII	RCPy** in WGI & WGII
C1	limit warming to 1.5°C (>50%) with no or limited overshoot	Very low (SSP1-1.9)	
C2	return warming to 1.5°C (>50%) after a high overshoot		
C3	limit warming to 2°C (>67%)	Low (SSP1-2.6)	RCP2.6
C4	limit warming to 2°C (>50%)		
C5	limit warming to 2.5°C (>50%)		
C6	limit warming to 3°C (>50%)	Intermediate (SSP2-4.5)	RCP 4.5
C7	limit warming to 4°C (>50%)	High (SSP3-7.0)	
C8	exceed warming of 4°C (>50%)	Very high (SSP5-8.5)	RCP 8.5

Considering the impacts on various entities, the severity of the risks, the timing, location, and targets of potential impacts, our company analyzed the actual climate scenarios using the IPCC moderate emission scenario (SSP2-4.5) and the extremely high emission scenario (SSP5-8.5). The conclusion is that none of these scenarios met the Paris Agreement's 2℃ limit and 1.5℃ target. A summary is as follows: 【S2.22(b)(i)(5)】

Moderate emission scenario (SSP2-4.5)

In this scenario, there is a greater than 50% chance of a temperature rise of less than 3℃ in 2100; greenhouse gas emissions in 2050 are roughly estimated to be at the current level, and then gradually decrease thereafter.

Extremely high emission scenarios (SSP5-8.5)

In this scenario, there is a greater than 50% chance of a temperature rise of more than 4℃ in 2100; greenhouse gas emissions in 2050 are estimated to be roughly twice the current level, and emissions will be three times the current level by 2100..

3.7.4.1.1.2 International Energy Agency, IEA：Transition scenarios

Transition scenarios are generally linked to climate policies and employ reasonable assumptions about using "climate-friendly" technologies to limit greenhouse gas emissions. Referring to the IEA's 2023 "Global Energy and Climate Models" report, three climate change scenarios were proposed: the "Net Zero Emissions (NZE) 2050 Scenario," the "Announced Pledges Scenarios (APS) Scenario," and the "Stated Policies Scenario (STEPS) Scenario." These scenarios provide a reasonably credible path up to 2050.

Taking into account the regulatory direction of the National Development Council's "Taiwan 2050 Net-Zero Emissions Pathway and Strategy" and Bonraybio's own strategic goal of "Net-Zero Emissions by 2050," we have decided to adopt the 2050 Net-Zero Emissions Scenario (NZE) for our transition scenario analysis. A brief description of the Net-Zero Emissions Scenario (NZE) is as follows: 【S2.22(b)(i)(1)、S2.22(b)(i)(3)、S2.22(b)(i)(5)】

Net-zero emissions scenario (NZE) by 2050

This scenario outlines a vision for the global energy industry to achieve net-zero emissions by 2050. Under this scenario, the energy industry can achieve the "net-zero emissions" target without relying on external emissions reductions: there is a greater than 50% probability that global average warming will be limited to well below 1.5℃ by 2100. Therefore, the net-zero emissions scenario (NZE) aligns with the goals of the Paris Agreement. 【S2.22(b)(i)(4)】

3.7.4.1.2 The breadth of climate-related scenario analysis

Our company extensively considers various potential climate scenarios to gain a deep understanding of the range of climate-related risks and opportunities that may be faced in different time periods. As described in "3.7.4.1.1 Analysis and source identification of climate-related scenarios", this year we used authoritative documents from both the IPCC and IEA and selected four scenarios for assessment, including scenario analysis of physical and transition risks and five related opportunities. 【S2.22(b)(i)(2)、S2.B11】。

3.7.4.1.3 Climate-related scenario analysis and physical and transitional risks

As described in "3.7.4.1.1 Analysis and source identification of climate-related scenarios", this year we used the "IPCC moderate emission scenario (SSP2-4.5) and extremely high emission scenario (SSP5-8.5)" for physical climate scenario analysis; and the "2050 net zero emission scenario (NZE)" for transition scenario analysis. 【S2.22(b)(i)(3)】

3.7.4.1.4 Using the latest international climate change agreements and climate-related scenarios

As described in “3.7.4.1.1 Analysis and source identification of climate-related scenarios”, the net-zero emissions scenario (NZE) used for transition risks is consistent with the latest international climate change agreement (Paris Agreement): the goal of limiting global temperature increase to well below 1.5°C by the end of this century. 【S2.22(b)(i)(4)】

3.7.4.1.5 Reasons for selecting climate-related scenarios and their impact on climate resilience

As described in “3.7.4.1.1 Analysis and source identification of climate-related scenarios”, and considering the impacts on various entities, the severity of the risks, the timing, location, and targets of potential impacts, our company analyzed the actual climate scenarios using the IPCC moderate emission scenario (SSP2-4.5) and the extremely high emission scenario (SSP5-8.5). The conclusion is that none of these scenarios met the Paris Agreement's 2°C limit and 1.5°C target. 【S2.22(b)(i)(5)】

As described in “3.7.4.1.1 Analysis and source identification of climate-related scenarios”, and taking into account the regulatory direction of the National Development Council's "Taiwan 2050 Net-Zero Emissions Pathway and Strategy" and Bonraybio's own strategic goal of "Net-Zero Emissions by 2050," we have decided to adopt the 2050 Net-Zero Emissions Scenario (NZE) for our transition scenario analysis. 【S2.22(b)(i)(5)】

3.7.4.1.6 Timeframe used in climate-related scenario analysis

The IPCC and IEA provide reasonable and credible hypothetical scenarios up to 2100 and 2050, respectively. To better identify the most critical climate-related risks and opportunities and their financial impacts when using these scenarios, the Company uses the same time frame as the climate-related risks and opportunities in the scenario analysis (see 3.2.4 Timeframe: Refers to the definition and connection with the strategic decision-making and planning timeline.), and sets the scope of the analysis at its principal operating location (Taiwan). The relevant scenario analysis time frame is listed in the table below: 【S2.22(b)(i)(6) 、S2.22(b)(i)(7)】

Table 3.7.4.1.6 Timeframes Used in Scenario Analysis

Short term	Medium term	Long term
2026 to 2027	2028 to 2032	2032 and above

3.7.4.1.7 Operating scope defined in climate-related scenario analysis

Bonraybio's scenario analysis scope is set at its main operating location (Taiwan). 【S2.22(b)(i)(7)】

3.7.4.2 Main Assumptions of climate-related scenario analysis

The main assumptions made by our company in the climate-related scenario analysis are as follows:

3.7.4.2.1 Climate-related policies of the jurisdiction where operations are located

In accordance with Taiwan's current policy, the "2050 Net-Zero Emissions Path" will continue to be adopted. However, it is expected that the scope of carbon fee collection may be expanded in the near future to align with international average prices. 【S2.22(b)(ii)(1)】

3.7.4.2.2 Impact of overall economic trends

Based on the overall economic trend of Taiwan over the years, and taking into account the forecast of the Institute of Economics of Academia Sinica for 2026 and the development of emerging technologies, it is estimated that the real GDP will grow slowly at 3.71% for the year. 【S2.22(b)(ii)(2)】

3.7.4.2.3 The impact of national or regional climate level variables

According to the updated “Taiwan Climate Change Assessment Report” jointly released by the Ministry of Science and Technology and the Center for Environmental Change Research, Academia Sinica, in terms of climate models, Taiwan's winter season will gradually shorten, while the total annual rainfall will increase, and both heavy rain and rainfall intensity are expected to increase in the future. 【S2.22(b)(ii)(3)】

3.7.4.2.4 Assumptions regarding energy use and combination

Our company is currently a pilot plant and has not yet entered the heavy manufacturing process. Our overall energy use primarily focuses on maintaining the electricity required for R&D, pilot production, and basic operations. This energy mix relies on existing power supplies and has not yet seen significant adoption of renewable energy. Given our current production capacity and operational characteristics, our short-term strategy will prioritize improving energy efficiency. To this end, we will prioritize evaluating the adoption of energy-saving equipment and optimizing electricity management to reduce energy consumption per unit and operating costs. In the medium to long term, as production increases and operations expand, we anticipate a corresponding increase in energy demand. We will gradually evaluate the adoption of green electricity procurement or the increased use of renewable energy to meet future policy requirements and net-zero transition requirements. 【S2.22(b)(ii)(4)】

3.7.4.2.5 Assumptions regarding technological development

Referring to Taiwan's "Net Zero Emissions Pathway to 2050", Taiwan is expected to develop low-carbon energy technologies in the short to medium term and high-efficiency green energy power generation technologies in the long term. 【S2.22(b)(ii)(5)】

3.7.4.2.6 Reporting period for conducting climate-related scenario analysis

As stated in "3.2 Strategic Information Disclosure on Climate-Related Risks and Opportunities", starting in 2025, the Company uses scenario analysis technology to assist in the identification of climate-related risks and opportunities.

【S2.22(b)(iii)】

4. Risk Management

4.1 Purpose of Climate-Related Financial Disclosures in Risk Management

The purpose of the climate-related financial disclosures in the risk management section is to enable key users of the general-purpose financial statements to understand the Company's processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities, including a description of how these are integrated into and affect the Company's overall risk management processes. 【S2.24】

4.2 Meeting risk management requirements for climate-related financial disclosures

To meet the objectives of climate-related risk management, the Company has established a " Risk Management Best-Practice Principles" and complies with relevant regulations. The following sections explain (1) the process and policies for identifying, assessing, prioritizing and monitoring climate-related risks; (2) the process for identifying, assessing, prioritizing and monitoring climate-related opportunities; and (3) how the process for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities is integrated and affects overall risk management. 【S2.25】

4.2.1 Climate-related risk identification, assessment, prioritization, and monitoring processes and policies

Our company's flowchart for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities, implemented since 2025, is divided into four stages: identification, assessment and scenario analysis, prioritization and response planning, and monitoring and improvement. These are described below:

1. Identification: Annual cross-departmental collaboration, combined with industry trends, policy changes, and internal operational data, identifies climate-related risks that may impact the Company.
2. Assessment and Scenario Analysis: Following identification, the Company conducts qualitative and quantitative risk assessments, including climate scenario analysis to assess the potential impacts under different policies and climate pathways.
3. Prioritization and Response Planning: Based on the risk assessment results, high-risk items are identified, and corresponding response strategies are developed.
4. Monitoring and Improvement: Changes in risk indicators and the effectiveness of responses are tracked.

4.2.1.1 Climate risk data sources include input values and parameter information.

To facilitate the identification of climate-related risks and opportunities, the Company's Sustainability Team and management at all levels will review past events, current conditions and future projections, while also referring to the disclosure topics in IFRS S2 Industry Basic Implementation Guidelines Book 31, "Medical Devices and Supplies".【S1.74】【S1.75(b) 】The initial identification scope covers the Company's consolidated entities and upstream and downstream value chains. The Taichung Headquarters serves as the main production, R&D, and sales base, and is responsible for identifying physical and transformation risks and climate-related opportunities. 【S2.25(a)(i)、S2.25(b)】

The subsequent future climate scenarios, in response to climate-related physical risks, selected the Intergovernmental Panel on Climate Change (IPCC) moderate emissions scenario (SSP2-4.5) and extremely high emissions scenario (SSP5-8.5); and the International Energy Agency (IEA) net-zero emissions scenario (NZE) for 2050 was selected in response to climate-related transition risks. 【S2.25(a)(i)、S2.25(b)】The Company uses the above scenarios for analysis and considers the results to further identify climate-related risks and opportunities that were not identified in the previous stage. For example, based on the IPCC scenario analysis results, the Company identifies physical risks of extreme weather events that it may face in its operating areas. 【S2.25(a)(ii)、S2.25(b)】

4.2.1.2 Impact and application of climate-related scenario analysis on risk identification

As stated in "4.2.1.1 Climate risk data sources include input values and parameter information," the Company conducts scenario analysis and considers the results to further identify climate-related risks and opportunities that were not identified in the previous stage. 【S2.25(a)(ii)】

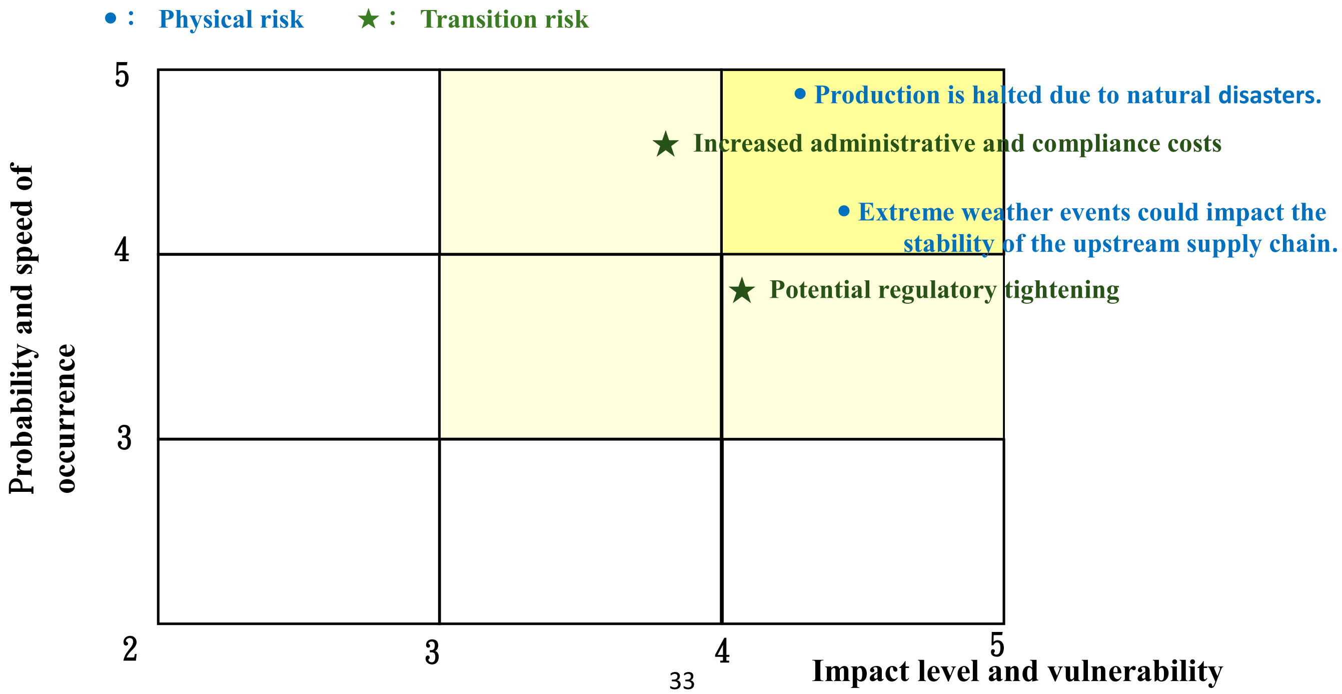
4.2.1.3 Assessment of the nature, likelihood, and extent of impact of climate-related risks

In assessing climate-related risks and opportunities, the Company considers the likelihood and extent of their occurrence, primarily evaluating the most likely scenarios and their current and anticipated (short-term, medium-term, and long-term) financial impacts on the Company. Furthermore, the nature of these risks and opportunities is also considered, particularly the Company's ability to adapt to climate-related risks (i.e., "vulnerability") and the time allotted to the Company to react if they occur (i.e., "speed of occurrence"). For example, whether a physical risk is immediate or long-term. 【S2.25(a)(iii)、S2.25(b)】

4.2.1.4 Ranking and methods of climate-related risks relative to other risks

Our company considers the identified and assessed climate-related risks to be common to all other types of risks. Based on a comprehensive consideration of their probability and speed of occurrence (Y-axis), a multiplier of 1 to 5 is assigned. Another multiplier of 1 to 5 is assigned based on a comprehensive consideration of the degree of impact and vulnerability (X-axis). These risks are then ranked and a matrix of key risks is drawn. A key risk is defined as one that simultaneously achieves a multiplier of 3.5 or higher on both the Y-axis and X-axis. The key climate-related risks extracted from the matrix are explained below:【S2.25(a)(iv)】【S1.74】【S1.75(a)】

Figure 4.2.1.4 Climate-related Risk Matrix



4.2.1.5 Methods for monitoring climate-related risks

Our company has established relevant targets and indicators to help measure the achievement of identified climate risks and opportunities (see "5. Indicators and Targets"), regularly assesses progress on these targets, and reviews the effectiveness and appropriateness of the targets for improvement. To enhance senior management's awareness of climate issues, some of their variable compensation will also be linked to the achievement indicators of climate-related risks and opportunities (see "5.2.7 Compensation"). 【S2.25(a)(v)、S2.25(b)】

4.2.1.6 Impact and reasons for process changes during this reporting period

【Scenario A: No changes were made to the process.】

The identification and evaluation process was not modified this year.

【Scenario B: The process has been changed.】

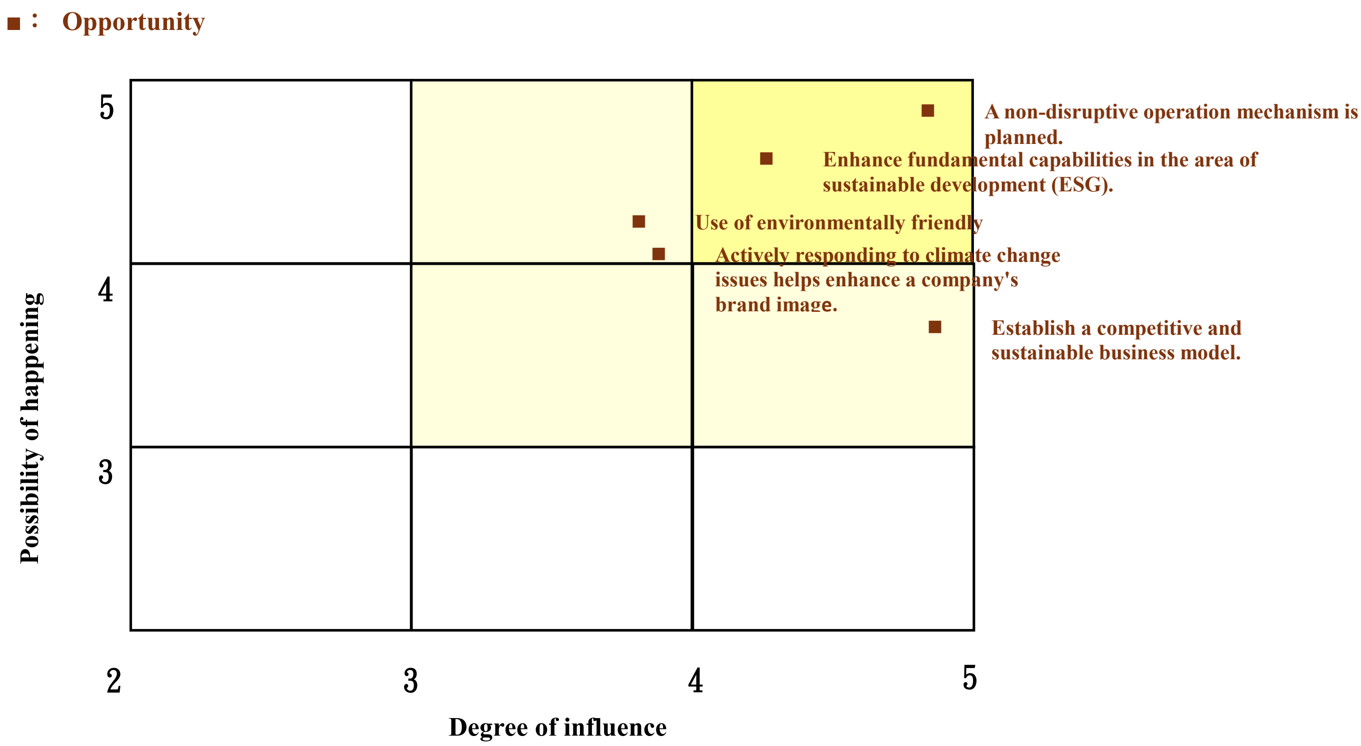
This year, our company has adopted the "IFRS Sustainability Disclosure Standards," adding processes for identifying and assessing climate risks and opportunities, and making relevant adjustments based on the processes for identifying major themes in sustainability reports. Given the broad range of stakeholders considered in sustainability reports, which adopt GRI requirements to identify the impacts of operating activities on the economy, environment, and people (including their human rights), and determine the major themes to be disclosed based on their significance, the IFRS Sustainability Disclosure Standards, in contrast, focus on identifying and disclosing information that only has a significant financial impact. This new process combines quantitative tools and scenario analysis methods to systematically assess our company's climate-related entity risks, transition risks, and climate opportunities. 【S2.25(a)(vi)】

4.2.2 Process for identifying, assessing, prioritizing, and monitoring climate-related opportunities

4.2.2.1 Management process for climate-related opportunities

The Company's processes for identifying, assessing, and monitoring climate-related risks and opportunities are highly integrated, as described in "4.2.1.4 Ranking and methods of climate-related risks relative to other risks". Regarding opportunity ranking, we consider identified and assessed climate-related opportunities alongside other types of opportunities, assigning weights of 1 to 5 based on probability of occurrence (Y-axis) and impact severity (X-axis) respectively, before ranking and creating an opportunity matrix. Critical opportunities are defined as those achieving a score of 3.5 or higher on both the Y-axis and X-axis. The key climate-related opportunities extracted from the matrix are as follows: 【S1.74、S1.75(a)、S2.25(b)】

Figure 4.2.2.1 Climate-related Opportunity Matrix



4.2.2.2 The impact and application of climate-related scenario analysis on opportunity identification

The scenario analysis conducted by our company mainly targets climate-related risks, and the results are currently being used to identify climate-related risks, but have not yet had a significant impact on the identification of climate-related opportunities. 【S2.25(b)】

4.2.3 How the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated and impact overall risk management.

Our company has integrated the identification, assessment, prioritization, and monitoring of climate-related risks and opportunities into our existing overall risk management framework as a crucial part of Enterprise Risk Management (ERM). Currently, the Deputy General Manager of the Finance and Administration Department oversees sustainability matters and works with managers and employees at all levels to ensure that climate issues are addressed in daily operations and management processes.

Following its annual risk review process, the Company collects information on policy trends, industry changes, and extreme weather events to identify potential entity and transformation risks that may affect operations, and assesses potential climate-related opportunities. During the assessment and prioritization phase, the Company adopts standards consistent with those used for other significant risks, comprehensively considering the likelihood of occurrence, the extent of impact, and the financial impact, before incorporating these risks into a risk matrix as a crucial basis for resource allocation and strategy adjustments.

In terms of monitoring, we continuously track climate risk indicators and the implementation of response measures through existing risk monitoring and reporting mechanisms. If necessary, we will initiate a reassessment process to strengthen operational resilience and long-term sustainable competitiveness.

【S2.25(c)】

5. Indicators and Targets

5.1 The purpose of disclosing climate-related financial indicators and targets

Our climate-related financial disclosures regarding metrics and targets are intended to enable key users of our general-purpose financial statements to understand our performance in relation to climate-related risks and opportunities, including our established climate-related objectives and progress toward compliance with laws and regulations. 【S2.27】

5.2 Disclosing information relevant to cross-industry indicators categories (climate-related indicators)

In accordance with IFRS S2, our company discloses information relevant to cross-industry indicator categories, primarily including seven categories: greenhouse gas (GHG) emissions, climate-related transition risks, climate-related entity risks, climate-related opportunities, capital allocation, internal carbon pricing, and compensation. These are detailed below: **【S2.28(a)】**

5.2.1 Climate-related indicators of greenhouse gases

5.2.1.1 Total absolute emissions of greenhouse gases during the reporting period

In response to global climate change and in accordance with the Paris Agreement's requirement for countries to submit climate action, Taiwan promulgated the Greenhouse Gas Reduction and Management Act in 2015. This law was strengthened and amended in 2023 to become the Climate Change Response Act, which declared the national long-term greenhouse gas reduction target as "net-zero greenhouse gas emissions by 2050." In light of this, our company has formulated a long-term strategic target of "net-zero emissions and low-carbon transition by 2050" to achieve greenhouse gas emission reduction. Considering the timeframe used in our climate-related risk assessment process, we have established short-term, medium-term, and long-term targets. The specific indicators and quantitative information for these targets are detailed in the table below. 【S2.33(h)】

Table 5.2.1.1 Strategic objectives related to greenhouse gases, and corresponding indicators and targets.

Strategic Goals	Metrics				Base year (2025) 【S2.33(e)】	Targets				
	Indicator name	Measure unit	Indicator type	Current amount		Target purpose 【S2.33(b)】	Target range 【S2.33(c)】	Target type 【S2.33(g)】	Target period 【S2.33(d)】	Milestones/ Midterm Goals 【S2.33(f)】
Net-zero emissions and low-carbon transition by 2050	Category 1: Total greenhouse gas emissions 【S2.29(a)(i)(1)S2.33(a)】	metric tons of carbon dioxide equivalent (tCO_2e)	Quantified	17.3974	17.3974	Greenhouse gas emission reduction	Consolidated entity	Absolute goal	Up to 2050	• 15.6577 • 16.8755
	Category 2: Total greenhouse gas emissions 【S2.29(a)(i)(2)、S2.33(a)】	metric tons of carbon dioxide equivalent (tCO_2e)	Quantified	102.9849	102.9849	Greenhouse gas emission reduction	Consolidated entity	Absolute goal	Up to 2050	• 92.6864 • 99.8954
	Category 1 & 2: Total greenhouse gas emissions (Total)	metric tons of carbon dioxide equivalent (tCO_2e)	Quantified	**120.3823**	**120.3823**	Greenhouse gas emission reduction	Consolidated entity	Absolute goal	Up to 2050	• 108.3441 • 116.7709

Our company has not yet been included in the scope of the "Greenhouse Gas Inventory Confirmation" stipulated by the competent authority, but has completed greenhouse gas emission inventory information in Category I, Category II and part of Category III in accordance with its self-management principle. This will serve as the basis for subsequent emission management and reduction planning.

5.2.1.2 Greenhouse gas emissions measurement methods, input values and assumptions

In disclosing greenhouse gas emissions, in addition to enhancing the comparability of our own reporting with that of international companies, we also emphasize the IFRS S2 requirements for measuring greenhouse gases. Therefore, starting in 2025, we will implement greenhouse gas emission disclosure operations in Category 1 and Category 2 of the widely adopted international "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004 Edition)" (hereinafter referred to as the "Greenhouse Gas Disclosure Protocol Corporate Standard"). 【S2.29(a)(ii)】

Measurement methods, input values, and assumptions

The "Operational Control Method" emphasizes that the company must have full authority to lead and implement the operational policies of the business entity, which is consistent with the scope of our current carbon emission management policy. Therefore, the Company uses the Operations Control Act under the Corporate Standards of the Greenhouse Gas Inventory Protocol to measure the greenhouse gas emissions of investees, and uses the greenhouse gas emissions calculated in this way as the unit of measurement for indicators and targets. 【S2.29(a)(iii)、S2.B26(a)、S2.B27(a)(b)】

Regarding the quantification of greenhouse gas emissions, our company uses the "emission factor method" for measurement. This method calculates greenhouse gas emissions using activity data, emission factors, and Global Warming Potential (GWP) values, among other assumptions and inputs. The various emission factors are derived from the "Greenhouse Gas Emission Factors" announced by the Ministry of Environment in 2024. For the portion of electricity purchased or used from public utilities, the latest electricity carbon emission factor announced by the Ministry of Economic Affairs is used. The Global Warming Potential (GWP) value is derived from the IPCC 6th Assessment Report. There were no changes to the above input values and assumptions during the reporting period. 【S2.29(a)(iii)、S2.B22、S2.B26(c)】

5.2.1.3 Category 1 and Category 2 greenhouse gas emissions

Table 5.2.1.3 lists Bonraybio's greenhouse gas emissions in Categories 1 and 2, which originate from consolidated entities and related companies. Since the Company has no investments in related companies, none of these are included in the emissions calculation.

Table 5.2.1.3 Greenhouse gas emissions in Categories 1 and 2 are further subdivided into consolidated accounting groups and other investees. 【S2.29(a)(iv)(1)及(2)】

	(tCO_2e) Greenhouse gas emissions (tCO2e)		
	Category 1	**Category 2**	**Total amount**
Consolidated accounting group	17.3974	102.9849	120.3823
Other investee companies (investment-related companies)	None	None	None
Disclosure of total volume (Operational Control Method)	17.3974	102.9849	120.3823

Table 5.2.1.4 lists Bonraybio's location-based disclosure of Category 2 greenhouse gas emissions. The Company owns factories in both Taiwan and Sichuan, China. Therefore, the purchase and use of electricity from public utilities are based on the single emission factor announced by the Ministry of Economic Affairs of Taiwan and the latest annual electricity carbon emission factor of the Ministry of Ecology and Environment of China. 【S2.29(a)(v)、S2.B30-B31】

Table 5.2.1.4 Category 2 emissions classified by location-based method (Power Grid) Note
【S2.29(a)(v)】

		Location-based Method		Category 2 emissions Total
		Taiwan Factory	**Sichuan Factory**	
Category 2 greenhouse gas emissions	Emissions (tCO_2e)	100.6008	2.3841	**102.9849**
	Ratio (%)	97.7%	2.3%	**100%**

Note: According to the "Greenhouse Gas Emissions Inventory Operation Guidelines (2024 Edition)" issued by the Ministry of Environment of Taiwan, if a business uses renewable energy such as solar and wind power, its emission factor is 0 kg CO2e/kWh. The electricity used by our company comes from Category 2 of the aforementioned long-term renewable energy companies under power purchase agreements, and its greenhouse gas emissions are zero. For other electricity used from Taipower, the location-based method is used to calculate the greenhouse gas emissions of Category 2.

5.2.1.4 Category 3 Greenhouse gas emissions

As the Company is subject to the transitional provisions of IFRS S2 Section C4(b) this year, it will not disclose greenhouse gas emissions in Category 3.【S2.C4(b)】

5.2.1.5 In certain specific circumstances, it is permissible to use information from a period different from the reporting period.

The Company has not had this incident for the year. 【S2.B19】

5.2.2 Climate-related transition risks

The Company has developed indicators and targets for assets or operations that are vulnerable to climate-related transition risks, as detailed in the table below:

Table 5.2.2 Assets or operations vulnerable to climate-related transition risks (including relevant strategic objectives, and corresponding indicators and targets) 【S2.29(b)】

Strategic Goals	Metrics 【S2.33(a)】				Base year (2025) 【S2.33(e)】	Targets				
	Indicator definition 【S1.50(a)】	Measure unit	Indicator type	Current amount		Target purpose 【S2.33(b)】	Target range 【S2.33(c)】	Target type 【S2.33(g)】【S1.50(b)】	Target period 【S2.33(d)】	Milestones/ Midterm Goals 【S2.33(f)】
Net-zero emissions and low-carbon transition by 2050	1. The ratio of carbon fees levied on greenhouse gas emission controls to operating costs.	Amount; Percentage (%)	Quantified	0，0%	N/A	Reduce carbon costs.	Consolidated entity	Absolute target; Intensity target	Up to 2050	N/A
	2. The ratio of expenditures and operating expenses incurred due to failed new technology research and development.	Amount; Percentage (%)	Quantified	0，0%	N/A	Reduce the failure rate due to immature technology.	Consolidated entity	Absolute target; Intensity target	Up to 2050	N/A
	3. Revenue from low-carbon products and its percentage of total revenue	Amount; Percentage (%)	Quantified	0，0%	N/A	Reduce the proportion of revenue from non-low-carbon products.	Consolidated entity	Absolute target; Intensity target	Up to 2050	100%

Our company is not currently subject to the Phase I and Phase II climate-related information disclosure regulations of the competent authorities. Based on the current greenhouse gas inventory results, our emissions are far below the current carbon fee threshold, and therefore, we have not been charged a carbon fee during the reporting period. To date, our company has not experienced any significant failures or losses due to climate transition or related technology development. Furthermore, our low-carbon products and related sustainability measures are currently in the planning and implementation phase and have not yet had a significant impact on our financial condition or operations. However, these may still be adjusted in the future due to policy requirements, technological developments, and market changes. Our company will continue to monitor relevant trends and update the disclosure information as needed. 【S1.50(a)(c)(d)】

5.2.3 Climate-related physical risks

The Company has developed indicators and targets for assets or operations that are vulnerable to climate-related physical risks, as detailed in the table below:

Table 5.2.3 Assets or operations vulnerable to climate-related physical risks (including relevant strategic objectives, and corresponding indicators and targets) 【S2.29(c)】

Strategic Goals	Metrics【S2.33(a)】				Base year (2025)【S2.33(e)】	Targets				
	Indicator definition【S1.50(a)】	Measure unit	Indicator type	Current amount		Target purpose【S2.33(b)】	Target range【S2.33(c)】	Target type【S2.33(g)】【S1.50(b)】	Target period【S2.33(d)】	Milestones/ Midterm Goals【S2.33(f)】
Sustainable operational objectives	1. The area of the factory buildings exposed to extreme weather events and their proportion of the total factory buildings.	Area; Percentage	Quantified	790 ping, 83.16%	790 ping, 83.16%	Reduce the proportion of factories affected by extreme weather.	Taichung Factory	Absolute target	Up to 2050	790 ping, 83.16% 790 ping, 83.16%

The above metrics were calculated by the Company based on its own developed definition and internal detailed information. These metrics have not yet been verified by a third party.

- The area of the factory buildings exposed to extreme weather events mentioned in Indicator 1 refers to the area of factory buildings in areas where the risk level, hazard level, vulnerability level, and exposure level of flooding are all above level 5 under the Global Warming 1.5℃ scenario (GWL 1.5℃) provided by the 【S1.50(a)(c)(d)】

5.2.4 Climate-related opportunities

The Company has developed indicators and targets for assets or operations that are vulnerable to climate-related opportunity risks, as detailed in the table below:

Table 5.2.4 Assets or operations vulnerable to climate-related opportunity risks (including relevant strategic objectives, and corresponding indicators and targets) 【S2.29(d)】

Strategic Goals	Metrics【S2.33(a)】				(2025)【S2.33(e)】	Targets【S2.33(f)】				
	Indicator definition【S1.50(a)】	**Measure unit**	**Indicator type**	**Current amount**		**Target purpose**【S2.33(b)】	**Target range**【S2.33(c)】	**Target type**【S2.33(g)】【S1.50(b)】	**Target period**【S2.33(d)】	**Milestones/ Midterm Goals**【S2.33(f)】
Knowledge ability	1. Enhance basic ESG capabilities	Number of people	Quantified	9 directors 3 staff members	9 directors 3 staff members	Enhance sustainability knowledge	Consolidated entity	Absolute target	Up to 2050	9 directors, 6 staff members 9 directors, 3 staff members
Circular economy	2. The proportion of environmentally friendly materials in all manufactured products.	Percentage (%)	Quantified	N/A	N/A	Increase the use of environmentally friendly materials	Consolidated entity	Absolute target; Intensity target	Up to 2050	100% N/A
Continuing operation	3. Plans for uninterrupted operation	Area; Percentage	Quantified	950 ping，100%	950 ping，100%	Reduce the number of days or potential operational interruptions	Consolidated entity	Absolute target	Up to 2050	950 ping，100% 950 ping，100%

The above metrics were calculated by the Company based on its own developed definition and internal detailed information. These metrics have not yet been verified by a third party. Indicator 2 is currently being planned, and corresponding resources will be allocated as development progresses.【S1.50(a)(c)(d)】

5.2.5 Capital allocation

Our company's expenditures on climate-related risks and opportunities involve third-party mentoring and personnel training. The relevant capital allocation disclosures are shown in the table below:

Table 5.2.5 Capital allocation of climate-Related risks and opportunities 【S2.29(e)】

Item	2025 (NT$1,000)	Notes to the financial statements 【S1.21】
Third-party mentoring and personnel training	$40	None

5.2.6 Internal carbon price

5.2.6.1 Carbon pricing decision-making and methods

Currently, our company has not formally implemented an internal carbon pricing system, primarily because we are a newly established R&D-oriented startup transitioning to a revenue growth phase. Our operational scale and carbon emissions are relatively limited, and we have not yet faced substantial pressure from carbon taxes or carbon trading costs. The Company fully understands that carbon pricing will become a key tool for future "transformation risk management" and "sustainable operation," therefore, we continue to monitor relevant policy developments regarding domestic and international carbon fees, carbon credits, and the Carbon Border Adjustment Mechanism (CBAM).

In the future, as operations expand and regulations change, the Company will assess the feasibility of internalizing carbon impact costs as a reference for project investment, procurement decisions and product design, and study an internal carbon pricing mechanism, including the adoption of low-carbon operating mindset, to enhance climate resilience and competitiveness. 【S2.29(f)(i)】

5.2.6.2 The price per ton of greenhouse gas emissions

As mentioned above, our company has not yet implemented an internal carbon pricing system. 【S2.29(f)(ii)】

5.2.7 Compensation

The achievement of the Company's climate-related risks and opportunities strategic objectives (smart engineering and sustainable development) has been incorporated into the performance evaluation of senior executives, which will affect some variable compensation. For example, this year, 10% of senior management compensation is linked to climate-related considerations, and there are plans to increase this ratio to 20% in the short term (before 2027) and to 40% in the medium term (before 2032), demonstrating the Company's commitment and concrete actions on climate issues. For the relevant governance structure, please refer to "2.2.1.1 Governance of Climate-Related Risks and Opportunities". 【S2.33】

5.3 Information on Industry Fundamental Indicators

Based on its business model, the Company identified the disclosure topics and relevant industry-based indicators outlined in IFRS S2 Industry-Based Implementation Guidance Book 31, "Medical Devices and Supplies," for the climate sector. Furthermore, the Company determined that the disclosure topic "Product Design and Lifecycle Management" is applicable to its relevant industry-based indicators. 【S2.28(b)、S2.32】【S1.74】【S1.75(c)】

5.3.1 Themes and indicators of sustainable disclosure

(Strategic Goals)	Theme	Metrics				
		Indicator	Type	Measure unit	Code	Amount/Description
Not applicable	Product Design and Lifecycle Management	This refers to the process of assessing and managing the environmental and human health considerations related to chemicals in products, and the discussion of meeting the requirements of sustainable products.	Discussion and Analysis	Not applicable	HC-MS-410a.1.	We will continue to assess the potential impact of our products on the environment and human health throughout their entire life cycle, including post-use disposal methods and packaging design. Furthermore, we do not use any hazardous substances listed in the "Restricted Substances List" during the manufacturing process.
Circular economy	Product Design and Lifecycle Management	The total weight of products received for recycling, reuse, or donation shall be classified as (1) equipment and facilities and (2) supplies.	Quantified	Metric ton	HC-MS-410a.2	(1) Not applicable (2) Not applicable

5.3.2 Activity indicators

Metrics				
Activity Indicators	Type	Measure unit	Code	Amount/Description
Number of units sold, categorized by product type.	Quantified	Amount	HC-MS-000.A	Sperm quality analysis and testing instruments: 499 units Sperm quality analysis and testing consumables: 822,100 items Others (including quality control testing team, sperm collection cups, and cleaning swabs for the testing instrument lens): 71,759 items

5.4 Disclose information on the set climate-related risks or opportunities (climate-related objectives).

To achieve its strategic goals of "Net-Zero Emissions and Low-Carbon Transition by 2050," "Smart Engineering," and "Sustainability," the Company has established specific sub-goals for each strategic goal and set performance indicators for each sub-goal. Accordingly, the Sustainability Team holds regular evaluation meetings to monitor progress towards the goals and gradually achieve the established strategic objectives. 【S2.28(c)】

5.4.1 Analysis of performance and trends or changes in climate-related objectives

2025 marked the inaugural year of our company's greenhouse gas management system. The relevant audit procedures, internal training, emission source inventory, and data collection mechanisms were all implemented starting that year. We also achieved our planned reduction targets (a cumulative 3% reduction in carbon emissions from 2025 to 2029, with annual reductions of 0.5% to 1%). In 2025, total greenhouse gas emissions from Category I and Category II amounted to 120.3823 metric tons of CO_2e per year, an increase of 3.1478 metric tons of CO_2e per year compared to 117.2345 metric tons of CO_2e per year in 2024. This increase was primarily due to the impact of the Company's purchase of office and machinery equipment on electricity consumption (Category II). However, Category I emissions have already seen initial effective control and reduction. We will continue to prioritize energy use, control greenhouse gas emissions, and promote energy conservation and carbon reduction. 【S2.35】

5.4.1.1 Greenhouse gas management

The disclosure of greenhouse gas indicators and targets has been integrated into "Table 5.2.1.1 Strategic objectives related to greenhouse gases, and corresponding indicators and targets." Please refer to this table for further information on specific target setting. 【S2.33】

5.4.1.2 Reduce greenhouse gas emissions (Categories 1 and 2)

The Company’s Sustainability Team uses Category 1 and Category 2 greenhouse gas emissions as indicators, and submits the results of the annual audits and the progress of target achievement to the Sustainability Committee for reference in relevant decision-making. 【S2.34(c)】 In addition, the Company plans to conduct audits and disclosures starting in fiscal year 2029, and simultaneously incorporate Category 3 emissions into the greenhouse gas emission reduction targets. 【S2.36(a)-(c)】

The results of our greenhouse gas emissions survey in Categories 1 and 2 this year have not yet been confirmed by external third-party organizations. We plan to engage a third-party organization to conduct the relevant work in 2028 in order to align with national policies and international trends. 【S2.34(a)】 Our company has not yet specifically planned to use industry decarbonization methods to derive its greenhouse gas emission targets, nor has it used carbon credits to offset greenhouse gas emissions in order to achieve the 2050 net-zero emission target.【S2.36(d)】【S2.36(e)】【S2.36(e)(i)】【S2.36(e)(ii)】【S2.36(e)(iii)】【S2.36(e)(iv)】【S2.B70)】

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