

東生華製藥股份有限公司
tsh biopharm corporation ltd.

Annual Report 2024

Annual Report Website

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

Company Website: <http://www.tshbiopharm.com>

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THIS IS A TRANSLATION OF THE 2024 ANNUAL REPORT (THE “ANNUAL REPORT”) OF TSH BIOPHARM CORPORATION LTD. (THE “COMPANY”). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE ANNUAL REPORT SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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6. Overseas trade places and the inquiry methods for listed negotiable securities:

None.

7. Company Website: <http://www.tshbiopharm.com>

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One. Letter to Shareholders

TSH would like to thank all shareholders for their support and all employees for their dedication, which drives the Company's commitment to the chronic disease business as well as to professional management. Below is the business performance report for 2024, a summary of the 2025 Business Plan, TSH's future development strategy, and the impacts of the macroeconomic environment:

The Company's business achievements in 2024

(I) Business plan implementation results

The Company's consolidated net operating revenue in 2024 was NT\$1,115,716 thousand, an increase of NT\$304,799 thousand or 37.59% from NT\$810,917 thousand in 2023. In the 2024 fiscal year, the net profit attributable to the parent company was NT\$113,093 thousand, representing an increase of NT\$51,104 thousand or 82.44% from NT\$61,989 thousand in 2023. The increase was mainly driven by revenue growth in our core business, the receipt of milestone payments, and the revenue and net income contributions from the acquisitions of TOP PHARM MEDICALWARE COMPANY LIMITED and TOP Biological Technology Company Limited.

(II) Budget implementation status

The Company's standalone net operating revenue in 2024 was NT\$628,508 thousand, and the pre-tax net profit was NT\$140,120 thousand, achieving 140% of the set annual budget target.

(III) Analysis of income and expenses and profitability

Items \ Year		From January 1 to December 31, 2024
Income and expenditures	Interest income (in thousand)	2,900
	Interest expenses (in thousand)	55
Profitability analysis	Return on assets (%)	8.46
	Return on equity (%)	9.05
	Profit margin (%)	17.99
	earnings per share (in NT\$)	2.95

(IV) Research and development condition

Summary of the introduction and development of new products by the Company in 2024:

- January 2024:
Received TFDA notification for license of T20, an anti-osteoporosis biosimilar.
- April 2024:
TFDA conducted overseas site inspection for T20, an osteoporosis biosimilar.
- June 2024:
Obtained a marketing authorization in Malaysia for Amtrel, an antihypertensive drug, with "new ingredient, new compound", which is a new drug manufactured in and exported from Taiwan (TNCE).
- November 2024:
Completed main human subject research on our self-manufactured (TNCE) gastroenterology drug, A20. The follow-up development plan was submitted to TFDA.
- November 2024:

Completed the dosage form development and process validation for self-made new drug (TNCE) E20, a drug for rare diseases, and initiated the stability test to meet the export requirements.

- November 2024:
505b2 new route of administration, VN23 nasal spray for dry eye syndrome (product name: Tyrvaya), received marketing authorization in Taiwan.
- December 2024:
The Company has been authorized to introduce two new products for next-generation genetic testing, namely “Advanced Cancer Screening (product name: CancerFind)” and “Post-Cancer Minimal Residual Disease (product name: Cancer Trace/Alpha Liquid-Detect)”, the advanced cancer detection products.
- December 2024:
Obtained the authorization to introduce new product for T23 bone and joint.
- December 2024:
Applied for registration for inspection in Macau for exporting self-made new drug (TNCE) Lonine.

Summary of 2025 Business Plan

(I) Business policy

With an eye on achieving both organic and inorganic growth while accelerating the product portfolio expansion, we adopted a double-engine strategy of “license-in” and “self-development” for the past five years. Therefore, in 2024, TSH successfully achieved the five-year target set in 2019. In addition to reaching record highs in standalone organic growth, TSH also accelerated strategic partnerships for inorganic growth to achieve its five-year goal by doubling its sales.

I. Organic growth:

➤ Prescription drug growth:

i. Deeply cultivate the Taiwan market:

The new drug (TNCE) is the main focus in the Taiwan market. This is particularly crucial as in September 2022, TFDA reduced the requirement for a TNCE submitted for license application to be on the market in an advanced foreign country for 10 years or more time to 5 years to encourage and accelerate domestic research and development. The Company’s current research and development projects encompass new active pharmaceutical ingredients and 505b2 drugs, including biosimilars, new compound drugs, and new dosage forms. These projects are being developed both independently and in collaboration. By the end of 2024, TSH has acquired 7 domestic and overseas drug licenses, namely Rancad® Extended Release in the Taiwan market, Alprosm Lyophilized Powder for injection, nasal spray for dry eye syndrome, and is scheduled to acquire another new drug license in Taiwan in the first half of 2025.

ii. Actively deploy overseas markets:

Obtained a marketing authorization in Malaysia for Amtrel, an antihypertensive

- drug, with “new ingredient, new compound”, which is a new drug manufactured in and exported from Taiwan (TNCE). New drug Lonine (TNCE) applied for registration for drug inspection in Macao. As for overseas sales, the Company actively sought to have its drugs registered with the competent authorities in Southeast Asia over the past four years and obtained three drug licenses in overseas markets between 2022 and 2024.
- iii. In the past three years, the Company also committed resources toward the assessment and development of multiple new projects, resulting in a total of seven ongoing pharmaceutical development projects. In 2025, we expect to file an application for a marketing license for new products to be marketed in target markets, so as to provide patients with more treatment options.
- Expanding new diseases:
 - i. Ophthalmology: In 2023, TSH acquired Tyrvaya, an innovative dry eye drug developed by a licensed American ophthalmic pharmaceutical company. TSH has obtained a new drug marketing authorization in Taiwan in the second half of 2024 and is expected to be formally marketed in 2025. In the future, we will continue to use a dual-engine strategy to develop our ophthalmology product portfolio, expanding TSH Biopharm’s development opportunities in the field of eye diseases.
 - ii. Orthopedics: T20, an anti-osteoporosis biosimilar, has received a license notification from the TFDA. Together with the orthopedic healthcare products from our subsidiary, TOP Pharma Medical-ware, and the products introduced under subsequent authorizations, the Company will be able to provide diversified products.
 - TSH genetic testing:
 - i. In addition to the product agents of the original partners in Taiwan, South Korea and Singapore, the patient care team established in 2019 has added new products developed with Korean partners for the needs of the Taiwanese market, which showed an annual growth rate of over 50% in 2024. We continue to collaborate with major renowned cancer hospitals in Taiwan to publish the first lung cancer pleural fluid NGS testing literature in a famous journal in Taiwan, and we are the first company in Taiwan to be approved by LTDs for “body fluids”.
 - ii. New cancer detection products were added by the end of 2024, namely “Advanced Cancer Screening (product name: CancerFind)” and “Post-Cancer Minimal Residual Disease (product name: Cancer Trace/Alpha Liquid-Detect)”. We are expanding our market from cancer genetic testing to cancer screening and services for patients living with chronic disease through these products.
- II. Inorganic growth:
- Focus on the Taiwan market:
 - i. At the end of 2023, TSH acquired a stake in Chuang Yi Biotech Co., Ltd.,

making it our first subsidiary. This allows us to extend our services to cover children's and preventive medicine, such as cell-based influenza vaccines, and our sales team now covers more than 3,000 clinics and drugstores.

- ii. In 2024, the Company acquired two more subsidiaries, TOP Pharma Medical-wares Co., Ltd. and TOP Biological Technology Company Limited, to increase the availability of bone health products and diabetes care materials for the aging market.
 - iii. Currently, the Group covers more than 5,000 clinics and pharmacies in Taiwan, covering 100% of all large-scale hospitals, 60% of clinics and pharmacies, and creating more opportunities and benefits. Strategic investment becomes the focus for the organization to grow, and our team will continue to look for strategic partners and investment targets as the second growing engine of the Company.
- III. Strategically increase the proportion of "out-of-pocket" business: The out-of-pocket revenue increased from NT\$40 million in 2022 to NT\$530 million in 2024, more than 50% of the consolidated revenue.
- IV. In terms of ESG sustainable management, TSH holds fast to the core concept of the United Nations Sustainable Development Goals (SDGs) – SDG 3 Good Health and Well-being, upholds the core value of "people-oriented", and created the value of "Deeply Cultivating Sustainability, Elevating Love". Through thorough exploration of every corner of Taiwan and directing attention to the most pressing societal needs, letting love seep into every nook and cranny, we walked the talk of caring sincerely for and contributing to the people of Taiwan.
- V. In 2024, TSH also won the 2024 Taiwan BIO Awards – Potential Benchmark Award at the Bio Asia – Taiwan Expo and was presented with the award by the Vice President of the Republic of China. This award affirms the company's performance in management and development, the team will continue to work hard to turn its potential into success and corporate value.
- (II) Expected volume of sale, and the basis for such expectation
- The Company expects to sell 195,280 thousand tablets of oral preparations and 50 thousand injections in 2025. The projected sales quantity is determined based on the statistical report from IQVIA, taking into consideration the possible changes in supply and demand in the market in the future, the new product development schedule, and the national health insurance policy.
- (III) Important production and marketing policy:
- 1. Business plan
 - The Company will accelerate the proportion of business growth by means of exports of self-developed products and license-out of products at the early stage of development to overseas companies. In addition, aside from making progress in the application of drug licenses around the world, the Company will co-develop new drugs at the early stage of development with international partners and create value therefor and will use

a “Double-engine strategy” to develop international drugs and do international marketing.

- The new business model of the biotechnology industry: the Company will introduce products in relation to personalized medicine. The rise of personalized medicine has made testing part of treatment or preventive medicine. In addition, AI has become increasingly available. In addition to the original cancer treatment options and tracking recurrence products, the Company also added cancer screening products in 2024 and made them an important item in health examination products. TSH will continue to put more testing products on the market to meet more clinical needs.
- Inorganic growth through strategic investment and acquisition: In the future, we will leverage our resources and products to create synergies in both our product offerings and distribution channels. For good measure, TSH will actively seek out strategic investment opportunities to ensure sustained organic growth.

2. Production strategy

The Company will maintain its past strategy, which was designed to outsource the production of pharmaceuticals to contract manufacturers. Currently, the production of all products is outsourced to PIC/S GMP-certified manufacturers. Meanwhile, the Company has complied with the government’s policy that is in line with the international pharmaceutical quality regulations, and has followed up with risk assessment of impurities containing ICHQ3D elements to monitor the drug quality. Starting from 2024, the Company has submitted the relevant risk assessment reports and corresponding measures. In addition, temperature control during storage and transportation is an important factor in maintaining drug quality throughout the entire transportation and sales chain. Therefore, according to the Western Pharmaceuticals Good Distribution Practice (GDP) Regulations promulgated by the government, the Company has included raw materials and cold chain transportation of drugs in the company’s GDP scope in 2022 and 2023 respectively. We also adhere to the government’s new regulatory requirements in the implementation of pharmacovigilance to ensure the safety of medication users in Taiwan.

The same strategy for pharmaceuticals is adopted for the Company’s testing business, that is, working closely with internationally certified laboratories. We have also successfully obtained the LDTS certification in 2024.

3. Marketing and R&D strategy

Double engines propelling on three tracks to provide better healthcare services.

We will remain customer-oriented and adopt a double-engine system operating on three tracks, while also focusing on traditional pharmaceutical manufacturing and innovative medicine to provide a product portfolio that satisfies patients’ unmet medical needs. By the same token, we will dedicate efforts toward new ingredients, special dosage forms, chronic disease treatment, genetic testing, cancer testing, and the co-development of innovative medical treatment methods to become the best partners of international innovative biotechnology companies in developing and marketing new drugs in Asia. We strive to provide healthcare services to individuals before, during, and after medical treatment.

Company's development strategy

Corporate vision:

Improve the quality of life of patients and become the best strategic partner in development and marketing in Asia for international innovative biotechnology companies!

Business goals:

✓ Focus:

Focusing on the quality of life of patients with unmet medical needs by providing them with total solution.

✓ Differentiation:

Develop innovative, special medical technology and dosage forms to gain a market differentiation.

✓ Create value:

Become the best strategic partner for innovative biotechnology development and marketing in Asia

Impact of external competition, regulatory environment, and macroeconomic environment

Challenge 1: Impact of risks in the pharmaceutical supply chain

The supply chain of drugs around the world has been severely impacted in the post pandemic era. De-globalization has resulted in shortages or price increases in the supply of both raw materials for drugs and finished products in the past years. Due to a shortage of raw materials and manufacturing capacity in 2023, we experienced a decline in inventory and product shortages. To respond to this risk, TSH has not only planned and maintained multiple sources of raw materials for its main products, but also has initiated an evaluation of contract manufacturers to mitigate supply chain risks and control costs.

Challenge 2: The global pharmaceutical industry is experiencing a rapid change

The ongoing factors in the past few years around the world, e.g. increased medical expenses, increased costs, and volatile political and economic changes, along with the rise of big data analytics and precision medicine, will effect a rapid change in the business model of pharmaceutical companies. Therefore, TSH has adopted a dual-track strategy: TSH will maintain its current R&D momentum and put new products on the market every year; it will also simultaneously invest in innovative fields to embark on the international trend.

Challenge 3: Improving quality and regulatory aspects of drug safety

With the growing emphasis on impurity risks in international regulations and the cases of carcinogenic substances like nitrosamines in recent years, the Taiwan competent authorities are progressively aligning themselves with international quality regulations and elevating their standards. The risk assessment of impurities containing ICHQ3D elements and the monitoring of drug safety were initiated in 2023, and corresponding measures were required. In the future, pharmaceutical companies will not only need to invest in appropriate risk management mechanisms during the research and

development phase, but also implement the same control measures for their marketed products. This will lead to a significant increase in the costs of drug development and market entry.

Sitting amid a competitive environment, we will expand existing treatment fields and explore the opportunities accompanying new treatment fields by increasingly focusing on risk control, enhancing the operations in certain areas and through certain channels, and collaborating with partners.

Chairman: Chuan Lin

Manager: Sze-Yuan Yang

Accounting Officer: Chen-Ju Kan

Two. Corporate Governance Report

I. Profiles of Directors, President, Vice Presidents, Assistant Vice Presidents, and Department and Branch Heads

(I) Information on directors

April 29, 2025

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		Number of shares currently held		Number of shares held by spouse and minor children		Number of shares held under the name of others		Main career (academic) achievements	Position concurrently held in the Company or 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
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Chairperson	Republic of China	TTY Biopharm Company Limited	-	2023.5.25	Three years	2010.9.1	21,687,177	56.48	21,687,177	56.48	0	0.00	0	0.00	Academic Qualifications and Main Work Experience Ph.D., department of Economics, University of Illinois Urbana-Champaign Experience Professor, Department of Taxation and the Institute of Public Finance, National Chengchi University Professor, Department of Economics, National Taiwan University Adjunct Professor, Graduate Institute of Building and Planning, National Taiwan University	Chairperson, TTY Biopharm Company Limited Independent Director, PEGATRON Corporation Independent Director, Taiwan Semiconductor Manufacturing Company				None
		Representative: Chuan Lin	Male 71-75 years old				0	0.00	0	0.00	0	0.00	0	0.00			None	None	None	

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		Number of shares currently held		Number of shares held by spouse and minor children		Number of shares held under the name of others		Main career (academic) achievements	Position concurrently held in the Company or 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
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	Republic of China	TTY Biopharm Company Limited	-	2023.5.25	Three years	2010.9.1	21,687,177	56.48	21,687,177	56.48	0	0.00	0	0.00	Academic Qualifications and Main Work Experience University of the USA Pacific of the USA PharmD, Thomas J. Long School of Pharmacy MBA, Eberhardt School of Business, University of the Pacific, USA Experience Long-term employment at the international large-scale chained retail pharmacy – CVS Health Pharmacy	Director, TTY Biopharm Company Limited Director, Dawan Technology Co., Ltd. Director, American Taiwan Biopharm Co., Ltd. Director, Chuang Yi Biotech Co., Ltd				
	USA	Representative: Carl Hsiao	Male 36-40 years old			2019.3.26	33,638	0.00	33,638	0.00	0	0.00	0	0.00			None	None	None	None
Director	Republic of China	TTY Biopharm Company Limited	-	2023.5.25	Three years	2010.9.1	21,687,177	56.48	21,687,177	56.48	0	0.00	0	0.00	Academic Qualifications and Main Work Experience Chairperson, Baas Innovation Co., Ltd Independent Director, member	Chairperson, Baas Innovation Co., Ltd Independent Director, member	None	None	None	None

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		Number of shares currently held		Number of shares held by spouse and minor children		Number of shares held under the name of others		Main career (academic) achievements	Position concurrently held in the Company or 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
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
		Representative: Chou, Kang-Chi	Male 76-80 years old			2020.5.29	0	0.00	0	0.00	0	0.00	0	0.00	MBA, University of St. Thomas in Minnesota, USA Experience Vice President, Taipei Exchange Chairperson, Concord Securities Co., Ltd. President, Capital Securities Corporation Deputy Manager, Listing Department & Trading Department, TWSE; Executive Director, Taiwan Securities Association	of Committee, Audit of Renumeration of C.C.P. Co., Ltd. Independent Director, member of Committee, Audit of member of Renumeration of Radium Life Tech Co., Ltd. Independent Director, member of Committee, Audit of member of Renumeration of Radium Life Tech Co., Ltd. Deputy Manager, Listing Department & Trading Department, TWSE; Executive Director, Taiwan Securities Association				
Director	Republic of China	TTY Biopharm Company Limited	-			2010.9.1	21,687,177	56.48	0	0.00	0	0.00	0	0.00	Academic Qualifications and Main Work Experience School of Pharmacy, Taipei Medical University Experience Vice President, Health Care Business Unit, TTY Biopharm	Supervisor, Dawan Technology Co., Ltd.				
		Representative: Wu, Yung-Liang	Male 61-65 years old	2023.5.25	Three years	2023.5.25	0	0.00	0	0.00	0	0.00	0	0.00			None	None	None	None

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		Number of shares currently held		Number of shares held by spouse and minor children		Number of shares held under the name of others		Main career (academic) achievements	Position concurrently held in the Company or 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		
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship			
Independent Director	Republic of China	Chou, Te-Yu	Male 56-60 years old	2023.5.25	Three years	2023.5.25	0	0.00	0	0.00	0	0.00	0	0.00	Academic Qualifications and Main Work Experience Ph.D. in Economics, Virginia Polytechnic Institute and State University, USA B.S., Department of Physics, National Tsing Hua University Experience Director, Taiwan Financial Holding Co., Ltd. Chairperson & President, Taipei Financial Center Corporation Independent Director, Chuang Yi Biotech Co., Ltd.	Associate Professor, Department of Public Finance, National Cheng Chi University Independent Director and Chairman, Green Mutual Cooperative Bank Member, Taiwan Cooperative Bank Director, Cardinal Tien Hospital Member of Ministry of Finance of the Republic of China Complaint Review Board for Cases Concerning Private Promotion of Infrastructure Projects Member of Evaluation Committee for Privatization of Government-Owned Enterprises, Ministry of Finance			None	None	None	None

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		Number of shares currently held		Number of shares held by spouse and minor children		Number of shares held under the name of others		Main career (academic) achievements	Position concurrently held in the Company or 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
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Republic of China	Chen, Rwei-Syun	Female 66-70 years old	2023.5.25	Three years	2018.6.15	0	0.00	0	0.00	0	0.00	0	0.00	Academic Qualifications and Main Work Experience MBA, Columbia University, USA Department of Biology, National Taiwan Normal University Experience President, TAHO Pharmaceuticals Ltd Vice President, Business Development, NAL Pharmaceuticals Ltd.	Independent Director, Welgene Biotech Co., Ltd.	None	None	None	None
Independent Director	Republic of China	Huang, Yaw-Bin	Female 61-65 years old	2023.5.25	Three years	2022.5.25	0	0.00	0	0.00	0	0.00	0	0.00	Academic Qualifications and Main Work Experience Ph.D. in Pharmacy, Institute of Pharmacy, Kaohsiung Medical University Experience Dean, College of Pharmacy, Kaohsiung Medical University Chairperson, The Pharmaceutical Society of Taiwan	Professor, School of Pharmacy, Kaohsiung Medical University Chief Pharmacist, Department of Pharmacy, Kaohsiung Medical University Chung-Ho Memorial Hospital Standing Supervisor, The Pharmaceutical Society of Taiwan	None	None	None	None

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		Number of shares currently held		Number of shares held by spouse and minor children		Number of shares held under the name of others		Main career (academic) achievements	Position concurrently held in the Company or 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
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Independent Directors (Note)	Republic of China	Wu, Hsiu-Ming	Male 61-65 years old	2024.5.24	Two years	2024.5.24	0	0.00	0	0.00	0	0.00	0	0.00	Academic Qualifications and Main Work Experience PhD, Faculty of Law, University of Munich, Germany LL.M., National Cheng Chi University Experience Chairman/Vice Chairman, Fair Trade Commission of the Republic of China (Taiwan) Professor/Associate Professor, Department of Law, National Cheng Chi University Independent Director, Chuang Yi Biotech Co., Ltd.	Professor, Department of Land Economics, National Cheng Chi University	None	None	None	None

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		Number of shares currently held		Number of shares held by spouse and minor children		Number of shares held under the name of others		Main career (academic) achievements	Position concurrently held in the Company or 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
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Independent Directors (Note)	Republic of China	Lai, Yuen-Liang	Male 76-80 years old	2024.5.24	Two years	2024.5.24	0	0.00	0	0.00	0	0.00	0	0.00	Academic Qualifications and Main Work Experience Palliative Medicine, College of Medicine, University of Wales Bachelor of Medicine, Chung Shan Medical University Bachelor of Pharmacy, Taipei Medical College Experience Standing Supervisor, Taiwan Academy of Hospice Palliative Medicine Independent Director, Chuang Yi Biotech Co., Ltd. Chairman of Board, MacKay Junior College of Medicine, Nursing and Management Supervisor, Taiwan Hospice Organization Vice Superintendent, Taipei Medical University - Shuang Ho Hospital (operated by the Taipei Medical University)	Honorary Physician, Mackay Memorial Hospital Adjunct Associate Professor, National Yang Ming Chiao Tung University Adjunct Professor, Mackay Medical College Adjunct Professor and Physician, Department of Radiation Oncology, Taipei Medical University Hospital Vice Chairman, TAIWAN ALLIED CONTAINER TERMINAL CORP. Chairman, YMCA			None	None

Note: Two independent directors were elected during the shareholders' meeting held on May 24, 2024.

(II) Major shareholders of the corporate shareholder**Form 1: Major shareholders of corporate shareholders**

March 31, 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder	Shareholding ratio
TTY Biopharm Company Limited	Dawan Technology Co., Ltd.	9.48%
	Fubon Life Insurance Co., Ltd.	2.90%
	Chang, Wen-Yi	2.13%
	Hsiao, Ying-Chun	2.01%
	Chang, Wen-Hua	1.77%
	Chang, Wen-Ling	1.68%
	Chang, Chun-Jen	1.54%
	The Business Department of Standard Chartered International Commercial Bank in custody of Advanced Starlight Fund	1.16%
	Chiang, Lian-Chen	1.12%
	Shen, Hsiao-Chen	1.03%

Form 2: If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form

March 31, 2025

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	Shareholding ratio
Dawan Technology Co., Ltd.	Hsiao, Yu-Ping	36.98%
	Hsiao, Ying-Chun	12.14%
	Hsu, Hsiao-Chin	12.10%
	Special account for Liyuan Welfare Fund Public Interest Trust	11.02%
	Hsu, Mei-Chin	5.78%
	Hsiao, Hsin-Ya	5.64%
	Hsiao, Hsin-Yu	5.58%
	Wu, Yung-Liang	5.09%
	Carl Hsiao	2.56%
	Hsiao, Chia-Yu	3.11%
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd.	100%

(III) Professional qualifications and experience of Directors and the independence of Independent Directors

Qualification Name	Professional Qualifications and Experiences	Independence of Independent Directors	No. of other public companies at which the person concurrently serves as an independent director
Representative of TTY: Chuan Lin	Please refer to pages 7–9 of this annual report “(I) Information on Directors”. None of the Directors is involved in matters specified in Article 30 of the Company Act (Note 1).	Not applicable	2
Representative of TTY: Carl Hsiao			0
Representative of TTY: Chou, Kang-Chi			3
Representative of TTY: Wu, Yung-Liang			0
Chou, Te-Yu (Independent Director)		1. All independent directors have complied with the relevant provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” (Note 2). 2. None of the independent directors (or their spouses or minor children) hold any common shares of the Company in their own names or in the name of others. 3. No remuneration was received by any independent director for providing audit or business, legal, financial, or accounting services to the Company or its affiliated companies in the past 2 years.	1
Chen, Rwei-Syun (Independent Director)			1
Huang, Yaw-Bin (Independent Director)			0
Wu, Hsiu-Ming (Independent Director)			0
Lai, Yuen-Liang (Independent Director)			0

Note 1:

1. Having committed an offense as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
2. Having committed the offense in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet; or
6. Having no or only limited disposing capacity.
7. Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

Note 2:

1. Not in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.
2. Not concurrently serve as an independent director of more than three other public companies.
3. During the two years before being elected or during the term of office, not have been or be any of the following:
 - (1) An employee of the company or any of its affiliates.
 - (2) A director or supervisor of the company or any of its affiliates.
 - (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
 - (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph (1) or any of the persons in the subparagraphs (2) and (3).
 - (5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
 - (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
 - (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company

or institution.

- (8) A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- (9) A professional individual, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution, that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.

(IV) Diversity and independence of the Board of Directors:

Members of the Company's Board of Directors are nominated and selected according to the Articles of Incorporation. Elections are conducted based on the candidate nomination system by referring to the academic and career qualifications of each candidate and the opinions of stakeholders, and in adherence to the "Procedures for Election of Directors" and the "Corporate Governance Best-Practice Principles", so as to ensure the diversity of the Board of Directors.

The Company's diversity policy is as follows:

- Board structure: Taking into account the Company's operational and development scale, the state of shareholding of each major shareholder, and requirements for the practical operations of the Company, the Board of Directors shall have seven members.
- The number of Directors who are concurrently the Company's manager must not exceed one third of the Board of Director seats.
- Basic qualifications and value: Gender, age, nationality, and culture; in particular, female Directors must exceed one third of the Board of Director seats.
- Professional knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
- Required abilities: Including the ability to make operational judgements; ability to perform accounting and financial analysis; ability to administer business; ability to manage crisis; knowledge of the industry; an international market perspective; leadership; and the ability to make decisions.

The Company's current board of directors consists of nine members, none of whom are employees of the company. Among them, two are female directors, accounting for 22.22% of the board seats. The target ratio is set at 33%. When the current board's term expires and new elections take place, the Company will actively work toward achieving this target for female board representation. The age distribution of the board members is as follows: one member aged 36 to 40, one member aged 56 to 60, three members aged 61 to 65, one member aged 66 to 70, one member aged 71 to 75, and two members aged 76 to 80. Among the board members, one holds U.S. citizenship, while the remaining eight are citizens of R.O.C.

Implementation of the diversity policy for the Company's Board of Directors:

Title	Chairperson	Director			Independent Director				
Name	Representative of TTY: Chuan Lin	Representative of TTY: Carl Hsiao	Representative of TTY: Chou, Kang-Chi	Representative of TTY: Wu, Yung-Liang	Chou, Te-Yu	Chen, Rwei-Syun	Huang, Yaw-Bin	Wu, Hsiu-Ming	Lai, Yuen-Liang
Professional Background and Competency									
Financial accounting	✓				✓				
Financial law	✓				✓	✓		✓	
Business administration	✓	✓	✓	✓		✓			✓
Crisis management	✓		✓		✓	✓			✓
International market perspective	✓	✓			✓	✓	✓		✓
Industry knowledge	✓	✓		✓		✓	✓		✓
Leadership and decision-making	✓		✓		✓	✓	✓	✓	✓

The Company has appointed five independent directors, accounting for 55.56% of the Board. Among them, four have served for less than three years, while one is in their third term with a tenure exceeding six years. There are no spousal or second-degree kinship relationships among the Board members, and the Board is in compliance with Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. Therefore, the Company deems its Board of Directors independent.

(V) Information on the Management Team

April 29, 2025

Title	Nationality	Name	Gender	Date on which the person was elected or took office	Shareholding		Shares held by spouse and minor children		Number of shares held under the name of others		Main career (academic) achievements	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
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	Ssu-Yuan Yang	Female	2019.1.17	13,000	0	0	0	0	0	Institute of Pharmacology, National Yang Ming University TTY Medicine and Cancer Science Development Business Group Director of International Marketing Division	Chairperson and President, Chuang Yi Biotech Co., Ltd. Chairperson, Top Pharma & Bio-Tech Company	None	None	None	None
Senior Director of Sales	Republic of China	Yu-Chung Wu	Male	2024.1.1	0	0	0	0	0	0	Institute of Pharmacology, National Yang Ming University President, Taiwan Mundipharma Pharmaceuticals Ltd. Director, Specialty Drug Business Unit, Bayer Taiwan Co., Ltd.	None	None	None	None	None
Director of Business Development and Research & Development	Republic of China	Wei-Han, Hsieh	Male	2023.4.1	0	0	0	0	0	0	Institute of Biotechnology, National Tsing Hua University Manager, Business Development Department, TSH Project Manager, Business Development Department, TTY	None	None	None	None	None
Senior Director of Marketing	Republic of China	Chuan-Hsiu Chen	Male	2023.4.1	0	0	0	0	0	0	Institute of Traditional Medicine, National Yang Ming Chiao Tung University Product Group Manager, Marketing Department, TSH Senior Product Manager, Product Marketing Department, TTY	None	None	None	None	None
Manager of Finance and Corporate Governance Officer	Republic of China	Shu-Ping Huang	Female	2024.1.1	0	0	0	0	0	0	Department of Business Administration, National Taiwan University of Science and Technology Chief, Moores Rowland CPAs Deputy Manager, Lan-Jai CPAs Firm Manager, Audit Office, TSH	None	None	None	None	None

II. Remuneration paid to directors, the president, and vice presidents during the most recent fiscal year

(I) Remuneration of Directors and Independent Directors in 2024

Unit: NTS thousand

Title	Name	Director remuneration						Remuneration received by directors for concurrent service as an employee				Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company								
		Compensation (A)		Retirement pay and pension(B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)		Sum of A+B+C+D and ratio to net income					Salary, rewards, and special disbursement (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)			
		Company	All consolidated entities	Company	All consolidated entities	Company	All consolidated entities	Company	All consolidated entities	Company	All consolidated entities	Company	All consolidated entities		Company	All consolidated entities	Cash Amount	Stock Amount	Cash Amount	Stock Amount		
Chairperson	Representative of TTY: Chuan Lin	750	750	0	0	453	453	24	24	1,227 1.08%	1,227 1.08%	0	0	0	0	0	0	0	0	1,227 1.08%	1,227 1.08%	12,302
Director	Representative of TTY: Carl Hsiao	0	0	0	0	453	453	24	24	477 0.42%	477 0.42%	0	0	0	0	0	0	0	0	477 0.42%	477 0.42%	65
Director	Representative of TTY: Chou, Kang-Chi	0	0	0	0	453	453	24	24	477 0.42%	477 0.42%	0	0	0	0	0	0	0	0	477 0.42%	477 0.42%	0
Director	Representative of TTY: Wu, Yung-Liang	0	0	0	0	453	453	24	24	477 0.42%	477 0.42%	0	0	0	0	0	0	0	0	477 0.42%	477 0.42%	0
Independent Director	Chou, Te-Yu	500	500	0	0	0	0	72	72	572 0.51%	572 0.51%	0	0	0	0	0	0	0	0	572 0.51%	572 0.51%	0
Independent Director	Chen, Rwei-Syun	500	500	0	0	0	0	72	72	572 0.51%	572 0.51%	0	0	0	0	0	0	0	0	572 0.51%	572 0.51%	0
Independent Director	Huang, Yaw-Bin	500	500	0	0	0	0	144	144	644 0.57%	644 0.57%	0	0	0	0	0	0	0	0	644 0.57%	644 0.57%	0
Independent Director	Wu, Hsiu-Ming	304	304	0	0	0	0	36	36	340 0.30%	340 0.30%	0	0	0	0	0	0	0	0	340 0.30%	340 0.30%	0
Independent Director	Lai, Yuen-Liang	304	304	0	0	0	0	36	36	340 0.30%	340 0.30%	0	0	0	0	0	0	0	0	340 0.30%	340 0.30%	0
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. Since independent directors vary from ordinary directors in terms of duties assumed, risks faced, and time invested, they are paid a fixed amount of annual remuneration (paid in equal monthly installments) and do not participate in the profit-sharing compensation with the Company's ordinary directors.																						
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.																						

(II) Remuneration range of Directors and Independent Directors in 2024

Ranges of remuneration paid to each of the Company's directors	Names of Directors				
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G		
	Company	All Consolidated Entities H	Company	Parent company and all investees I	
Less than NT\$1,000,000	Representative of TTY: Director Carl Hsiao, Director Wu, Yung-Liang, Director Chou, Kang-Chi; Independent Directors Chen, Rwei-Syun, Huang, Yaw-Bin, Chou, Te-Yu, Wu, Hsiu-Ming and Lai, Yuen-Liang	Representative of TTY: Director Carl Hsiao, Director Wu, Yung-Liang, Director Chou, Kang-Chi; Independent Directors Chen, Rwei-Syun, Huang, Yaw-Bin, Chou, Te-Yu, Wu, Hsiu-Ming and Lai, Yuen-Liang	Representative of TTY: Director Carl Hsiao, Director Wu, Yung-Liang, Director Chou, Kang-Chi; Independent Directors Chen, Rwei-Syun, Huang, Yaw-Bin, Chou, Te-Yu, Wu, Hsiu-Ming and Lai, Yuen-Liang	Representative of TTY: Director Carl Hsiao, Director Wu, Yung-Liang, Director Chou, Kang-Chi; Independent Directors Chen, Rwei-Syun, Huang, Yaw-Bin, Chou, Te-Yu, Wu, Hsiu-Ming and Lai, Yuen-Liang	
NT\$1,000,000 (incl.)-NT\$2,000,000 (excl.)	Chairman: Chuan Lin	Chairman: Chuan Lin	Chairman: Chuan Lin	None	None
NT\$2,000,000 (incl.)-NT\$3,500,000 (excl.)	None	None	None	None	None
NT\$3,500,000 (incl.)-NT\$5,000,000 (excl.)	None	None	None	None	None
NT\$5,000,000 (incl.)-NT\$10,000,000 (excl.)	None	None	None	None	None
NT\$10,000,000 (incl.)-NT\$15,000,000 (excl.)	None	None	None	Chairman: Chuan Lin	
NT\$15,000,000 (incl.)-NT\$30,000,000 (excl.)	None	None	None	None	None
NT\$30,000,000 (incl.)-NT\$50,000,000 (excl.)	None	None	None	None	None
NT\$50,000,000 (incl.)-NT\$100,000,000 (excl.)	None	None	None	None	None
NT\$100,000,000 or above	None	None	None	None	None
Total	A total of 9 persons	A total of 9 persons	A total of 9 persons	A total of 9 persons	A total of 9 persons

(III) Remuneration to the President and Vice President(s) in 2024

Unit: NT\$ thousand

Title	Name	Salary (A)		Retirement pay and pension(B)		Rewards and special disbursements(C)		Employee profit-sharing compensation (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
		Company	All consolidated entities	Company	All consolidated entities	Company	All consolidated entities	Company	All consolidated entities	Amount of cash	Amount of stock	Company	All consolidated entities	
President	Ssu-Yuan Yang	3,411	3,411	108	108	2,548	2,548	920	0	920	0	6,987	6.18%	None

Note: The Company only has the one aforementioned person in the position of the President, Vice President, or equivalent, and has disclosed their entire individual salary.

(IV) Remuneration range for the President and Vice President(s) in 2024

Ranges of remuneration paid to each of the Company's president and vice president	Name of president and vice president	
	Company	All Consolidated Entities E
Less than NT\$1,000,000	None	None
NT\$1,000,000 (incl.)–NT\$2,000,000 (excl.)	None	None
NT\$2,000,000 (incl.)–NT\$3,500,000 (excl.)	None	None
NT\$3,500,000 (incl.)–NT\$5,000,000 (excl.)	None	None
NT\$5,000,000 (incl.)–NT\$10,000,000 (excl.)	Szu-Yuan Yang	Szu-Yuan Yang
NT\$10,000,000 (incl.)–NT\$15,000,000 (excl.)	None	None
NT\$15,000,000 (incl.)–NT\$30,000,000 (excl.)	None	None
NT\$30,000,000 (incl.)–NT\$50,000,000 (excl.)	None	None
NT\$50,000,000 (incl.)–NT\$100,000,000 (excl.)	None	None
NT\$100,000,000 or above	None	None
Total	A total of 1 person	A total of 1 person

(V) Remuneration to the five highest remunerated management personnel of a TWSE/TPEX listed company: Not applicable.

(VI) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

February 21, 2025; Unit: NT\$ thousand

	Title	Name	Stock Amount	Cash Amount	Total	As a % of net profit
Manager	President	Ssu-Yuan Yang	0	2,802	2,802	2.48
	Senior Director of Sales	Yu-Chung Wu				
	Director of Business Development and Research & Development	Wei-Han, Hsieh				
	Senior Director of Marketing	Chuan-Hsiu Chen				
	Senior Director of Finance and Chief Financial Officer	Jung-Liang Kao				
	Manager of Finance Department, Finance Division	Shu-Ping Huang				
	Senior Manager of Accounting Department, Finance Division	Chen-Ju Kan				

Note: The proposal for employees compensation was approved by the Board of Directors on February 21, 2025.

(VII) Compare and describe the total remuneration paid by the Company and all consolidated entities, respectively, during the past 2 years to Directors, the President, and Vice President(s), as a percentage of net income stated in the parent company only financial statements or individual financial statements. Analyze and describe remuneration policies, standards, packages, determination procedures, and their relation to operating performance and future risk exposure.

1. Total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports paid during the past 2 fiscal years to directors, general managers, and deputy general managers:

Unit: NT\$ thousand

Items	Company				All Consolidated Entities			
	2023		2024		2023		2024	
	Total Amount	% of Net Income After Tax	Total Amount	% of Net Income After Tax	Total Amount	% of Net Income After Tax	Total Amount	% of Net Income After Tax
Remuneration to Directors	4,218	6.80%	5,126	4.53%	4,218	6.80%	5,126	4.53%
Remuneration to the President and Vice President(s)	6,401	10.33%	6,987	6.18%	6,401	10.33%	6,987	6.18%
Net Income After Tax	61,989	---	113,093	---	61,989	---	113,093	---

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

A. Director:

The remuneration policy for Directors is based on Article 26 of the Company's Articles of Incorporation. When Directors perform their duties, the Company may pay them remuneration regardless of operating profit or loss. The Board of Directors is authorized to determine the Director's remuneration as per their

participation in company operations and the value of their contributions, with reference to industry standards. In accordance with Article 29-1 of the Company's Articles of Incorporation, where the Company makes a profit, no more than 2% of the year's profit shall be allocated as director remuneration as per the Company's operating results and their contribution to the Company's performance.

The Company formulates procedures director remuneration and conducts performance evaluations of individual Board members and the Board of Directors as a whole, as per the Company's Board of Directors Performance Evaluation Guidelines" and "Rules for Performance Evaluation of Functional Committees. Evaluated aspects include awareness of the Company's goals and missions, understanding of director responsibilities, degree of participation in company operations, management of internal relations and communication, professional and continuing education, and internal control; based on the values of the Directors' participation and contribution to the Company's operations, the Remuneration Committee proposed their remuneration with reference to industry standards, which would then be reviewed by the Board of Directors. Unlike general Directors, Independent Directors of the Company receive fixed remuneration and honoraria for attending meetings.

B. Managerial Officers:

Remuneration paid to the managerial officers is handled in accordance with the Company's Regulations Governing the Remuneration to Managerial Officers, and Regulations for Performance Management and Performance Bonus Distribution Guidelines. The remuneration for managerial officers includes salary, allowances, and bonuses. Salaries are determined with reference to industry standards, job titles, academic and professional backgrounds, expertise, and responsibilities, and are approved in accordance with the company's salary structure. The distribution of employee compensation is based on the annual performance evaluation of managerial officers. This evaluation considers factors such as the achievement of annual work objectives (linked to individual performance indicators (PDP) based on the company's overall operational goals (Key Performance Indicators, KPIs) approved by the board of directors for the respective year), core competencies (e.g. reliability and result orientation, integrity and teamwork, proactiveness and ambition, customer orientation), and demonstration of managerial competencies. The annual work objectives comprise financial indicators (sales, such as company revenue, operating net income, and achieving rate of net income before tax), and non-financial indicators (manufacturing, such as inventory and cost management; R&D, such as development project progress; organizational development, such as a core talent training plan). After considering the operational performance, future risks and industry standards, the Remuneration Committee has agreed and submitted the proposal to the Board for approval.

C. The Company's salary policy depends on the Company's overall salary level in the market, the results of industry salary surveys, the industry life cycle in which the Company is in, with the internal fairness, consistency, and external salary and reward competitiveness ensured. The key decisions made by the management team are based on a balanced assessment of various risk factors, with their effectiveness reflected in the company's profitability

III. Implementation of Corporate Governance

(I) Board of Directors Operations

The Board of Directors held 6 meetings (A) in 2024. The attendance of directors is as follows:

Title	Name	No. of meetings attended in person (B)	Attendance by proxy	In-person Attendance Rate (%) [B/A]	Remark
Chairperson	Representative of TTY: Chuan Lin	6	0	100	
Director	Representative of TTY: Carl Hsiao	6	0	100	
Director	Representative of TTY: Chou, Kang-Chi	6	0	100	
Director	Representative of TTY: Wu, Yung-Liang	6	0	100	
Independent Director	Chou, Te-Yu	6	0	100	
Independent Director	Chen, Rwei-Syun	6	0	100	
Independent Director	Huang, Yaw-Bin	6	0	100	
Independent Director	Wu, Hsiu-Ming	3	0	100	Newly elected on May 24, 2024
Independent Director	Lai, Yuen-Liang	3	0	100	Newly elected on May 24, 2024
Other information required to be disclosed:					
I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:					
(I) Matters specified in Article 14-3 of the Securities and Exchange Act: The Company has set up its Audit Committee. Matters under Article 14-5 of the Securities and Exchange Act do not apply.					
(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: None					
II. For the recusal of a director from a proposal due to a conflict of interest, the name of the director, the content of the proposal, the reason for recusal, and the participation in voting shall be stated:					
Date	Name	Motion content	Reason for recusal	Participation in voting	
2024/02/27	Chuan Lin, Carl Hsiao, Chou, Kang-Chi, and Wu, Yung-Liang	Proposal for the list of directors eligible for remuneration in 2023.	The Company's directors were the parties involved.	Directors of the Company recused from discussion and voting due to personal conflict of interest	
	Carl Hsiao, Chou, Kang-Chi, and Lai, Yuen-Liang	Proposal for removal of the non-compete clause for directors.	1. The Company's directors are representatives of the affiliated enterprise. 2. The Company's directors are the parties concerned.	Recused from voting due to personal conflict of interest	
	Chuan Lin, Carl Hsiao, Chou, Kang-Chi, and Wu, Yung-Liang	The Company proposed to terminate the vaccine promotion contract with TTY Biopharm Co., Ltd.	The Company's directors are the representatives of affiliates.	Recused from voting due to personal conflict of interest	
	Carl Hsiao	Proposal of signing a "Business Development Consulting Service Contract" with its subsidiary.	The Company's directors are the representatives of affiliates.	Recused from voting due to personal conflict of interest	
2024/08/07	Wu, Hsiu-Ming and Lai, Yuen-Liang	Appointment of the Company's 5th "Remuneration Committee" members	The Company's directors were the parties involved.	Recused from voting due to personal conflict of interest	
2024/11/08	Chuan Lin, Carl Hsiao, Chou, Kang-Chi, and Wu, Yung-Liang	Proposal for signing a "service contract" with TTY Biopharm Company Ltd.	The Company's directors are the representatives of affiliates.	Recused from voting due to personal conflict of interest	
2024/12/09	Chuan Lin, Carl Hsiao, Chou, Kang-Chi, and Wu, Yung-Liang	Proposal for signing the "Information Service Agreement" with TTY Biopharm Company Ltd. from	The Company's directors are the representatives of affiliates.	Recused from voting due to personal conflict of interest	

		2025 to 2026.		
	Chuan Lin, Carl Hsiao, Chou, Kang-Chi, and Wu, Yung-Liang	Proposal for signing a “Lease Contract” with TTY Biopharm Company Ltd. from 2025 to 2026.	The Company’s directors are the representatives of affiliates.	Recused from voting due to personal conflict of interest

III. A TSWE- or TPEx-listed company shall disclose information on the director’s self-evaluation (or peer evaluation) in terms of frequency, period, scope, method, and content. For details, see Status of Directors Performance Evaluation Implementation:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Content
1. The Company conducts an internal self-evaluation once a year.	Period of self-evaluation: 2024/01/01–2024/12/31	The self-evaluation scope includes the Board of Directors, individual board members, and functional committees (including the Audit Committee, Remuneration Committee, and Sustainable Development Committee).	Self-evaluation of the Board of Directors, individual board members, members of the functional committees.	1. Evaluation of the performance of the Board of Directors: Including a director’s extent of participation in the Company’s operations, Board of Directors decision-making quality; Board of Directors composition and structure; election and continuing education of a director; and internal control. 2. Evaluation of individual members of the Board of Directors: Including alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director’s professionalism and continuing education; and internal control. 3. Evaluation of the functional committees: Including participation in the operation of the Company; awareness of the duties of the functional committee; improvement of quality of decisions made by the functional committee; makeup of the functional committee and election of its members; and internal control.
2. An external evaluation is conducted every three years.	Period of evaluation commissioned to an external professional institution (Taiwan Corporate Governance Association): 2021/09/01–2022/08/31	Scope of evaluation of the Taiwan Corporate Governance Association: Board of Directors’ performance.	Commission of an external professional institution.	For the contents and results of the performance evaluation for the Board of Directors, please refer to pages 27–29 of the annual report.

The results of the 2024 performance evaluation of the Board of Directors and functional committees were submitted to the Remuneration Committee and the Board of Directors on February 21, 2025.

The performance evaluation results showed that the Board of Directors scored 99.2, individual board members scored 99.1, and the Audit Committee, Remuneration and Compensation Committee, and Sustainability Committee all achieved a score of 100. According to the results, the Company will draft a successor cultivation plan for improvement.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g. establishing an audit committee, increasing information transparency) and the measures taken toward achievement thereof:

1. The Company's 2024 risk management operation was reported by the President to the Board of Directors on November 8, 2024.
2. The Company has established the Ethical Corporate Management Task Force. The Board of Directors has approved the plan and policy to prevent unethical conduct, which is audited periodically by the internal auditor. The implementation of ethical corporate management in 2024 was reported to the Board of Directors by the Corporate Governance Officer on February 21, 2025.
3. The Company periodically reports to the Board of Directors on the status of stakeholder communications, the intelligent property management plan, and the implementation status for the current year.
4. Starting from 2021, material information is published in both the Chinese language and the English language.
5. To uphold the principle of sustainable development and align with international standards, the company established the "Sustainability Development Committee" under the Board of Directors on August 4, 2022.
6. At least 2 meetings will be arranged every year for directors and CPAs to have a thorough communication and interchange of ideas.
7. All independent directors attended the Board of Directors in person in 2024.
8. The Company continues to implement the assessment of the independence of CPAs. On December 9, 2024, the Audit Committee and the Board of Directors assessed the CPAs based on the Company's "Regulations for Selection and Review of Attesting CPAs" and the Statement of Independence issued by KPMG Taiwan, and found that the CPAs met the criteria for independence and Audit Quality Indicators (AQIs). For the review results, please refer to "III. Implementation of Corporate Governance" – "(III) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons" and "III. Composition and Responsibilities of the Board of Directors" – Point 4. For details, please refer to page 29.
9. Since participating in the inaugural Corporate Governance Evaluation, the Company has annually set short-, mid-, and long-term goals to address deficiencies identified in the evaluation results. It reports on the improvements achieved each year and prioritizes unresolved issues by proposing specific enhancement measures. For further details, please refer to "III. Implementation of Corporate Governance" – "(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons" – Point 9 on page 70.

(II) Audit Committee Operation:

1. Composition and duties of the Audit Committee:

The Company's Audit Committee consists of five independent directors. The duties of the Audit Committee include the review of financial reports, internal control, and internal audit; acquisition or disposal of major assets or derivatives transactions; capital extension; endorsement and guarantees; offering or issuing of securities; compliance with relevant laws and regulations; appointment or dismissal of, and assessment of the independence of CPAs; related party transactions and possible conflicts of interest; and appointment and dismissal of accounting or internal audit officers.

2. Key annual work items of the Audit Committee:

The items to be reviewed mainly include the following:

- (1) Fair presentation of financial statements.
- (2) Formulation and amendment of the internal control system and important regulations and systems.
- (3) Evaluation of the effectiveness of the internal control system.
- (4) Regulatory compliance.
- (5) Related party transactions and possible conflicts of interest.
- (6) Material asset transactions.
- (7) Review the independence, suitability, appointment and remuneration of the CPAs.
- (8) Appointment and dismissal of the finance or accounting officer.

[Review of financial statements]

The Board of Directors has prepared the Company's 2024 Business Report, financial statements, and earnings distribution proposal, of which the financial statements were audited by KPMG Taiwan on a

commission basis; KPMG Taiwan also issued an audit report thereof. The Audit Committee did not find any non-conformity from their audit of said Business Report, financial statements, and earnings distribution proposal.

[Appointment of CPAs]

- List of pre-approval of non-assurance service

According to the standards revised by the International Ethics Standards Board of Accountants (IESBA), when an audit client appoints an audit firm to provide non-assurance services to the audit client, its related entities, and entities that directly or indirectly control the audit client, these services should be pre-approved by the audit client's governance units (Audit Committee and Board of Directors) to enable the governance units to oversee the independence of the audit firm. According to the general principles for the Company's pre-approval of non-assurance service policy, the list of pre-approved non-assurance service was approved by the Audit Committee and the Board of Directors on December 9, 2024.

- Appointment, independence and suitability of the CPAs in 2024

The Audit Committee is assigned the duty to review the independence of the accounting firm to ensure the fair presentation of the financial statements. All services provided by the accounting firm must be approved by the Audit Committee. To ensure the independence of the accounting firm, the Audit Committee assesses the independence and suitability of CPAs using an independence assessment checklist formulated with reference to Article 47 of the "Certified Public Accountant Act and The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China" No.10 Integrity, Objectivity and Independence; in addition, the Audit Committee also demanded that KPMG provide the Audit Quality Indicators (AQIs), so as to evaluate the suitability of the accounting firm and the audit engagement team. On December 9, 2024, as reviewed by the Audit Committee and approved by the Board of Directors, CPA Han, Yi-Lien and CPA Huang, Hsin-Ting from KPMG Taiwan meet the independence criteria and thus are qualified to be the attesting CPAs for the Company's financial statements and taxation documents.

[Evaluation of the effectiveness of the internal control system]

- The audit committee evaluates the effectiveness of the Company's internal control system in terms of the policies and procedures (including control measures respecting finance, operations, risk management, information security, outsourcing, and compliance with laws and regulations), and reviews the periodic reports issued by the Company's auditing units, CPAs, and management with respect to risk management and compliance. The Audit Committee believes that the Company's risk management and internal control systems are effective, and that the Company has adopted necessary control mechanisms to monitor and correct violations.

3. Operation of the Audit Committee:

The Audit Committee held 6 meetings (A) in 2024. The attendance of independent directors is as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	In-person Attendance Rate (B/A)	Remark
Independent Director	Chou, Te-Yu	6	0	100	
Independent Director	Chen, Rwei-Syun	6	0	100	
Independent Director	Huang, Yaw-Bin	6	0	100	
Independent Director	Wu, Hsiu-Ming	3	0	100	Newly elected on May 24, 2024
Independent Director	Lai, Yuen-Liang	3	0	100	Newly elected on May 24, 2024
Other information required to be disclosed:					
I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:					
(I) Matters specified in Article 14-5 of the Securities and Exchange Act.					
Audit Committee	Motion Content and Subsequent Handling			Matters listed in Article 14-5 of the Securities and Exchange Act	Resolution not adopted by the Audit Committee but adopted by the Board of Directors though a supermajority affirmative vote
4th meeting of the 3rd term 2024/02/27	1. The Company's 2023 business report and financial statements.			✓	None
	2. The Company's 2023 earnings distribution proposal.				
	3. The 2023 Statement of Internal Control System.			✓	
	4. Proposal of terminating the vaccine promotion contract with TTY Biopharm Company Ltd.			✓	
	5. Proposal of signing a "Business Development Consulting Service Contract" with subsidiary.			✓	
	Audit Committee opinion: None. Measures taken by the Company based on the opinions of the audit committee: None. Resolution results: Approved by all attending committee members.				
5th meeting of the 3rd term 2024/03/11	1. The Company proposed acquiring 51% of the issued and outstanding common shares from TOP Pharma Medical-ware Co., Ltd. and Top Pharma & Bio-Tech Company, respectively.			✓	None
	2. Appointment of the Senior Director of Finance and Chief Financial Officer.			✓	
	Audit Committee opinion: None. Measures taken by the Company based on the opinions of the audit committee: N/A. Resolution results: Approved by all attending committee members.				
6th meeting of the 3rd term 2024/05/06	The Company's consolidated financial statements for Q1 2024.				None
	Audit Committee opinion: None. Measures taken by the Company based on the opinions of the audit committee: N/A. Resolution results: Approved by all attending committee members.				
7th meeting of the 3rd term 2024/08/07	1. The Company's consolidated financial statement for Q2 2024.				None
	2. Proposal for signing a pharmaceutical distribution contract with a subsidiary of the Company.			✓	
	Audit Committee opinion: None. Measures taken by the Company based on the opinions of the audit committee: N/A. Resolution results: Approved by all attending committee members.				
8th meeting of the 3rd term	1. The Company's consolidated financial statements for Q3 2024.				None

2024/11/08	2. Proposal for amendment to the Company’s Audit Committee Charter.	✓	
	3. Proposal for signing an “Service Contract” with TTY Biopharm Co., Ltd.	✓	
	Audit Committee opinion: None. Measures taken by the Company based on the opinions of the audit committee: N/A. Resolution results: Approved by all attending committee members.		
9th meeting of the 3rd term 2024/12/09	1. Proposal to appoint “KPMG” as the Company’s 2025 attesting CPA firm and the audit fees for providing various audit services.	✓	None
	2. Proposal for the pre-approval list of non-assurance services for the year 2025 and the related independence assessment.	✓	
Audit Committee	Motion Content and Subsequent Handling	Matters listed in Article 14-5 of the Securities and Exchange Act	Resolution not adopted by the Audit Committee but adopted by the Board of Directors though a supermajority affirmative vote
9th meeting of the 3rd term 2024/12/09	3. The Company’s 2025 audit plan.	✓	None
	4. Amendment to the Company’s “Internal Control System - Other Management System” and “Internal Audit System”.	✓	
	5. Proposal for signing the “Information Service Agreement” with TTY Biopharm Company Ltd. from 2025 to 2026.	✓	
	6. Proposal for signing a “Lease Contract” with TTY Biopharm Company Ltd. from 2025 to 2026.	✓	
	Audit Committee opinion: None. Measures taken by the Company based on the opinions of the audit committee: N/A. Resolution results: Approved by all attending committee members.		

(II) Any other resolutions that were approved by two thirds of Board members but not approved by the Audit Committee other than those described above: None.

II. Disclosure regarding avoidance of interest-conflicting motions, including the names of independent directors concerned, the motions, the nature of conflicting interests, and the voting process: None.

III. Communication between the Independent Directors and internal audit officer and CPAs (e.g. matters, methods, and results of communication regarding the Company's financial and business status):

(1) Communication between Independent Directors and the Chief Internal Auditor:

The Company's audit unit not only regularly submits various internal audit reports to the independent directors but also holds occasional discussions with them. Since the establishment of the Audit Committee, the Company holds at least one regular meeting each quarter to communicate with the committee members regarding audit operations and internal control performance. Independent directors participate in the setting of performance goals for internal audit management and performance evaluations every year. For detailed communication information, please refer to the Company's website.

During the normal course of operations, the chief audit officer and independent director may contact one another via email, phone, or in-person meeting depending on the actual needs.

(II) Communication between independent directors and CPAs:

1. The Company arranges for independent directors and CPAs to have a face-to-face meeting in the absence of the Company's management team at least once per year.
2. The Company holds a meeting at least annually for independent directors, the management team, and CPAs to have a discussion.
3. Attesting CPAs attend an Audit Committee meeting quarterly in a non-voting capacity to report the results of the review or audit of the financial statements for each quarter. Meanwhile, CPAs will explain the impact of important accounting standards, letter of interpretation, regulations of the securities competent authorities, newly applicable IFRS on the Company, as well as key audit matters, to the Audit Committee. For communication details, see the Company's website.

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

Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
I. Has the Company formulated and disclosed its corporate governance best-practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		No deviation.
II. The Company's equity structure and shareholder equity procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	V		(I) No deviation.
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(II) No deviation.

Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(III) Transactions between the Company and its affiliates are carried out in compliance with the “Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises”, “Procedures for the Supervision and Management of Subsidiaries”, “Internal Control System”, “Internal Audit System”, and applicable regulations governing affiliates. Significant transactions with a related party are submitted to the Audit Committee for review.
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		(IV) As an internal guideline for the handling and disclosure of material information, the “Regulations for Material Inside Information Handling and Insider Trading Prevention” prohibits insiders from trading marketable securities using information that is non-public and will materially affect the Company’s share price or the ability to pay principal and interest. The Company’s “Regulations for Material Inside Information Handling and Insider Trading Prevention” is available on the Company’s website. Every year, the Company promotes necessary precautions to prevent insider trading among its employees and offers guidance to newly appointed directors and managers once they assume their roles. In addition, a notice is given at least 30 days prior to the annual financial statement’s publication date and at least 15 days prior to the quarterly financial statements publication date to remind directors and managers not to trade during the book closure period.

<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</p>	V	<p>(I) Members of the Company's Board of Directors are nominated and selected according to the Articles of Incorporation. Election is conducted based on the candidate nomination system, by reference to the academic and career qualifications of each candidate and the opinions of stakeholders, and in adherence to the "Procedures for Election of Directors" and the "Corporate Governance Best-Practice Principles," so as to ensure the diversity of the Board of Directors. Diversity policies stipulated in Article 20 of the Company's "Corporate Governance Best-Practice Principles" are as follows:</p> <ul style="list-style-type: none"> • Board structure: Taking into account the Company's operational and development scale, the state of shareholding of each major shareholder, and requirements for the practical operations of the Company, the Board of Directors shall have seven members. • The number of Directors who are concurrently the Company's manager must not exceed one third of the Board of Director seats. • Basic qualifications and value: Gender, age, nationality, and culture; in particular, female Directors must exceed one third of the Board of Director seats. • Professional knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. • Required abilities: Including the ability to make operational judgements; ability to perform accounting and financial analysis; ability to administer business; ability to manage crisis; knowledge of the industry; an international market perspective; leadership; and the ability to make decisions. <p>The current Board of Directors is composed of nine directors, including two female directors, accounting for 22.22% of the total. There are five independent directors, making up 55.56% of the total, none of whom has served for three or more consecutive terms. At present, there are no Directors who are also employees of the Company.</p> <p>The Board of Directors comprises Directors who possess competencies required for the Company's current phase of development, and were selected based on the Company's business models and business strategy. This includes Chairperson Chuan Lin, who has worked long-term in the industry, academia, and government, and possesses international experiences; Director Chou, Kang-Chi, who has a background in business management; Director Wu, Yung-Liang, who possesses knowledge and experience in the pharmaceutical and biotechnology industry; Independent</p>	(I) No deviation.
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Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
			<p>Director Chou, Te-Yu, who has extensive experience in securities finance; Independent Director Chen, Rwei-Syun, who has a background in international financial institutions and the management and development of the biotechnology industry; Director Carl Hsiao, who has a background in pharmacy and experience in American market sales channels; Independent Director Huang, Yaw-Bin, who has extensive knowledge and background in the pharmaceutical and biotechnology industry; Independent Director Wu, Hsiu-Ming, who possesses knowledge and background in the law; Independent Director Lai, Yuen-Liang, who possesses knowledge and experience in the pharmaceutical industry. Please refer to pages 7–9 for the educational and professional experience of Directors. For details on the Company's Board diversity management objectives and current implementation status, please refer to page 12 and the Company's website.</p>
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the company voluntarily set up other functional committees?	V		<p>(II) To implement corporate governance and embrace the sustainable development spirit, in addition to setting up the Remuneration Committee and Audit Committee as required by law, the Company also set up the Sustainability Development Committee on August 4, 2022.</p> <p>(II) No deviation.</p>

<p>(III) Has the Company established its Rules for Performance Evaluation of Board of Directors and the evaluation methods, conducted the performance appraisal regularly every year and provided the results to the board as the reference for directors' remuneration and nomination and renewal?</p>	<p>V</p>	<p>(III) According to the Company's "Board of Directors Performance Evaluation Guidelines," an internal self-assessment is conducted within three months after the end of each year to evaluate the performance of the Board of Directors. The unit in charge of meeting affairs is responsible for assisting in the evaluation, scoring Board performance based on the scoring standards for indicators and the self-evaluation by Board members, and reporting results to the Board of Directors as a reference for electing and nominating the Directors and the remuneration of each Director. Moreover, to improve the operational performance of the Board of Directors, it is stipulated that an external entity should be appointed to conduct an evaluation of the performance of the Board of Directors at least once every three years.</p> <p>[Regular internal evaluation every year]:</p> <p>Performance evaluation aspects of the Board of Directors for 2024, including Board evaluation and self-evaluation of Board members, are as follows:</p> <p>Evaluation results:</p> <p>The performance evaluation result of the Board of Directors for 2024 was 99.2 out of 100, while the performance evaluation result for the self-evaluation of board members was 99.1 out of 100. Both results were presented at the Remuneration and Committee meeting as well as the Board meeting on February 21, 2025.</p> <p>According to the evaluation results of 2024, the Company will draft a successor cultivation plan for improvement.</p> <p>For the detailed performance evaluation standards and results of the functional committees, please refer to the Company's website.</p> <p>[External evaluation once every three years]:</p> <p>In June 2022, the Company commissioned Taiwan Corporate Governance Association to conduct external evaluation of the Board of Directors' performance, and obtained the evaluation report in November of the same year. The evaluation results and improvement plans were reported at the Board meeting dated December 22, 2022.</p> <p>1. Your Company's Board of Directors is composed of seven Directors, of whom four are a representative of a corporate Director and three are Independent Directors (including two female Independent Directors). The composition of the board of directors is based on the communication between the company and major shareholders which aims to strike a balance between professionalism and gender. This is particularly evidential when it comes to the election of independent directors, which considers the professionalism necessary for the Company's future development. This way, the three independent directors, who are an expert in financial accounting, business</p>	<p>(III) No deviation.</p>
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Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
			<p>administration, or biology and pharmacy, will be conducive to the supervision of, and instructions on, the Company's operations in the future.</p> <p>2. Your Company's Remuneration Committee, by aligning with company vision and strategy, has formulated managers' performance indicators that are linked to Your Company's key performance indicators (KPIs) and the performance indicators (PIs) of each department; carried out the evaluation in the manner specified in Your Company's "Regulations for Performance Management and Guidelines for Giving Performance Rewards"; reviewed the current remuneration policy and systems by reference to the report issued by an external consulting company and by considering the general operating environment; implemented an annual salary adjustment plan based on the operational status; and raised the salary every year, effectively stimulating the team, fulfilling the functions expected of the Remuneration Committee, and thereby laying the cornerstone of sustainable development.</p>

	<div>3. The CPAs attesting the financial statements of Your Company attend four Audit Committee meetings every year in a non-voting capacity, during which they fully communicate with members of the Audit Committee on issues regarding Your Company's financial accounting and internal control. Moreover, the chief internal auditor, in addition to reporting on the audit results and follow-up of the improvement plan at a meeting of the Audit Committee and the Board of Directors, also arranges an annual meeting where they communicate in person with the Chairperson of the Audit Committee. The chair of the Audit Committee has demonstrated a proactive manner in that the person fully reviews relevant report items, discussion items, and proposals before the meeting to facilitate a smooth Audit Committee meeting, thereby effectively fulfilling the Audit Committee's functions of instruction and supervision.</div> <div>4. At the 10th anniversary, Your Company launched the "2021 Travel Surround the Island to Protect Taiwan" project upholding the spirit of "Take from Society, Give Back to Society", in the hope of giving back to the community. In addition, in August 2022, Your Company set up the Sustainable Development Committee under the Board of Directors; the committee is composed of three Independent Directors, and aims to enhance the participation of the Board of Directors, indicating the great importance Your Company attaches to sustainable development and fully demonstrating that Your Company is gradually implementing the sustainable management philosophy, fulfilling ESG principles, and achieving the goal of creating shared value.</div> <div>Recommendations from Taiwan Corporate Governance Association (TCGA) and the Company's improvement plan:</div> <table><tr><th>Recommendations from Taiwan Corporate Governance Association (TCGA)</th><th>Improvement plan of the Company</th></tr><tr><td>The Directors/Committee should be responsible for compiling and implementing the performance evaluation questionnaires for the current Board of Directors and functional committees, rather than having members meet to review the design of the Board of Directors' performance evaluation questionnaires and methods, and</td><td>The Company has made amendments to the "Board of Directors Performance Evaluation Guidelines" and "Rules for Performance Evaluation of Functional Committees" in 2023 to have the performance evaluation of the Board of Directors and functional committees carried out by Directors/Committee members</td></tr></table>	Recommendations from Taiwan Corporate Governance Association (TCGA)	Improvement plan of the Company	The Directors/Committee should be responsible for compiling and implementing the performance evaluation questionnaires for the current Board of Directors and functional committees, rather than having members meet to review the design of the Board of Directors' performance evaluation questionnaires and methods, and	The Company has made amendments to the "Board of Directors Performance Evaluation Guidelines" and "Rules for Performance Evaluation of Functional Committees" in 2023 to have the performance evaluation of the Board of Directors and functional committees carried out by Directors/Committee members
Recommendations from Taiwan Corporate Governance Association (TCGA)	Improvement plan of the Company				
The Directors/Committee should be responsible for compiling and implementing the performance evaluation questionnaires for the current Board of Directors and functional committees, rather than having members meet to review the design of the Board of Directors' performance evaluation questionnaires and methods, and	The Company has made amendments to the "Board of Directors Performance Evaluation Guidelines" and "Rules for Performance Evaluation of Functional Committees" in 2023 to have the performance evaluation of the Board of Directors and functional committees carried out by Directors/Committee members				

Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons				
	Yes	No					
	Summary description						
		<table><tr><td>ensure that they are completed by the Directors/Committee members themselves.</td><td>themselves instead of by the meeting affairs unit.</td></tr><tr><td>It is recommended that your company establish a mechanism for the Audit Committee to participate in the performance evaluation of the chief audit officer to further strengthen the independence of internal audit and the Audit Committee's function of supervising the internal audit.</td><td>Since 2023, the annual evaluation of the performance of the Chief Audit Officer, aside from being carried out by the Chairperson as scheduled, has been participated in by the Audit Committee, so as to understand the results and performance of the Chief Audit Officer's work and give opinions and instructions.</td></tr></table>	ensure that they are completed by the Directors/Committee members themselves.	themselves instead of by the meeting affairs unit.	It is recommended that your company establish a mechanism for the Audit Committee to participate in the performance evaluation of the chief audit officer to further strengthen the independence of internal audit and the Audit Committee's function of supervising the internal audit.	Since 2023, the annual evaluation of the performance of the Chief Audit Officer, aside from being carried out by the Chairperson as scheduled, has been participated in by the Audit Committee, so as to understand the results and performance of the Chief Audit Officer's work and give opinions and instructions.	
ensure that they are completed by the Directors/Committee members themselves.	themselves instead of by the meeting affairs unit.						
It is recommended that your company establish a mechanism for the Audit Committee to participate in the performance evaluation of the chief audit officer to further strengthen the independence of internal audit and the Audit Committee's function of supervising the internal audit.	Since 2023, the annual evaluation of the performance of the Chief Audit Officer, aside from being carried out by the Chairperson as scheduled, has been participated in by the Audit Committee, so as to understand the results and performance of the Chief Audit Officer's work and give opinions and instructions.						

Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
	Summary description		
	Recommendations from Taiwan Corporate Governance Association (TCGA)	Improvement plan of the Company	
	It is recommended to upgrade the level of the convener of the risk management organization to the level of president or director to ensure the reliability and validity of the risk management-related mechanisms; such a level should also be continuously reviewed and revised.	The Company adjusted its overall risk management structure in 2023. After the adjustment, supervision is now carried out by the Board of Directors along with the Audit Committee, and the convener has been changed from the Chief Corporate Governance Officer to the President. In addition, the Company has also revised the “Risk Management Policy and Procedures”.	
	It is recommended that Your Company better the Sustainability Report and have it attested by an independent third party, so as to enhance the disclosure and fairness of information on corporate governance and implementation of corporate social responsibility, and to enable stakeholders to quickly and comprehensively understand relevant information, thereby improving the transparency of the Company’s information.	In 2024, the Company entrusted the third-party verification organization AFNOR Asia, Ltd. to verify the 2023 Sustainability Report in accordance with the AA1000 Assurance Standard (v3) at a Type 1 moderate assurance level.	

Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons					
	Yes	No						
(IV) Does the company regularly evaluate the independence of attesting CPAs?	V	<p>(IV) The Company evaluates attesting CPAs every year based on the “Independence” and “Suitability” requirements specified in its “Regulations for Selection and Review of Attesting CPAs,” and demands that the CPAs present a “Statement of Independence” and the Audit Quality Indicators (AQIs), so as to determine whether to continue the appointment. Audit quality indicators (AQIs) include the audit experience of auditors who are a partner or manager, training hours, attrition rate, CPAs’ workload, extent of engagement of the engagement team, engagement quality control review (EQCR), percentage of non-audit service fees, familiarity with customers, and capability to innovate.</p> <p>On December 9, 2024, the evaluation results of CPAs and relevant procedures were submitted to the Audit Committee for review and were approved by the Board of Directors, concluding that CPA Han, Yi-Lien and CPA Huang, Hsin-Ting from KPMG Taiwan met the independence criteria and thus were qualified to be the attesting CPAs for the Company’s financial statements and taxation documents.</p> <p>The key criteria on the CPAs Appointment Review Checklist are as follows:</p> <table><tr><td rowspan="4">Suitability</td><td>1. The person has a good understanding of the industry or field related to the company’s business, and of relevant laws and regulations.</td></tr><tr><td>2. A professional capable of auditing the Company and completing the audit within agreed period of time.</td></tr><tr><td>3. Assess whether the person’s suitability will be impacted by material events that the Company’s will incur in the coming years.</td></tr><tr><td>4. No potential conflicts of interest.</td></tr></table>	Suitability	1. The person has a good understanding of the industry or field related to the company’s business, and of relevant laws and regulations.	2. A professional capable of auditing the Company and completing the audit within agreed period of time.	3. Assess whether the person’s suitability will be impacted by material events that the Company’s will incur in the coming years.	4. No potential conflicts of interest.	(IV) No Deviation.
Suitability	1. The person has a good understanding of the industry or field related to the company’s business, and of relevant laws and regulations.							
	2. A professional capable of auditing the Company and completing the audit within agreed period of time.							
	3. Assess whether the person’s suitability will be impacted by material events that the Company’s will incur in the coming years.							
	4. No potential conflicts of interest.							

Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
			<p>Summary description</p> <p>1. Whether the person meets the provisions of Article 8 of the Bulletin of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10. Integrity, Objectivity and Independence formulated by the CPA ASSOCIATIONS R.O.C. (TAIWAN).</p> <p>2. Not an employee, director, or supervisor of the Company or its affiliated companies.</p> <p>3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.</p> <p>4. Not a spouse, relative within the second degree, or direct blood relatives within the third degree of the person listed in the preceding three paragraphs.</p> <p>5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or a director, supervisor, or employee of the five largest corporate shareholders in terms of shareholding.</p> <p>6. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. However, this restriction does not apply to independent directors who have already resigned.</p> <p>Independence</p>

Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
IV. Has the TWSE-/TPEx-listed company allocated qualified and sufficient number of personnel and appointed managers in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors to comply with laws, handling matters relating to board meetings and shareholders' meetings according to laws, recording minutes of board meetings and shareholders' meetings)?	V		<p>On May 5, 2022, the Board of Directors of the Company resolved to appoint Manager Shu-Ping Huang as the Corporate Governance Officer. Manager Shu-Ping Huang holds a valid CPA license and has over three years of experience as an internal audit manager in a listed company. Her responsibilities include coordinating with relevant departments to provide necessary information for the Board of Directors' operations, assisting Directors in compliance with laws and regulations, and handling matters related to the Board of Directors, shareholders' meetings, and investor relations. She shall oversee corporate governance operations and report implementation results at Board meetings on an annual basis.</p> <p>The implementation status of corporate governance by the Company's corporate governance officer in 2024 is as follows:</p> <p>1. Assist independent directors and ordinary directors to perform their duties; provide required materials; and arrange continuing education for directors:</p> <p>(1) Assisted in the evaluation of the performance of the functional committees and the Board of Directors. The internal performance evaluation results of 2023 were reported at the Board of Directors meeting dated February 27, 2024.</p> <p>(2) Arranged for the Audit Committee members and CPAs to communicate quarterly on the Company's financial status, major transactions, and whether regulatory changes affect the Company's recognition method; and reported the communication results to the Board of Directors, including the private sessions with or without management attending in a non-voting capacity. The communication records in 2024 have been made available on the Company's website.</p> <p>(3) Provided new directors with literature on laws and regulations for insiders; arranged for them to attend the 12-hour orientation course series and the awareness session on laws and regulations; explained the annual meeting schedule to them and briefed them on the Company and its management team.</p>

			<p>(4) Provided information on training courses for Directors' reference, and assisted in arranging and enrolling in courses. Group entities also organize 6-hour continuing education courses every year on important issues in that given year and invite directors to participate in such courses.</p> <p>(5) Assist the management at the various levels to maintain communication with the directors, so that the directors can understand the company's business development.</p> <p>(6) Assisted independent directors and ordinary directors to perform their duties; provided required materials.</p> <p>2. Assist in the legal compliance of the procedures and resolutions of meetings of the Board of Directors, Audit Committee, Sustainable Development Committee and Shareholders:</p> <p>(1) Reported the Company's achievement in the Corporate Governance Evaluation in 2023 to the Board of Directors at the meeting on August 7, 2024, and conducted a review and future planning according to the evaluation results.</p> <p>(2) Assist all units to submit proposals to the Board of Directors and draft the agenda to meetings of the Board of Directors, Audit Committee, and Sustainable Development Committee; notify the convention of meetings, provide meeting materials, and distribute the minutes of the meeting within the statutory time limit.</p> <p>(3) Assist the Chairperson in smoothly presiding over the meetings of the Board of Directors, Audit Committee, and Sustainable Development Committee; remind Directors of the regulatory framework they should pay attention to when performing their duties or making resolutions.</p> <p>(4) Register the date of the shareholders' meeting in advance; file declarations and announcements; and send the shareholders' meeting notice within the statutory time limit.</p> <p>(5) Purchase appropriate liability insurance (including scope, cost) for directors and managers every year, and report to the Board of Directors in the first quarter of the current year. The purchase of liability insurance in 2024 was reported to the Board of Directors in the Board meeting on February 27, 2024; the purchase of liability insurance in 2025 was reported to the Board of Directors in the meeting dated February 21, 2025.</p> <p>(6) Implement tasks assigned by the Sustainable Development Committee, formulate the annual Sustainable Development work plan for the upcoming year, and report such plan to both the Sustainable Development Committee and the Board of Directors. The implementation status for 2023 was submitted to the Sustainable Development Committee and the</p>
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Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
			<p>Board of Directors on August 7, 2024. The 2025 plan has been submitted to the Sustainable Development Committee and the Board of Directors on December 9, 2024.</p> <p>(7) A reminder was sent to Directors and managerial officers 30 days and 15 days before the annual financial statements and the quarterly financial statements were published, respectively, advising against the trading of company stocks during the closed period.</p> <p>3. Maintain investor relations: Participate in investors' conferences to report the company's financial business status and operating performance to investors, so that they can gain a deeper understanding of the company's operations.</p> <p>4. In charge of business registration modification.</p> <p>5. Provide reports to the Board of Directors regarding communication with stakeholders periodically.</p> <p>6. Regularly report to the Board of Directors on the implementation of ethical corporate management: The Company reported its implementation of ethical corporate management in 2023 at the Board meeting dated February 27, 2024.</p> <p>7. For more information on the continuing education of the Corporate Governance Officer, please refer to (IX) Continuing education of the Company's managers and internal audit officers in 2024.</p>
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and a special section for stakeholders on the company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		No deviation.
VI. Has the company appointed a professional stock affairs agency to handle matters for shareholders' meetings?	V		No deviation.

Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
VII. Information Disclosure (I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		(I) The Company has set up a dedicated section on its website to provide information on financial operations and corporate governance. For more information, please visit the Company's website http://www.tshbiopharm.com . (II) The Company has set up an English website and appointed a dedicated unit to be responsible for the collection and disclosure of corporate information. In addition, the Company has implemented a spokesperson system, with a spokesperson and an acting spokesperson in charge of relevant matters. Moreover, institutional investor conferences held by the Company or invited by others, as well as the information on its press conferences, are disclosed on the Company's website (Investors – Institutional Investor Conference/About TSH – News) for reference by the general public.
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, and posting the Company's earnings calls on its website)?	V		(III) The Company publishes and reports its 2024 financial report within two months after the end of the fiscal year, and publishes and reports its financial reports for Q1, Q2 and Q3 2024 as well as its operating statements for each month before the specified deadlines.
(III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with the monthly business performance statements before the required due dates?	V		No deviation.
VIII. Does the company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, and so on)?	V		(I) Employee rights and employee care 1. The Company has established an Employee Welfare Committee and implemented a retirement pension system, in addition to providing equal employment opportunities and other benefits such as various employee training programs, employee group insurance, and regular health check-ups. The Company places great importance on maintaining harmonious labor relations. For the operation status of labor relations, please refer to p.78 "Four: Operational Highlights" – "V. Labor Relations" of this annual report.

			<p>2. To enhance employees' professional knowledge and skills, effectively achieve work objectives, and stimulate their potential while fostering a willingness to learn, the Company implements various training courses based on its "Regulations Governing the Education and Training". These courses include pre-employment training, internal and external on-the-job training, and domestic and overseas assignments to support both employee growth and organizational development. For the operation status, please refer to p.78 "Four. Operational Highlights" – "V. Labor Relations" of this annual report.</p> <p>3. The Company values the safety and health of employees' work environment; it has executed multiple environmental protection measures and formulated "Regulations for the Safety and Maintenance of Offices" and "Safety and Health Work Rules", so as to continuously enhance the work environment and protection of personal safety. For the operation status, please refer to p.78 "Four. Operational Highlights" – "V. Labor Relations" of this annual report.</p> <p>(II) Investor Relationship</p> <p>1. The Company adheres to legal regulations to ensure transparent disclosure of information, in order to protect the rights and interests of investors and stakeholders, and to fulfill its responsibilities to shareholders.</p> <p>2. To protect the rights and interests of investors and stakeholders, the Company will continue to maintain disclosure of financial and business information, as well as non-financial information, on its website and the MOPS, continuously strengthening the comprehensiveness, timeliness, and accuracy of its information disclosure. For more information, please refer to the Company's website.</p> <p>3. The Company has spokesperson, as well as a stakeholder section on its website where the information on the spokesperson, acting spokesperson, and contact information thereof are available, so as to actively respond to the suggestions or doubts raised by shareholders, thereby maintaining a good interaction and relationship with them.</p> <p>4. The Company was invited to 4 institutional investor conferences in 2024. By taking part in the earnings calls, the Company explains to the general public its operating performance and its ideas about the industry prospects in the future and conveys its business philosophy and corporate value; this enables shareholders or potential investors to further understand the opportunities and challenges of business development, and provides investors with the opportunities to express their opinions or have a two-way communication with the Company, thereby improving the quality of corporate governance and protecting the rights and interests of</p>
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Evaluation Items	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
			<p>shareholders.</p> <p>(III) Customer and supplier relations: The company maintains open and effective communication channels with customers and suppliers through regular and ad-hoc meetings, events, and issue-resolution mechanisms, ensuring strong and lasting relationships.</p> <p>(IV) Stakeholders' interests: The Company focuses on its core business in terms of business strategy development and stable financial operation, actively promotes corporate governance and builds a transparent information system, and is committed to improving its value as an enterprise and facilitating sustainable development, so as to maintain the rights and interests of stakeholders (including employees, customers, shareholders, investors, and suppliers).</p>

(V) Directors' continuing education: Directors of the Company participate in relevant continuing education courses in accordance with their professions and corporate governance needs:

Title	Name	Organizer	Course name	Hours of continuing education courses
Chairperson (Representative of TTY)	Chuan Lin	Taiwan Corporate Governance Association	Network Security Risk Governance	1.5
		Taiwan Corporate Governance Association	Compliance with Laws and Regulations and Ethical Corporate Management, as well as What Directors Should Know About the Labor Standards Act – Friendly Workplace and Gender Equity Education Act	3
		Taiwan Corporate Governance Association	How Does a Board of Directors Supervise the Company to Perform Corporate Risk Management and Crisis Management (including the latest practice and development of the Gender Equity Education Act)	3
		Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (Including Independent Directors) and Corporate Governance Officers [The Great Explosion of Artificial Intelligence: ChatGPT, the New Trend of Chatting Robots to Turn the Industry Around].	3
		Taiwan Corporate Governance Association	Anti-Trust and Compliance with Competition Laws	1.5
Director (Representative of TTY)	Carl Hsiao	Taiwan Corporate Governance Association	Digital Technology and Artificial Intelligence Trends and Risk Management	3
		Taiwan Corporate Governance Association	Operations of the Sustainable Development Committee (Chief Sustainability Officer and the Task Force)	3
		Taiwan Corporate Governance Association	Compliance with Laws and Regulations and Ethical Corporate Management, as well as What Directors Should Know About the Labor Standards Act - Friendly Workplace and Sex Equality Act	3
		Taiwan Corporate Governance Association	20th International Summit of Corporate Governance (2024) – Focusing on Governance and Expelling the Talent Advantage	3
		Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (Including Independent Directors) and Corporate Governance Officers [The Great Explosion of Artificial Intelligence: ChatGPT, the New Trend of Chatting Robots to Turn the Industry Around].	3
Director (Representative of TTY)	Chou, Kang-Chi	Taiwan Corporate Governance Association	Corporate Legal Risks and Responses – Starting from Corporate Investment and Financing	3
		Taiwan Corporate Governance Association	The Key Messages in Interpreting Financial Reports	3
		Taiwan Corporate Governance Association	Corporate Responses and Strategies Amid Global Economic Changes	3
		Taiwan Stock Exchange Corporation	The 2024 WIW Forum – The Symphony of Digital Finance and Sustainable Finance Amid the AI Boom	3
		Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (Including Independent Directors) and Corporate Governance Officers [The Great Explosion of Artificial Intelligence: ChatGPT, the New Trend of Chatting Robots to Turn the Industry Around].	3
Director (Representative of TTY)	Wu, Yung-Liang	The Chinese National Association of Industry and Commerce	Innovative Business Models and Opportunities in the Green Supply Chains	3
		The Chinese National Association of Industry and Commerce	Global and Taiwan Biopharmaceutical Industry M&A Trends	3
		Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (Including Independent Directors) and Corporate Governance Officers [The Great Explosion of Artificial Intelligence: ChatGPT, the New Trend of Chatting Robots to Turn the Industry Around].	3
Independent Director	Chou, Te-Yu	Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (Including Independent Directors) and Corporate Governance Officers [The Great Explosion of Artificial Intelligence: ChatGPT, the New Trend of Chatting Robots to Turn the Industry Around].	3
		Taiwan Corporate Governance Association	20th International Summit of Corporate Governance (2024) - Focusing on Governance and Expelling the Talent Advantage	3
Independent Director	Chen, Rwei-Syun	Taiwan Corporate Governance Association	Business Management and Crisis Management	3
		TIDA Taiwan	Latest Developments in Sustainable Governance Issues and Directors'	3

Independent Director	Huang, Yaw-Bin	Securities and Futures Institute Taiwan Project Management Association	Responsibilities Advanced Seminar for Directors and Supervisors (Including Independent Directors) and Corporate Governance Officers [The Great Explosion of Artificial Intelligence: ChatGPT, the New Trend of Chatting Robots to Turn the Industry Around].	3
		Taiwan Corporate Governance Association	Integrate Corporate Sustainability and ESG Strategy	3
			Compliance with Laws and Regulations and Ethical Corporate Management, as well as What Directors Should Know About the Labor Standards Act - Friendly Workplace and Sex Equality Act	3
Independent Director	Wu, Hsiu-Ming	Taiwan Project Management Association Securities and Futures Institute	Legal Framework and Case Studies on Trade Secret Protection for Businesses	3
		Taiwan Project Management Association	Advanced Seminar for Directors and Supervisors (Including Independent Directors) and Corporate Governance Officers [The Great Explosion of Artificial Intelligence: ChatGPT, the New Trend of Chatting Robots to Turn the Industry Around].	3
		Taiwan Project Management Association	Board of Directors vs Management Team	3
Independent Director	Lai, Yuen-Liang	Taiwan Corporate Governance Association Taiwan Project Management Association Taiwan Project Management Association Accounting Research and Development Foundation (ARDF)	Compliance with Laws and Regulations and Ethical Corporate Management, as well as What Directors Should Know About the Labor Standards Act - Friendly Workplace and Sex Equality Act Digital Transformation and Digital Governance of Enterprises SDGs and ESG Sustainability Management Legal Responsibilities and Case Analysis of Business Ownership Dispute	3 3 3 3

(VI) Implementation of risk management policies and risk measurement standards: In order to ensure the integrity of the risk management system, the Company passed the "Risk Management Policy and Procedures" and set up a risk management organization at the Board of Directors dated October 30, 2020, so as to provide the utmost guidelines for the Company's risk management. The Company regularly assesses risks at least once a year, and formulates and implements risk management policies and procedures to cope with the various risks, so as to effectively identify, measure, and control the various risks facing the Company and reduce them to an acceptable level. The state of operation of risk management was reported at the Board meeting dated November 8, 2024. The key risks identified by the Company and the operation status in 2024 are as follows (please refer to the Company's website for details):

Risk type	Description	Countermeasure
Operation risk (supply chain)	Price increased by suppliers/outsourcing factories.	<ul style="list-style-type: none"> Strengthen the API management and contact with the manufacturers. Optimize and connect with suppliers by joining exhibitions. Enhance bargaining power among sales staff.
Operation risk (R&D)	The developer of the authorized project has not met expectations.	<ul style="list-style-type: none"> Strengthen pre-contract disease category knowledge and clinical trial design evaluation capabilities. Consider valuation assessments based on clinical trial success or failure when contracting. The milestone payments for the contract are designed to ensure that risks are minimized, with payments made only after achieving the agreed-upon milestones.
Legal risks (compliance and law)	Contractual disputes	<ul style="list-style-type: none"> Establish a rigorous contract review process. Consolidate the contracts that have been disputed in the past, optimize the Company's standard contracts or adjust the current contracts. Work with external lawyers who have relevant experience.

(VII) Implementation of customer policies: In addition to setting up a customer service hotline and disclosing it on the Company's website for consumers to have a consultation or file complaints, the Company has also established the "Regulations for Dealing with Customer Complaints," "Regulations for Product Recall," and a customer complaint investigation and handling system. Once a customer complaint case is received, the system will immediately notify the person in charge of the product and demand a quick response and solutions to the relevant issues. In addition, the Company has also formulated the "Procedures for Reporting of Adverse Drug Reactions," as guidelines for the drug safety team in handling adverse reaction cases. All cases have been properly handled and archived in compliance with the Personal Data Protection Act.

(VIII) The Company's purchase of liability insurance for directors: Directors' liability insurance is purchased annually, the insurance expired on January 13, 2025, was renewed for one year with Fubon Insurance Co., Ltd., with the coverage period being from January 13, 2025 to January 13, 2026, and the insured amount set at US\$3 million. The Board of Directors was informed of the insurance situation on February 21, 2025.

(IX) Continuing education of the Corporate Governance Officer in 2024:

Title	Name	Organizer	Course name	Hours of continuing education courses
Manager of Finance and Corporate Governance Officer	Shu-Ping Huang	Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (Including Independent Directors) and Corporate Governance Officers [The Great Explosion of Artificial Intelligence: ChatGPT, the New Trend of Chatting Robots to Turn the Industry Around].	3
		Taiwan Investor Relations Association	Board Directors, Supervisors (Including Independent Directors), and Corporate Governance Officers Continuing Education Course: In-Depth Analysis of Domestic and International M&A Practices	3
		Taiwan Investor Relations Association	Board Members, Supervisors (Including Independent), and Corporate Governance Officers Continuing Education Course: A Discussion on Blind Spots and Strategies in Cybersecurity Governance	3
		Taiwan Project Management Association	Continuing Education Course for Listed Company Directors: Financial Statement Analysis and Trends in Financial Accounting	3

IX. 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 has made the following improvements according to the latest Corporate Governance Evaluation indicators in 2024:

- The 2023 Sustainability Report was certified and submitted to the Board of Directors for approval.
- The Company's annual report discloses individual directors' remuneration.
- Four institutional investor conferences were held in 2024, and two full videos for institutional investor conference were uploaded (the first and second sessions are separated by more than 3 months).

Improvement goals in 2025 according to the latest updated Corporate Governance Evaluation indicators:

- The remuneration received by directors, including the remuneration policy, individual remuneration content and amount were reported at the general shareholders' meeting.
- Conduct employee satisfaction surveys.

(IV) Remuneration Committee composition, responsibilities, and operations

1. Information on members of the Remuneration Committee:

April 29, 2025

Capacity	Qualification Name	Professional Qualifications and Experiences	Independence Analysis	Number of concurrent duties as a Remuneration Committee member at a public company
Convener Independent Director	Chen, Rwei-Syun	Please refer to page 11 of this annual report “(III) Professional Qualifications and Experiences of Directors and Independence of Independent Directors”.		1
Independent Director	Chou, Te-Yu			1
Independent Director	Huang, Yaw-Bin			0
Independent Director	Wu, Hsiu-Ming			0
Independent Director	Lai, Yuen-Liang			0

2. Responsibilities:

- (1) Periodically reviewing the Remuneration Committee Charter and making recommendations for amendments.
- (2) Establishing and periodically reviewing the performance assessment standards, and the policies, systems, standards, and structure for the remuneration of the directors and managers.
- (3) Periodically assessing the degree to which performance goals for the directors and managerial officers have been achieved, and setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards.

3. The Remuneration Committee shall perform the duties in accordance with the following principles:

- (1) Ensuring that the remuneration arrangements of the Company comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
- (2) Performance assessments and remuneration levels of directors and managerial officers shall take into account the general pay levels in the industry, individual performance assessment results, and the reasonability of the relations between the Company’s operating performance and future risks.
- (3) There shall be no incentive for the directors or managerial officers to pursue remuneration by engaging in activities that exceed the tolerable risk level of the Company.
- (4) For directors and senior managerial officers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company’s business.
- (5) Reasonableness shall be taken into account when the contents and amounts of the remuneration of the directors and managerial officers are set. It is not advisable for decisions on the remuneration of the directors and managerial officers to run contrary to financial performance to a material extent. It is not advisable for said remuneration to be higher than that in the preceding year in the event of a material decline in profits or of long-term losses. If it is still higher than that in the preceding year, the reasonableness shall be explained in the annual report and reported at a shareholders’ meeting.
- (6) No member of the Committee may participate in discussion and voting when the Committee is deciding on that member’s individual remuneration. In addition, the member shall enter recusal during the discussion and voting, and may not act as another Committee member’s proxy to exercise voting rights on that matter.

4. Operation status of the Remuneration Committee:

- (1). The Company’s Remuneration Committee has a total of 5 members.
- (2) The term of office for the current term of members (5th term): from May 25, 2023 to May 24, 2026. The Remuneration Committee held four meetings (A) in 2024. The attendance of members is as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	In-person Attendance Rate (B/A) (Note)	Remark
Convener	Chen, Rwei-Syun	4	0	100%	
Committee member	Chou, Te-Yu	4	0	100%	
Committee member	Huang, Yaw-Bin	4	0	100%	
Committee member	Wu, Hsiu-Ming	1	0	100%	The appointment was resolved by the Board of Directors on August 7, 2024.
Committee member	Lai, Yuen-Liang	1	0	100%	The appointment was resolved by the Board of Directors on August 7, 2024.
Other information required to be disclosed: <ul style="list-style-type: none"> If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g. if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): No difference. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion. 					
Remuneration Committee	Motion Content and Subsequent Handling		Resolution result	Company's handling of the remuneration committee's opinions	
5th Term 3rd meeting 2024/02/27	1. Proposal for the distribution of remuneration for employees and Directors of the Company in 2023. 2. Proposal for the list of Directors eligible for remuneration in 2023.		Approved by all attending committee members.	Submitted to the Board of Directors and approved by all attending Directors.	
5th Term 4th meeting 2024/03/11	1. Proposal for the distribution of employee bonus for 2023. 2. Proposal for adjustments to the managers' salary of the Company for 2024. 3. Proposal regarding regulations for the distribution of bonus to the Head of the Company's Sales Division for 2024. 4. Proposal regarding regulations for the distribution of bonus to the Head of the Company's R&D Division for 2024. 5. Proposal regarding regulations for the distribution of bonus to the Head of the Company's Marketing Division for 2024. 6. Proposal for the promotion of the managers of the Company. 7. Appointment of the Senior Director		Approved by all attending members.	Submitted to the Board of Directors and approved by all attending Directors.	

		of Finance and Chief Financial Officer.		
	5th Term 5th meeting 2024/08/07	Proposal of the promotion of the managers of the Company.	Approved by all attending committee members.	Submitted to the Board of Directors and approved by all attending Directors.
	5th Term 6th meeting 2024/12/09	Proposal for converting the managers' contract with the Company.	Approved by all attending committee members.	Submitted to the Board of Directors and approved by all attending Directors.

(V) Sustainable Development Committee composition, responsibilities, and operations

To fulfill corporate social responsibility, establish a good governance system, align with the international trend, and move towards the goals of sustainable operations, the Company set up the Sustainable Development Committee under the Board of Directors on August 4, 2022 according to its "Sustainable Development Committee Charter."

1. Powers and duties of the Sustainable Development Committee:

- (1) Formulation of sustainable development policy.
- (2) Formulation of an annual sustainable development plan and strategic direction.
- (3) Follow-up and review of the implementation of sustainable development and the effectiveness thereof, and report on the same to the Board of Directors.
- (4) Determination of matters in relation to sustainable development.

2. Operation status of the Sustainable Development Committee:

- (1) The term of office for the current (second) term of committee: from May 25, 2023 to May 24, 2026.
The Sustainable Development Committee held two meetings (A) in 2024, and the attendance of members is as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	In-person Attendance Rate (B/A)	Remark
Convener	Huang, Yaw-Bin	2	0	100	
Committee member	Chou, Te-Yu	2	0	100	
Committee member	Chen, Rwei-Syun	2	0	100	
Committee member (newly appointed)	Wu, Hsiu-Ming	2	0	100	Newly elected on May 24, 2024
Committee member (newly appointed)	Lai, Yuen-Liang	2	0	100	Newly elected on May 24, 2024

For the professional qualifications and experience of the members, please refer to pages 7–9 of this annual report "(I) Director Information".

- (2) Date, session, motion content, and resolution of the meetings held by the Company's Sustainable Development Committee in the past year, and measures taken by the Company in response to the opinions of the Sustainable Development Committee:

Sustainable Development Committee	Motion Content and Subsequent Handling	Resolution result	Company's Response to the Opinion(s) of the Sustainable Development Committee
3rd meeting of the 2nd term 2024/08/07	The Company's 2023 Sustainability Report.	Approved by all attending committee members.	Submitted to the Board of Directors and approved by all attending Directors.

4th meeting of the 2nd term 2024/12/09	1. Proposal on formulation of the 2025 annual work schedule for the Sustainable Development Committee. 2. Proposal of the amendments to the Company's "Sustainable Development Committee Charter". 3. Proposal of establishing the Company's "Procedures for the Preparation and Assurance of Sustainability Reports".	Approved by all attending committee members.	Submitted to the Board of Directors and approved by all attending Directors.
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(VI) Information on the members and operation of the Nomination Committee:

Not applicable, because the Company has yet to set up a nomination committee.

(VII) Promotion and Implementation of Sustainable Development, its Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

1. 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 Companies and the Reasons
	Yes	No	
I. 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		<p>The Board of Directors is the highest governing body for sustainable development. On August 4, 2022, the Company set up the Sustainable Development Committee, composed of all independent directors and operating under the Board of Directors, through a resolution by the Board of Directors, and appointed the Chief Governance Officer to be the executive secretary thereof. The Company has appointed the Finance Department to be the unit responsible for promoting sustainable development. The Finance Department leads the ESG functional team composed of various departments to identify the sustainability issues of concern to stakeholders, formulate corresponding plans, prepare budgets, plan and implement annual work plans, and track the implementation results to ensure the implementation of sustainable development activities. The Board of Directors serves as the highest governing body for sustainable development. The sustainable development directions and work plan for 2025 were approved by the Sustainable Development Committee and the Board of Directors on December 14, 2023. The Board of Directors oversees the formulation of the Company's sustainable management strategy and goals, and provides recommendations. Sustainability reports will be prepared at the end of each year to document the implementation sustainable development, and will be submitted to the Board of Directors on an annual basis in subsequent years.</p> <p>The Board of Directors evaluates and reviews the effectiveness of the promotion of sustainability, and if necessary, encourages the Company to make adjustments. The 2023 Sustainability Report and the promotion of sustainability were approved by the Board of Directors on August 7, 2024. The Board of Directors supervises the Company's sustainable management strategy and goal formulation and provides advice. The Finance Department reported the 2024 to 2026 public welfare sustainable activity blueprint to the Sustainable Development Committee on December 9, 2024. The 2025 sustainable development direction and work plan were approved by the Sustainable Development Committee and the Board of Directors on December 9, 2024.</p>

Item	Implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulated relevant risk management policies and strategies? (Note)	V		<p>The Company's Board of Directors approved the establishment of the "Risk Management Policy and Procedures" on October 30, 2020, and set up the "Risk Management Organization" in charge of executing the risk management, with the President as the convener. The risk assessment boundary is based on the risks' relevance to the Company's core business and the extent of their impact on material topics.</p> <p>The Company reviews domestic and foreign literature, integrates the evaluation data from each unit, conducts surveys, and engages in consultation with internal and external stakeholders to identify, assess and analyze the situation based on the principle of materiality, and take risk countermeasures to ensure that risks are controlled within the affordable range and prevent possible losses.</p> <p>Status of material risk management operations for the year was reported at the Board of Directors meeting on November 8, 2024. Please refer to p.34 (VI) Implementation of risk management policies and risk measurement standards, and the disclosure on the Company's website.</p>
III. Environmental Issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		<p>The Company's position in the industrial value chain is drug development (new product evaluation and design and planning of clinical trial) and marketing. The drugs owned by the Company commissioned are produced by domestic PIC/S GMP factories, so the Company does not have any factory or R&D lab. The Company's business activities mainly take place in the office of Nangang Software Park in Taipei City (the office area is about 222 square meters inclusive of public area). Therefore, ISO-related environmental management system certification does not apply. The Company's operations are characterized by little consumption of water and electricity; even so, the Company continues to encourage colleagues to use water and electricity in an efficient way.</p> <ul style="list-style-type: none"> General domestic waste: General domestic waste has been strictly sorted into resources and garbage to facilitate recycling and reduce the amount of garbage. Pharmaceutical waste management: Retirement of the Company's inventory waste in the warehouse of an outsource is carried out by a professional environmental protection engineering company with a waste disposal permit in compliance with the requirements of local health bureau, in order to ensure minimal impact on the ecology. The Company has never polluted the environment since its establishment on September 1, 2010, and will uphold the same ideal to maintain the best environmental performance. <p>(I) No deviation.</p>

Item	implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	V		Despite not having factories, the Company remains dedicated to promoting energy conservation and environmental improvement measures. To reduce environmental pollution caused by single-use plastic bottles, the office will provide reusable cups for visitors. Additionally, we will use PEFC-certified paper to promote responsible sourcing. We will also offer coffee beans and tea bags that meet international fair-trade standards for our colleagues and guests. We also provide green-certified dishwashing liquid and hand soap for our staff's use.
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	V		The Company outsources the production of all its products and operates mainly in offices. In recent years, issues such as climate change, global warming, and greenhouse gas emissions have received significant global attention. The Company has completed an assessment of the risks and opportunities associated with climate change. Based on this evaluation, we have developed corresponding response measures. For detailed information, please refer to page 50 of the annual report under 2. Climate-related Information and visit the company website.

Item	implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons														
	Yes	No															
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption, and total weight of waste for the past two years, and formulate policies for greenhouse gas emissions reduction, water consumption reduction, or other waste management?	V		<p>The company's main energy consumption comes from electricity used in the office building, with no energy usage from fixed production processes or emissions sources. The primary source of energy is purchased electricity. For the Company's greenhouse gas inventory results, assurance, and reduction policy, please refer to page 50, 2. Climate-related information and the Company's website.</p> <p>The Company uses water mainly for office use. Employees are encouraged to develop water conservation habits to reduce water consumption. The Company shared water with the building and the water consumption is allocated based on the floor area. The water consumption for the years 2023 and 2024 was 1,788.07 tons and 1,664.99 tons, respectively. The total greenhouse gas emissions from water usage for these years were 0.1695 tons and 0.1578 tons, respectively. Data covers the offices in Taipei, Taichung and Kaohsiung. Since its establishment in 2010, the Company has prioritized the quality of its pharmaceutical products, resulting in minimal medicinal waste. In 2023, the Company disposed of a total of 1.87 metric tons of pharmaceutical waste, comprising 1.84 metric tons of non-hazardous waste and 0.03 metric tons of hazardous medical waste. In 2024, the Company disposed of 1.34 metric tons of non-hazardous pharmaceutical waste.</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th><th colspan="2">GHG Emission Volume (metric tons CO2e)</th><th rowspan="2">Intensity (metric tons CO2e/in NT\$ million)</th></tr> <tr> <th>Scope 1</th><th>Scope 2</th></tr> </thead> <tbody> <tr> <td>2023</td><td>0.0009</td><td>56.0806</td><td>0.1128</td></tr> <tr> <td>2024</td><td>1.1049</td><td>58.3375</td><td>0.0945</td></tr> </tbody> </table> <p>Since its establishment, the Company has not experienced any environmental pollution incidents and will continue to uphold its consistent philosophy to maintain optimal environmental protection results. Based on the operational characteristics of TSH, water usage and total waste weight information are not significant to the Company.</p>	Year	GHG Emission Volume (metric tons CO2e)		Intensity (metric tons CO2e/in NT\$ million)	Scope 1	Scope 2	2023	0.0009	56.0806	0.1128	2024	1.1049	58.3375	0.0945
Year	GHG Emission Volume (metric tons CO2e)		Intensity (metric tons CO2e/in NT\$ million)														
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Item	implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	V		<p>The Company abides by labor laws and the International Bill of Human Rights, and treats employees fairly by reference to the "Universal Declaration of Human Rights," "Ten Principles of the UN Global Compact," and "United Nations Guiding Principles on Business and Human Rights." The Company also formulates related management policy and management systems to ensure employees' basic rights. In addition, the appointment and dismissal, remuneration, and welfare of the Company's personnel are carried out in accordance with the Company's "personnel regulations."</p> <p>The Company's implementation approaches:</p> <ul style="list-style-type: none"> • Provide a safe and healthy workplace to ensure the safety of employees and effectively reduce the risk of occupational accidents. • Any form of discrimination is prohibited; discrimination in any form or in treatment on the basis of gender, gender orientation, race, age, marital status, religion, political affiliation, place of birth, appearance, facial features, and disability is prohibited. Equal employment opportunities must be ensured. • Employment of child labor and illegal foreign labor is prohibited. • Encourage employees to maintain physical and mental health and strike a balance between work and life. • Forced labor is prohibited; employees are not restricted from taking a leave, nor are they forced to work overtime. • Create a communicative environment and encourage colleagues to communicate with the Company through labor and management meetings. • Provide diverse, open communication channels, through which stakeholders such as suppliers and business partners can submit feedback to the Company or report suspected violations. • To protect the labor rights of disadvantaged or marginalized groups, the Company employs individuals with disabilities and assigns them to positions that match their qualifications, facilitating their integration into the workforce. In 2024, the Company employed one person with disabilities, accounting for 1.39% of all employees, in compliance with the mandatory employment quota stipulated by the People with Disabilities Rights Protection Act. • Regularly review and evaluate relevant risks and review relevant systems and conduct. <p>For the Company's human rights policy and management projects, see the Company's website.</p>

(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation, and other benefits) and appropriately reflected the business performance or results in the employee remuneration?	V	<p>The Company advocates diversity and equality in the workplace, striving to create an inclusive and non-discriminatory work environment that respects differences in values, beliefs, race, age, gender, experience, and background, offering equal treatment and benefits to employees in the same position. The Company also prioritizes fairness in remuneration and promotion opportunities, basing treatment on the qualifications, expertise, and certifications of the candidates, ensuring that employees are not discriminated against, harassed, or treated unequally based on race, gender, religion, age, political inclination, or any other protected status under applicable laws.</p> <p>The Company had 72 full-time employees by the end of 2024. In terms of gender, there are 28 male employees, representing 39%, and 44 female employees, representing 61%; in terms of age, 6% are below 30 years old, 75% are between 31 and 50 years old, and 19% are above 51 years old. In terms of ethnicity, the Company does not employ any foreign workers or indigenous individuals. The gender ratio in the Company is also balanced, with females representing more than 50% of employees. Among them, 20% hold senior executive positions, contributing to a work culture and environment that champions gender equality.</p> <p>The Company has a competitive and fair salary and remuneration policy, which includes a base salary (guaranteed 15 months of salary per year for non-sales employees), bonuses for the three major Chinese holidays, departmental performance bonuses, and a performance evaluation system in accordance with the “Regulations on Performance Management and Standards for Payout of Performance Bonuses.” The calculation and payment of annual performance bonuses to employees are based on the KPIs (key performance indicators) set by the Company, PIs (departmental performance indicators) set by each department based on the KPIs and the PDPs (performance development plans) set by individuals based on the PIs, and then assessed according to the Company’s total revenue and net income before tax that year. Such a system sets out a specified basis for rewards and discipline based on personal, departmental, and corporate annual operating performances and social ethics and responsibilities.</p> <ul style="list-style-type: none"> • Annual salary adjustment: Annual salary adjustment is carried out every year based on the salary level prevailing in the market and the Company’s annual operating performance, with an average increase of 3.0% in 2024. • Salary adjustment for promotion: In each April and October, after the promotion of an employee is reviewed and approved in accordance with the promotion procedures specified in the “Regulations for Performance Management and Guidelines for Giving Performance Rewards,” their salary is raised according to their job rank after promotion. • A leave system superior to that required by the Labor Standards Act: <p>Employees working for more than three months but less than one year are given 7 days of annual leave. (Superior to what is required by the Labor Standards Act)</p>	(II) No deviation.
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Item	implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
			<p>Employees working for more than one year but less than three years are given 10 days of annual leave. (Superior to what is required by the Labor Standards Act)</p> <p>Employees working for more than three years but less than five years are given 14 days of annual leave.</p> <p>Employees working for more than five years but less than ten years are given 15 days of annual leave.</p> <p>Employees working for more than 10 years are given an additional day of annual leave for each additional year of service until the total days of annual leave reach 30 days.</p> <p>For other employee welfare measures, please refer to “V. Labor Relations” on p.78 of this annual report, and on the Company’s website.</p>




(III) Does the Company provide employees with a safe and healthy working environment, and related education?	V	<ul style="list-style-type: none"> • Safe and healthy workplace: The Company is committed to providing employees with a safe and healthy workplace. In addition, the Company has formulated the “Regulations for the Safety and Maintenance of Offices” and the “Safety and Health Work Rules,” which have been approved by the competent authority and put into practice. Moreover, the Company has designated an occupational safety and health specialist and commissioned a professional cleaning company to maintain the safety and cleanliness of the offices. On April 25 and December 3, 2024, the occupational safety and health personnel conducted “Labor Safety and Health Education Workshop – Human Factors Engineering” and “Labor Safety and Health Promotion” for all the employees respectively. Furthermore, the Company is situated in the Nangang Software Park, which boasts a comprehensive fire, security, and health system. TSH actively participates in annual fire drills and earthquake disaster prevention drills organized by the park management committee. Colleagues’ safety is ensured, given sufficient number of security personnel stationing in and patrolling the park, assess control and elevator access control in the park, and the control of access to the Company’s premises. The Company and its employees experienced no occupational accidents or fire incidents in 2024. • Personal insurance: Aside from purchasing labor insurance and national health insurance for all employees as required by law, the Company also purchases group insurance in order to offer employees more protection. Contents of the group insurance include accident insurance ranging from NT\$1 million to NT\$5 million depending on job ranks, injury insurance of NT\$20 thousand, and hospitalization insurance. Expatriated employees are further covered with travel insurance purchased by the HR unit. In addition, the coverage amount may be adjusted to ensure employees’ travel safety whenever required. • Health check-ups and education: The Company values employee health. In 2024, the Employee Welfare Committee arranged for all employees to be vaccinated against the flu and to have a physical examination, with employees’ dependents also being allowed to take part, demonstrating the Company’s care regarding the health of its employees. Various training courses are also held every year by the Company and the Group, which are all available for employees to participate in. • The Diversity, Equality, and Inclusion Workplace (DEI): The Company is committed to protecting the physical and mental health of its employees and has organized a series of seminars and courses on the DEI in 2024. A total of one seminar and two practical workshops for executives have been held to establish a diverse and inclusive workplace in the Company, and to continue to build a healthy workplace. 	(III) No deviation.
(IV) Has the Company established an effective career development training program for employees?	V	The Company builds a learning organization as an important goal in that it continues to promote training courses on professional competency and	(IV) No Deviation.






Item	implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
			<p>management competency, and actively promotes the talent development plan, so as to meet the organization's requirements, cultivate future leaders, and implement the PDP (performance development program), so as to facilitate effective learning and career development for employees. The program begins with annual goal setting in March, followed by a year-end review of outcomes. Through regular performance discussions, managers and employees reach a consensus, which serves as the basis for setting and adjusting goals for the following year.</p> <p>The company has a complete internal training system, including newcomer training, general education courses and professional courses. In addition to expecting new employees to adapt to the company's culture as soon as possible and gradually understand the company's vision and development direction, it also allows employees to sign up for courses according to their job needs and personal development plans. In addition, the Company's employees can apply for external training subsidies based on their individual competency needs, enabling them to continuously enhance their competitiveness.</p>




Item	implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
(V) 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		<p>The Company has established the Good Distribution Practice (GDP) system and had it approved. GDP not only inherits the spirit of rigorous quality management of Good Manufacturing Practice (GMP) for medicines, but also attends to the quality over the entire life cycle of medicines; this ensures that the quality and packaging integrity of medicines after they leave factory can be maintained during the storage and delivery process, thereby ensuring the quality and safety of medicine users.</p> <p>The medicines sold by the Company are prescription medicines and not sold directly to consumers. The product names, outer boxes, package inserts, and labels of the medicines are all in compliance with the “Regulations for Registration of Medicinal Products,” and the advertising of medicines for marketing purposes are filed with the health competent authority for approval in the manner prescribed in the “Pharmaceutical Affairs Act.” The Company has put in place a personal data protection and management system to manage and protect customer privacy. The Company safeguards customers’ personal data through the internal audit of personal data, crisis prevention, and education and training.</p> <p>In addition to setting up a customer service hotline and email address and making them available on the Company’s website for consumers to have a consultation or file complaints, the Company has also established the “Regulations for Dealing with Customer Complaints” and “Regulations for Product Recall,” by which the person in charge of the product will give swift response. In addition, the Company has also formulated the “Procedures for Reporting of Adverse Drug Reactions,” by which the drug safety team will deal with adverse reactions cases.</p>


Item	implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
(VI) 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	<p>The Company regards suppliers as important partners, and guides them in a direction towards long-term collaboration, thus ensuring a steadily developing sustainable supply chain. In addition, the Company has also put in place supplier management policies to ensure the stability of products and supply chain. The supplier management policy includes:</p> <p>(1) Evaluation of new suppliers</p> <ul style="list-style-type: none"> ● Certified with PIC/S GMP, licenses for a drug manufacturer/dealer, TDMF, or other government licenses ● Conduct on-site and document reviews, through which the manufacturing systems, quality assurance systems, quality control systems, warehousing systems, support systems, and validation systems are evaluated. Only those with evaluation scores above 60 points are deemed qualified and can be listed as approved suppliers. <p>(2) Evaluate existing approved suppliers every three years.</p> <p>(3) Carry out a comprehensive evaluation every year:</p> <ul style="list-style-type: none"> ● Evaluation is conducted once a year. ● Evaluation items include quality, delivery, and service. ● Purchase shall be suspended if the evaluation score of a supplier is below 60 points. ● Suppliers who have passed certification regarding the environment, occupational safety and health, and labor and human rights; those who submit the supplier sustainable development self-assessment questionnaire will also be rewarded extra points. <p>(4) Conduct regular and irregular meetings with suppliers.</p> <p>Please refer to the Company's website for detailed supplier management policies.</p> <ul style="list-style-type: none"> ● Supplier management: (1) Supplier self-assessment <p>The Company has launched supplier self-assessment questionnaires since 2021 for each supplier to conduct self-assessment of their performance in aspects of the environment, labor service, human rights, social, and product responsibility, in order to better understand their sustainable development situation. This is currently an item offering extra points in the supplier evaluation.</p> <p>(2) Guidance on improvement and follow-up</p> <p>In the 2024 supplier evaluation carried out by the Company, no supplier was rated E, a rating that warrants immediate suspension of purchase from a supplier, or was rated C, a rating requires a supplier to make improvement under the Company's coaching and monitoring.</p> <p>(3) Performance evaluation</p> <p>The company conducted its supplier evaluation in 2024, with results primarily falling in the A to C range, meeting quality, service, and delivery criteria.</p>	<p>(VI) The Company encourages suppliers to comply with relevant regulations and pass relevant certification when it comes to issues like environmental protection, occupational safety and health, or labor rights, and includes the issues in the supplier management policy. Therefore, there is no deviation in this respect.</p>

Item	implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainability reports and other reports which disclose the Company's non-financial information? Does the company obtain third party assurance or certification for the	V		No deviation.
VI. 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: None.			

VII. Other important information to facilitate better understanding of the company's promotion of sustainable development: The Company continuously strives to achieve the sustainable development goals, improve patients' living quality, and become the best strategic partner in the development and marketing in Asia for international innovative biotech firms. Upholding SDG 3 Good Health and Well-being and SDG 17 Partners for the Goals of the United Nations, the Company is progressing towards sustainable development in terms of all of the three ESG aspects, namely, environment, society, and corporate governance. On August 4, 2022, TSH established the Sustainable Development Committee under the Board of Directors, with the corporate governance officer as the executive secretary, and the finance department as the ESG functional team. The Board of Directors serves as the highest governing body for sustainable development, overseeing the formulation of the company's sustainability management strategies and objectives while providing guidance. The Sustainability Development Committee is responsible for establishing sustainability policies and strategic direction. The ESG functional team plans and implements the annual sustainability development plan and reports the execution status of the previous year to the Sustainability Development Committee and the Board of Directors in the following year. The Board evaluates and reviews the effectiveness of sustainability initiatives and, when necessary, urges adjustments to ensure continuous improvement.				
The three sustainable development aspects and task forces				
Aspect	E: Sustainable environment	S: Social responsibility	G: Corporate governance	
ESG Team	Environmental Friendliness Task Force	Employee and Society Care Task Force Drug Use Approval and Product Ethics and Safety Task Force	Corporate Governance Task Force	
Promotion of Sustainable Development in 2024				
E: Sustainable environment				
Implementation content				
Sustainable Development Goals (SDGs) of the United Nations				
 3 健康與福祉 12 責任消費與生產 13 氣候行動	<ul style="list-style-type: none">• In 2024, we supported the “River Basin Recovery” initiative by adopting rice fields, producing approximately 226.15 kilograms (377 Taiwanese catties) of rice. During the Dragon Boat Festival, in line with our commitment to food conservation, we re-stored previously discarded damaged white rice. Through careful processing, these imperfect grains were transformed into natural, eco-friendly rice soap. This is not only a treasure trove of resources, but also a testament to respect for nature. TSH shared a total of 78 Leopard Cat Rice gift boxes with stakeholders, each containing a 250g pack of white rice and two rice soaps. These gift boxes were not only festive presents but also a tribute to nature and a commitment to health, celebrating a meaningful Dragon Boat Festival together. For the Mid-Autumn Festival, we prepared 200 packs of 85g Leopard Cat Rice, paired with 40 boxes of handcrafted cookies from the Old Five Old Foundation's “Lao Feng Guang Traditional Pastry Shop,” creating a special holiday gift set.• Tea cups and mugs that can be repetitively used are provided to office visitors, to reduce the environmental pollution resulting from disposable drinking water bottles.• The office uses FSC™-certified paper for printing and copying.• In 2025, we produced the 2025 desk calendar using FSC™-certified paper, printing a total of 4,000 copies.Note: The “Forest Management, FM Certification” is awarded to forest management organizations to ensure that forest land is managed in an environmentally appropriate, socially beneficial, and economically viable manner.• In July 2024, the Company completed its first greenhouse gas (GHG) inventory report for the 2023 fiscal year. This process included training, assuring the scope of activity data, collecting activity data, calculating emissions, compiling an emissions inventory, and preparing the GHG inventory report.• In 2024, the Company launched a cloud-based Business Process Management (BPM) system to minimize energy consumption and to reduce costs.			
 13 氣候行動				
 3 健康與福祉 12 責任消費與生產 13 氣候行動	<ul style="list-style-type: none">• Maintained a high-quality supplier management: Regularly inspected suppliers to ensure that the supplier's manufacturing process resulted in little pollution of air, water, soil, chemical substances, etc., so as to ensure the health and safety of the Company's employees and the residents living near partner factories. The Company was not subject to any environmental pollution penalties in 2024.• Safe management of waste: Hazardous waste – Regularly checked for product life cycle; drugs are scrapped and recycled centrally. Non-hazardous waste – Sorted and recycled according to the Park's policy. Waste was disposed of according to law. The Company did not violate any waste disposal laws or regulations in 2024.• The coffee beans and tea bags at the disposal of employees and guests all bear an International Fairtrade Certification Mark. <p>*Note: Fairtrade International formulated the Fairtrade Standard for the world to follow. The standard is applicable to importers, exporters.</p>			

Item	Implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
	Summary description		
	<p>and manufacturers, and requires them to be subject to the monitoring and audit carried out by a certification body. This way, the standard makes the supply chain transparent, and social influence measurable and visible. When a product is fair trade certified, it means that the source of the raw material has been verified by an international fair trade certification body. A consumer buying a product bearing the mark is also contributing to the sustainability of the world and democracy of society.</p> <ul style="list-style-type: none"> Dishwashing detergent and hand sanitizer at the disposal of office employees all bear a green product mark. <p>*Note: Green products refer to products made of pure natural food or natural plants that do not contain any chemical additives, or to products that meet environmental requirements during production, use, and processing and are harmless or minimally harmful to the environment and conducive to resource regeneration and recycling.</p>		
	S: Social responsibility		
Sustainable Development Goals (SDGs) of the United Nations	Implementation content		
 3 健康與福祉	<ul style="list-style-type: none"> The Company provided 300 boxes of contract-grown Leopard Cat Rice for charity sales through the Old Five Old Foundation, raising a total of NT\$120,000, which was fully donated to support the foundation's operations. For the second consecutive year, the Company supported the Old Five Old Foundation's "Mobile Supply Truck" program, which provides care for elderly individuals living alone in rural communities. In 2024, a total of four mobile supply truck events were held, serving 19 elderly individuals. In 2024, the Company organized a hypertension health education seminar at the Old Five Old Foundation's Shiding Daycare Center, inviting a specialist physician to give a lecture. The event was attended by 30 elderly participants and five caregiving staff members. In 2024, the Company signed an industry-academia collaboration memorandum with National Yang Ming Chiao Tung University. From September to December, the Company jointly conducted the "Career Navigation" course, comprising a total of eight classes, while also promoting research in biotechnology and pharmaceuticals. 		
 4 優質教育			
 3 健康與福祉	<ul style="list-style-type: none"> Conducted 1 internal fire safety inspection in 2024. In 2024, the Company continued its support for the Asia-Pacific Psycho-Oncology Exchange Foundation by providing small gift packages as incentives for participants in the foundation's survey on the emotional well-being of cancer patients and caregivers. The gift packages included 50 branded notebooks, 100 alcohol spray bottles, 150 branded tote bags, and 250 NGS health education booklets. The Company also offered free flu vaccinations for employees and subsidized vaccinations for their family members, covering a total of 96 doses in 2024. The Company provided one time of health checkup to employees at the Company's expense, and to their dependents at a subsidized rate. 2 sessions of labor safety and health education were held in 2024. 		
 5 性別平等	<ul style="list-style-type: none"> Board of Directors diversity: Female directors account for 22.22% of total board seats. The Company promotes gender-neutral employment and provides equal employment opportunities to both genders. Currently, employees' gender ratio (men to women) is 2 to 3. In 2024, the Company maintained its commitment to fostering a friendly workplace environment, successfully preventing any incidents of workplace bullying or sexual harassment, with zero reported cases throughout the year. 		
 8 體面與經濟成長	<ul style="list-style-type: none"> To provide employees with the opportunities for learning and growth, the Company has forged a learning organization. In 2024, the Company launched the "Diversity, Equity, and Inclusion (DEI) Initiative", which included a cultural awareness seminar, two managerial workshops, two sessions on "Empowering with AI: Learn Effective Presentations", and a team reading program for the sales department. The Company values two-way communication with, and commitment to, employees; it further sets goals for the annual performance evaluation system, and the goals have been fully achieved. Employees will be promoted and given a pay raise according to their performance. 		

Item	implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	
Promotion of Sustainable Development in 2024			
G: Corporate governance			
Implementation content			
Sustainable Development Goals (SDGs) of the United Nations			
	<ul style="list-style-type: none">The company was honored with the 2024Taiwan BIO Awards – Outstanding Biotechnology Industry Potential Benchmark Award.In 2024, the Company successfully obtained two drug approvals: Amtrel, a hypertension medication, received drug approval in Malaysia; TYRVAYA, a nasal spray for dry eye disease, was approved as a new drug in Taiwan.Precision Medicine: The Company achieved a Taiwan first with its AlphaLiquid® 100 liquid biopsy technology for pleural effusion cancer diagnostics. This technology demonstrated high accuracy in newly diagnosed NSCLC patients. The research findings were published in 2024 in the international journal Molecular Diagnosis & Therapy.In 2024, the Company’s precision medicine technology obtained LDTs (Laboratory Developed Tests) approvals. In October 2024, the AlphaLiquid® 100 liquid biopsy test was approved, making it the first LDT-approved NGS genetic test in Taiwan. This test is specially designed to analyze cancer patients’ pleural fluid, abdominal fluid, and cerebrospinal fluid.		
	<ul style="list-style-type: none">In 2024, 65 employees completed the training and testing in ethical corporate management, code of conduct, prevention of insider trading, and promotion of personal data act.In 2024, the Company organized the seminar and manager workshop to form the corporate culture in order to assist the management in strengthening the diversity and trust of the team.In 2024, the Company organized the Deepening Information Security Awareness – Implementing (1) Vulnerability Scanning and Verification (2) Social Engineering Drill.		
	<ul style="list-style-type: none">In 2024, TSH acquired 51% of the equity of TOP Pharma Medical-ware Co., Ltd and TOP Biological Technology Company Limited respectively, which is the second and third subsidiary of the Company.In 2024, the Company received third-party certification from AFNOR Asia Ltd. for the 2023 Sustainability Report.		



SUSTAINABLE GOALS
DEVELOPMENT

11th Chinese Sustainability Report and 3rd English Sustainability Report were published in 2024.



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Note: The materiality principle refers to focusing on environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

2. Implementation status of climate-related information

Items	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company established the Sustainable Development Committee on August 4, 2022, with the corporate governance officer as the executive and the finance department as the ESG functional team. The Board of Directors is the highest guiding body for sustainable development, supervising the formulation of the Company's sustainable management strategy and goals, and providing advice. The Sustainable Development Committee is responsible for establishing the sustainable development policy and strategic direction, and the ESG functional team plans and implements the annual sustainable development plan. The Sustainability Development Committee regularly reports progress to the Board of Directors, while also tracking and managing various sustainability performance metrics. This allows the Board to effectively monitor the Company's climate risk management and execution outcomes. The Board is also able to offer suggestions for improvement or execution at any time, providing guidance and oversight of the Company's climate risk management situation.

Items	Implementation status			
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company evaluates the potential operational and financial impacts of climate-related risks and opportunities to plan actions in response to these risks and opportunities. The Company classifies climate risks and opportunities into short-term, medium-term, and long-term categories, with short term defined as 3 years, medium term as 5 years, and long term as over 10 years. After identifying climate risks, the Company actively develops corresponding strategies, aiming to reduce the operational and financial impacts of climate change and enhance business opportunities.			
	Transition risks	Risk Category	Risk Impacts	Response Measures
	Policies and regulations		According to the domestic "Climate Change Response Act," the government may impose carbon fees and initiate total greenhouse gas emission controls in the future. If carbon fees or total emission controls are implemented, it will increase the company's operational costs.	To reduce carbon costs and respond to total emission control, the Company has set greenhouse gas reduction targets and adjusts its operational strategies based on results in rolling wave planning.
	Market		Due to increased frequency and intensity of extreme weather events and rising market demands for carbon emission management, the supply chain may face the following risks: 1. Unstable supply: Extreme weather events may disrupt supplier production or transportation, affecting supply stability. 2. Raw Material Price Increases: Higher carbon emission management requirements may lead to increased raw material costs.	<ul style="list-style-type: none"> ● Supplier Management <ol style="list-style-type: none"> 1. Establish secondary source suppliers for specific critical raw materials to diversify supply risks. 2. Evaluate suppliers' carbon emission management performance and require suppliers to implement carbon reduction measures. ● Inventory Management <ol style="list-style-type: none"> 1. Appropriately increase inventory of critical raw materials to address risks of unstable supply. 2. Establish a supply chain risk early warning mechanism to respond promptly to unexpected situations such as supply chain disruptions.
Goodwill		As climate change issues gain attention, consumers' environmental and low-carbon requirements for corporate products are gradually increasing. If a company cannot effectively respond to climate change, it may face the following reputational risks: 1. Decreased Customer Loyalty: If company products fail to meet customers' environmental and low-carbon demands, it may lead to customer loss. 2. Revenue Decline: Customer loss may lead to decreased revenue, affecting business performance. 3. Corporate Image Damage: If a company is perceived as not prioritizing climate change, it may lead to damage to its corporate image.		<ul style="list-style-type: none"> ● Product greening <ol style="list-style-type: none"> 1. The packaging materials are gradually made of renewable or recyclable materials to reduce carbon emissions during the product life cycle. 2. Develop low-carbon products to meet customers' environmental requirements. ● Supply chain greening <ol style="list-style-type: none"> 1. Advocate for green procurement, requiring suppliers to adopt environmentally friendly, low-carbon production methods. 2. Collaborate with suppliers to jointly develop green products. ● Operations Greening <ol style="list-style-type: none"> 1. Establish energy-saving measures to improve energy efficiency. 2. Invest in green energy equipment to reduce carbon emissions.

Items	Implementation status		
	Risk Category	Risk Impacts	Response Measures
	Physical risks	Immediate risks: 1. Supply Chain Disruption: Extreme weather events may cause production or transportation interruptions for suppliers, affecting product processes, shipment schedules, and revenue. 2. Raw Material Price Increases: Extreme climate events may lead to increases in raw material prices, raising production costs. 3. Decreased Product Sales: Extreme climate events may lead to decreased consumer demand, affecting product sales.	<ul style="list-style-type: none"> ● Supplier Management 1. Incorporate suppliers' climate change risks into evaluation criteria, such as drainage and emergency power supply. 2. Regularly evaluate suppliers' climate change risk management performance. 3. Remind suppliers to take precautionary measures during high-risk periods such as typhoon seasons. ● Production flexibility 1. Seek opportunities to cooperate with companies in nearby countries or Taiwanese API companies to reduce the risk of supply chain disruption. 2. Establish multiple supply sources to diversify supply chain risks. ● Inventory Management Appropriately increase inventory of critical raw materials to cope with unexpected situations such as supply chain disruptions.
	Long-term	Climate change may lead to the following long-term risks: 1. Rising Energy Costs: Climate change leads to increased energy demand and decreasing renewable energy generation costs, resulting in higher energy prices. 2. Energy Shortage: Extreme climate events may lead to energy supply disruptions, affecting production.	<ul style="list-style-type: none"> ● Resource management 1. Prioritize energy-efficient equipment when replacing office equipment to improve energy use efficiency. 2. Install renewable energy generation equipment such as solar photovoltaic systems to reduce dependence on external energy sources. ● Supply chain management 1. Include suppliers' energy use efficiency in evaluation criteria, encouraging suppliers to adopt energy-saving equipment. 2. Collaborate with suppliers to jointly develop green products.
	Opportunity description		
	<ul style="list-style-type: none"> ● Increase in market demand: As consumers increase their demand for environmental protection and low-carbon products, enterprises can change their packaging materials to green materials. ● Industrial Upgrade: Climate change prompts enterprises to upgrade, such as introducing energy-saving equipment and developing renewable energy, which can enhance corporate competitiveness. ● Government policy support: To address climate change, governments worldwide are introducing relevant policies such as carbon pricing and renewable energy subsidies. Enterprises can leverage these government policies to reduce costs and increase profitability. 		
			Response Measures <ul style="list-style-type: none"> ● Product greening 1. The Company will gradually adopt renewable or recycled packaging materials to reduce carbon emissions during the product life cycle. 2. Develop low-carbon packaging to satisfy customers' environmental protection needs. ● Supply chain greening 1. Advocate for green procurement, requiring suppliers to adopt environmentally friendly, low-carbon production methods. 2. Work with suppliers to develop green packaging materials. ● Operations Greening 1. Establish energy-saving measures to improve energy efficiency. 2. Invest in green energy equipment to reduce carbon emissions.

Items	Implementation status
3. Describe the financial impact of extreme weather events and transformative actions.	<p>The Company assesses that climate change may lead to an increase in the frequency and intensity of extreme weather events such as typhoons, floods, and droughts. The supply chain may face disruptions in production or transportation from suppliers, affecting product processes, shipment schedules, and supply stability. It may also result in rising raw material prices, increasing production costs, or potentially leading to decreased consumer demand, affecting product sales.</p> <p>The company's transformation efforts primarily focus on managing suppliers and inventory. This includes establishing secondary source suppliers for specific key raw materials to diversify supply risks; evaluating the carbon emission management performance of suppliers and requiring them to adopt carbon reduction measures; incorporating climate change risks into supplier evaluation standards, such as drainage systems and emergency power supply, and regularly assessing their climate risk management performance; appropriately increasing inventory for critical raw materials to mitigate the risk of supply instability; and establishing a supply chain risk early-warning system to proactively address sudden disruptions such as supply chain interruptions.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Board of Directors is the highest decision-making unit for risk management and is responsible for approving the Company's risk management policies and structures, ensuring that the operational strategy is consistent with the risk management policy, that the risk management mechanism is operating effectively, and that sufficient and appropriate resources are allocated and assigned. In order to improve risk assessment and strengthen management functions, the Board of Directors resolved on October 30, 2020 to establish a risk management organization. This organization is responsible for the implementation of risk management, and the President acts as the convener and reports to the Audit Committee and the Board of Directors every year. Each unit is responsible for risk identification and assessment, evaluating the likelihood and potential impact of risks. When risks are identified within their respective operations, they must propose appropriate response measures, which are then reported to the risk management organization. The ESG functional team is responsible for identifying climate risks and opportunities. The risk management organization reviews whether the company has taken appropriate actions in response to the identified risks to ensure that they are kept within acceptable limits.</p>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>The Company has not yet used scenario analysis to assess resilience against climate change risks.</p>
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>The Company aims to meet international standards, improve energy usage, and achieve carbon neutrality. The short-term goal is to identify and quantify greenhouse gases in accordance with the ISO 14064-1:2018 standard. The mid-term goal is to achieve third-party certification under ISO 14064-1:2018. The long-term goal is to continuously assess climate threats faced by the company and take early action, ultimately achieving carbon neutrality.</p> <p>To achieve the goals, the Company will gradually adopt green procurement practices, requiring suppliers to comply with sustainability standards; establish energy-saving measures to improve energy efficiency; and invest in green energy equipment to reduce carbon emissions.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>Regarding internal carbon pricing as a planning tool, the Company has not yet adopted internal carbon pricing.</p>
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>The Company is committed to promoting energy conservation and environmental protection measures, and responding to the government's energy conservation and carbon reduction policies. The scope of greenhouse gas emission is 1 and 2 for the Company's Taipei, Taichung and Kaohsiung offices. Based on 2024, the goal is to reduce total energy consumption by 1% by 2029, with the following specific reductions: a 1% decrease in internal operational energy consumption, a 1% decrease in energy consumption for logistics operations, and a 1% decrease in energy consumption for employee commuting transportation. (2024 greenhouse gas inventory data will be announced in the TSH Sustainability Report)</p> <p>The Company did not use the carbon credit or renewable energy certificate (REC) to achieve the relevant goals.</p>

9. Greenhouse gas inventory and confirmation of status and reduction targets, strategies and specific action plans	<div><div>The company's greenhouse gas inventory and confirmation status in the last two years</div><div><div>● Greenhouse Gas Inventory Information</div><div>Our company is an OTC company with a capitalization of less than NT\$5 billion. According to the "Sustainable Development Roadmap for OTC Companies", it falls into the third phase of the applicable schedule and should disclose greenhouse gas inventories in 2026 and confirmed results in 2028. However, in response to international trends, our company will conduct its first inventory and quantification in 2023 in accordance with the ISO 14064-1:2018 standard and disclose it in the sustainability report. Our company has no factories or R&D laboratories. All products are outsourced. Our operations are mainly office activities. The greenhouse gas emissions in the past two years are as follows:</div></div></div> <table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Category 1 (metric tons CO₂e/year)</td><td>1.1309</td><td>1.1049</td></tr><tr><td>Category 2 (metric tons CO₂e/year)</td><td>56.0806</td><td>57.5578</td></tr><tr><td>Category I + Category II (metric tons CO₂e/year)</td><td>57.2115</td><td>58.6627</td></tr><tr><td>Category 3 (metric tons CO₂e/year)</td><td>64.6907</td><td>87.7344</td></tr><tr><td>Category 4 (metric tons CO₂e/year)</td><td>11.3451</td><td>12.0172</td></tr><tr><td>Individual revenue (unit: NT\$ million)</td><td>497.3</td><td>628.5</td></tr><tr><td>Total greenhouse gas emission intensity for Category 1 + Category 2(metric tons CO₂e / individual revenue)</td><td>0.1150</td><td>0.0933</td></tr></table> <div><div>Greenhouse gas reduction targets, strategies and specific action plans</div><div><div>● Energy-saving Improvement Measures</div><div>Our company operates in the integrated development and marketing of pharmaceuticals. All products are outsourced and we do not have a factory or laboratory. Currently operating from an office, we remain committed to promoting energy conservation and environmental improvements. In response to government policies promoting energy conservation and carbon reduction, we are implementing measures to reduce environmental impact within our operations. We will also establish an assessment of the potential risks and opportunities posed by climate change to the company now and in the future, as a topic for discussion and collaboration on sustainable development with our suppliers.</div></div><div><div>● Energy Consumption Reduction Measures</div><div>Go achieve energy consumption targets, TSH Biopharm will implement the following measures:</div><div>Internal basic operational energy consumption</div><div><div>I. Replace outdated equipment to improve energy efficiency.</div><div>II. Promote energy conservation and carbon reduction awareness education to enhance employee energy-saving consciousness.</div><div>III. Implement green procurement, prioritizing energy-efficient products.</div></div><div>Energy consumption in logistics operations</div><div><div>I. Optimize logistic routes, reduce empty load rates</div><div>II. Adopt green packaging materials to reduce packaging waste.</div></div><div>Employee commute</div><div><div>I. Promote green commuting, encouraging employees to use public transportation, bicycles, or walk.</div><div>II. Implement work-from-home measures to reduce carbon emissions from high-pollution commuting.</div></div></div></div>	Year	2023	2024	Category 1 (metric tons CO ₂ e/year)	1.1309	1.1049	Category 2 (metric tons CO ₂ e/year)	56.0806	57.5578	Category I + Category II (metric tons CO ₂ e/year)	57.2115	58.6627	Category 3 (metric tons CO ₂ e/year)	64.6907	87.7344	Category 4 (metric tons CO ₂ e/year)	11.3451	12.0172	Individual revenue (unit: NT\$ million)	497.3	628.5	Total greenhouse gas emission intensity for Category 1 + Category 2(metric tons CO ₂ e / individual revenue)	0.1150	0.0933
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(VIII) 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			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description	
<p>I. Formulate ethical corporate management policy and plan</p> <p>(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and by-laws 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?</p>	V		<p>Ethics is the Company's corporate culture and core values, and is upheld by the Company's management as the principle for operations. In addition, the Company has also formulated and the Board of Directors approved the "Ethical Corporate Management Best-Practice Principles," "Ethical Corporate Management Operating Procedures and Code of Conduct," and the whistleblowing system for reporting unethical conduct. The Board of Directors and the management abide by relevant laws and regulations and have signed a statement of compliance with ethical corporate management. The members of the Board of Directors are also highly self-disciplined. The Company's ethics-based business strategy is already disclosed on its website and in the Sustainability Report. In addition, the implementation of such policy is also reported to the Board of Directors every year.</p>	(I) No deviation.

Evaluation Item	Implementation Status			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description	
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activity within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies?	V		The Company has formulated the "Ethical Corporate Management Best-Practice Principles," by which the Company analyzes the operating activities prone to high risks of unethical conduct through the evaluation mechanism. The Company has also formulated its "Ethical Corporate Management Operating Procedures and Code of Conduct," and demanded that directors, managers, employees, or agents abide by the Company's regulations for prevention of unethical conduct. When employees have ethical doubts and encounters conflict of interests, they must take the initiative to report to the Company's dedicated unit through the email box set up by the Company, in writing, or by phone. The Company seriously treats any possible unethical behavior pattern, and will dismiss, discharge, or terminate the contract with, any employee involving in unethical conduct, or will take legal actions against such an employee where appropriate. The Company did not find any unethical conduct or receive reports for any whistleblowing case in 2024.	(II) No deviation.
(III) 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		To prevent unethical conduct, the Company has formulated the "Ethical Corporate Management Operating Procedures and Code of Conduct" and a system for imposing penalties on violations and for filing complaints. No employee of the Company is allowed to provide or accept any improper benefits or engage in illegal conduct. Relevant policy is implemented by the Ethical Corporate Management Taskforce, and is reviewed and revised periodically every year. For details on the system and regulations for filing complaints, please see the Company's website. In 2024, there was no unethical incident.	(III) No deviation.
II. The implementation of ethical corporate management (I) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		The Company evaluates and continues to pay attention to the ethics record of the transaction counterparty, and has designated the legal affairs unit to incorporate an ethics clause into the contract signed with the Company's important transaction parties. If they are involved in any unethical conduct, the Company may terminate or cancel the contracts unconditionally at any time.	(I) No deviation.

(II) 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	<p>The Company has formulated the Procedures for Ethical Management and Guidelines for Conduct on October 30, 2020 and set up an Ethical Corporate Management Promotion Team under the Board of Directors; the Team is responsible for formulating, amending, and implementing the Company's integrity policy and regularly reporting to the Board of Directors every year and disclosing it on the Company's website. The implementation status was reported to the Board of Directors on February 21, 2025, as follows:</p> <p>1. Awareness session</p> <p>On August 19, 2024, the legal affairs unit gave a 30-minute awareness session to employees on ethical corporate management, prevention of insider trading, and the Personal Information Protection Act, so that employees were aware of the importance of ethical corporate management, prevention of insider trading, as well as compliance with the Personal Information Protection Act. Employees attending the session totaled 65 persons, and have all completed a post-session online test. In addition, a reminder was sent to Directors 30 days and 15 days before the annual financial statements and the quarterly financial statements were published, respectively, advising against the trading of company stocks during the closed period.</p> <p>2. Report on the state of whistleblowing</p> <p>No reports regarding whistleblowing cases were received in 2024.</p> <p>3. Declaration signage</p> <p>Newly appointed members of the Board of Directors have signed a statement of compliance with the ethical corporate management policy.</p> <p>4. Preventing conflicts of interest</p> <p>The Company requires directors, managers and stakeholders to be highly self-disciplined and provides them with means to state whether their interests conflict with the interests of the Company, e.g. meetings, documents, email, or phone call. In all the proposals discussed or put to vote at the Board of Directors meetings in 2024, directors voluntarily stated their related interests when it came to the proposals involving their personal interests, and recused themselves from the voting. Such process was recorded in the Board of Directors meeting minutes by the meeting affairs unit.</p>	(II) No deviation.
(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V	<p>The Company has formulated its "Ethical Corporate Management Operating Procedures and Code of Conduct" and "Whistleblowing System," in which the policy to prevent conflicts of interest and the channel to report conflicts of interest are specified. In addition, to</p>	(III) No deviation.

Evaluation Item	Implementation Status		Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	
			prevent conflict of interest, directors and managers and their stakeholders are required to be highly self-disciplined and provided with the means, e.g. meetings, documents, email, or phone call, to state whether their interests conflict with the interests of the Company. In all the proposals discussed or put to vote at the Board of Directors meetings in 2024, directors voluntarily stated their related interests when it came to the proposals involving their personal interests, and recused themselves from the voting. Such process was recorded in the Board of Directors meeting minutes by the meeting affairs unit.
(IV) 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		(IV) No Deviation.
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		(V) No difference.

Evaluation Item	Implementation Status			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description	
III. The operation of the Company's whistleblower reporting system (I) Does the Company establish specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels and designate responsible individuals to handle the complaints received?	V		<p>The Company has established a “Whistleblowing System” (for details, please refer to the Company’s website), according to which the Audit Office and the Ethical Corporate Management Taskforce are employed depending on the accused subject of different whistleblowing cases. The whistleblowing channel and contact information are also made available on the Company’s website. Furthermore, the identity of the whistleblower and the whistleblowing content are kept strictly confidential. Violators of ethical conduct shall be punished, discharged, laid off, or be subject to legal proceedings according to laws, regulations, or the Company’s internal regulations depending on the severity of violation.</p> <ul style="list-style-type: none">• <u>Whistleblowing channel:</u> Ethical Corporate Management Taskforce Email: ethical@tshbiopharm.com <u>Internal whistleblowing channel:</u> Chief Auditor Ya-Chi Wu Tel: 02-2655-8525 (ext. 5523) Email: Jessica_Wu@tshbiopharm.com• Acceptance unit: The unit exclusively responsible for accepting the case includes the Ethical Corporate Management Task Force and the Head of the Audit Office.• Reward rules: If the matter exposed is confirmed to be true, rewards will be given in accordance with the “Work Rules” established by the Company.	(I) No deviation.

Evaluation Item	Implementation Status		Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	
(II) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures to be adopted, and the related confidentiality measures after investigation?	V		<p>The standard investigation operating procedures for dealing with the matter being exposed, and the confidentiality mechanism, are based on the Company's "Whistleblowing System." Including the following (summary description):</p> <ul style="list-style-type: none"> • Required for whistleblowing: Whistleblowing must be made using the name of a whistleblower, who must enumerate the facts and sign for confirmation. • Accepted. • Investigation: After the case is accepted, an investigation will be carried out to verify the facts. If necessary, relevant information, with the personal information of the whistleblower being masked, can be provided to relevant units, external lawyers, or experts to seek their assistance. If the accusation is verified to be true, the accused will be demanded to cease relevant conduct immediately and appropriately punished. The Company may, where required, seek damages through legal proceedings. • Reporting and adjudication of guilt: After the unit accepting the case completes necessary investigation procedures, the unit will issue an investigation report based on the facts verified and report the whistleblower protection policy to other units at the various levels. Archiving of whistleblowing documents. <p>(II) No deviation.</p>

Evaluation Item	Implementation Status		Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for the differences
	Yes	No	
(III) Does the Company adopt proper measures to shield a whistleblower from retaliation for filing grievances?	V		<p>The Company keeps the identity of the whistleblower strictly confidential and refers to them using a code instead. The original documents that require the information on the identity of the whistleblower to be presented are further covered with a book cover, lest the whistleblower be improperly treated. The protection policy is briefly described as follows:</p> <ul style="list-style-type: none"> • The Company promises to keep the identity of the whistleblower completely confidential and not to treat the whistleblower improperly or unfavorably on the basis of the whistleblowing. • If the identity of the whistleblower is exposed, the unit accepting the case should investigate the process of identity exposure, find out the person exposing the identity, and strictly punish the person according to the Company's Work Rules. • All letters, documents, statements, or information related to whistleblowing must be sealed and archived in the confidential folder exclusively for the unit accepting the case. If any information is leaked, punishment will be imposed based on the Company's Work Rules.
IV. Enhance Information Disclosure (I) Does the Company disclose the content and implementation results of its Ethical Corporate Management Best-Practice Principles on its website and the Market Observation Post System?	V		No deviation.
V. 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 deviation from the principles in the company's operations: None.			
VI. Other important information to facilitate better understanding of the company's promotion of sustainable development (e.g. review or revision of its Ethical Corporate Management Best-Practice Principles): Upholding a corporate culture of ethics and integrity, the Company acts in strict adherence to its "Ethical Corporate Management Best-Practice Principles" and actively prevents unethical conduct, so as to achieve the sustainable development goals.			

(IX) Other important information conducive to the understanding of the Company's corporate governance operations: None.

(X) Implementation status of internal control system

1. Please refer to the Market Observation Post System (Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement) for the Company's Internal Control System Statement. <https://mopsov.twse.com.tw/nas/cont06/c8432113011140224.pdf>
2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(XI) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report and the implementation thereof:

1. Key resolutions of the Shareholders' Meeting and their implementation:

Meeting title/date	Key resolutions	implementation status
Annual Shareholders' Meeting 2024/05/24	1. The Company's 2023 business report and financial statements.	The resolution was approved.
	2. The Company's 2023 earnings distribution proposal.	The resolution was approved, and has been implemented according to the resolution of the shareholders' meeting. Set the ex-dividend record date as June 23, 2024, and the payable date as July 12, 2024 (NT\$1.28 of dividends in cash per share).
	3. By-election of two independent directors to the Board of Directors.	Election results are detailed in the minutes of the shareholders' meeting on May 24, 2024. The change of directors was registered on June 6, 2024, and was approved by the Taipei City Government in the letter Fu-Chan-Ye-Shang-Zi No. 11350025600.
	4. Proposal for the lifting of non-compete restriction on directors.	The proposal for the lifting of restrictions on directors from concurrently holding positions in other companies has been approved.

2. Important resolutions of the Board of Directors:

Meeting title/date	Summary of key resolutions
Board of Directors 2024/02/27	<ol style="list-style-type: none"> 1. Proposal for the distribution of remuneration for employees and directors of the Company in 2023. 2. Proposal for the list of directors eligible for remuneration in 2023. 3. Proposal for the 2023 financial statements and business reports. 4. Proposal for the distribution of earnings in 2023. 5. By-election of two independent directors to the Board of Directors. 6. Proposal regarding the agenda, date, time, and location for the 2024 annual shareholders' meeting. 7. Proposal to nominate a list of candidates for additional independent directors in 2024. 8. Proposal for lifting non-compete restriction on directors. 9. Proposal for the 2023 statement of internal control system. 10. Proposal for signing a pharmaceutical outsourcing contract with Company G. 11. Proposal for terminating the vaccine contract with TTY Biopharm company limited. 12. Proposal for signing a "Business Development Consulting Service Contract" with a subsidiary of the Company.

Meeting title/date	Summary of key resolutions
Board of Directors 2024/03/11	<ol style="list-style-type: none"> 1. The Company proposed to acquire 51% of the issued and outstanding common shares from TOP Pharma Medical-wares Co., Ltd. and Top Pharma & Bio-Tech Company, respectively. 2. Proposal of signing a consultation service agreement with Company D. 3. Proposal of lifting non-compete restriction on President. 4. Proposal of appointment of the Senior Director of Finance and Chief Financial Officer. 5. Proposal of change of the Company's spokesperson. 6. Proposal for the distribution of bonuses to employees of 2023. 7. The proposal for salary adjustment of the managers of the Company in 2024. 8. Proposal for the 2024 bonus regulations for the head of the Business Division. 9. Proposal for the 2024 bonus regulations for the head of the Marketing Division. 10. Proposal for the 2024 bonus regulations for the head of the Business Development & R&D Division. 11. Promotion of managers
Board of Directors 2024/05/06	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the Q1 2024. 2. Proposal of lifting non-compete restriction on President.
Board of Directors 2024/08/07	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the Q2 2024. 2. The Company's 2023 Corporate Sustainability Report. 3. Appointment of the Company's 5th "Remuneration Committee" members. 4. Amendment to the Company's "Rules of Procedure for Board of Directors Meetings". 5. Amendment to the Company's "Regulations Governing Financial and Business Matters Between Related Parties. 6. Amendment to the "Corporate Governance Best Practice Principles" of the Company. 7. Proposal for signing a pharmaceutical distribution contract with Company's subsidiary. 8. Proposal for signing a pharmaceutical outsourcing contract with Company N. 9. Promotion of managers
Board of Directors 2024/11/08	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the Q3 2024. 2. Amendment to the Company's "Audit Committee Charter". 3. Proposal to terminate the maintenance project related patents. 4. Proposal for signing an "Service Contract" with TTY Biopharm Co., Ltd. 5. The Company proposed to agree to and authorize the M&A of its subsidiaries, TOP Pharma Medical-wares Co., Ltd. and TOP Biological Technology Company Limited.
Board of Directors 2024/12/09	<ol style="list-style-type: none"> 1. Proposal for terminating R&D project. 2. Proposal for Company's 2025 budget and business plan. 3. Proposal for appointing "KPMG" as the Company's 2025 attesting CPA firm and providing various audit services fees. 4. Proposal for the pre-approval list of non-assurance services for the year 2025 and the related independence assessment. 5. The Company's 2025 audit plan. 6. Amendment to the Company's "Internal Control System - Other Management System" and "Internal Audit System". 7. Amendment to the Company's "Sustainable Development Committee Charter". 8. Proposal to establish the "Procedures for the Preparation and Assurance of the Sustainability Report" of the Company. 9. Proposal for signing the "Information Service Agreement" with TTY Biopharm Company Ltd. from 2025 to 2026. 10. Proposal for signing a "Lease Contract" with TTY Biopharm Company Ltd. from 2025 to 2026. 11. Proposal for the conversion of the employment contracts of the Company's managerial officers.

Meeting title/date	Summary of key resolutions
Board of Directors 2025/02/21	<ol style="list-style-type: none"> 1. The 2024 remuneration distribution plan for employees and directors. 2. The Company's 2024 business report and financial statements. 3. The Company's 2024 earnings distribution proposal. 4. Proposal to amend the "Articles of Incorporation". 5. Proposal regarding the agenda, date, time, and location for the 2025 annual shareholders' meeting. 6. Statement of Internal Control System of the Company for 2024. 7. Proposal for signing an exclusive licensing agreement for pharmaceuticals with Company T. 8. Proposal for signing an exclusive distribution contract for pharmaceuticals with other related parties. 9. Proposal for signing a "Pharmaceutical Outsourcing Agreement" with Company S. 10. Proposal for signing a "Outsourcing Manufacturing Contract" with Company S. 11. Proposal for signing a pharmaceutical distribution contract with a subsidiary. 12. Proposal for signing an annual commission-based regional distribution agreement with a subsidiary. 13. Proposal for the distribution list of directors' remunerations for 2024. 14. Proposal for the distribution of employee bonus for 2024. 15. Proposal for salary adjustment of the managers of the Company in 2025. 16. Proposal for bonus regulations for the head of the Business Division of the Company. 17. Proposal for the 2025 bonus regulations for the head of Corporate Development and R&D Department of the Company. 18. Proposal for the 2025 bonus regulations for the head of the Marketing Department of the Company.

(XII) In 2024 or in the current fiscal year up to the publication date of the annual report, where a director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, the principal content thereof should be disclosed: None

IV. Information on CPA Professional Fees

(I) Information on CPA professional fees

Unit: NT\$ Thousand

Name of Accounting Firm	Name of CPAs	Audit Period	Audit fees	Non-audit fees	Total	Remarks
KPMG Taiwan	Han, Yi-Lien Huang, Hsin-Ting	2024/01/01– 2024/12/31	1,510	412	1,922	—

The Company's non-audit fees comprise the fees for attestation of taxation documents, printing of financial statements, and specimen chop verification, which total at NT\$412 thousand.

(II) If the Company changed its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous year, the amounts of the audit fees before and after the change and the reasons shall be disclosed:

Not applicable.

(III) If the audit fees paid for the current fiscal year are lower than those for the previous year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor should be disclosed:

Not applicable.

V. Information on replacement of CPAs: The Company did not replace its CPAs in the most recent year.

VI. Where the company's Chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed:
None.

VII. Transfer of equity interests, pledge of, or change in equity interests by a Director, managerial officer, or shareholder with a stake of more than 10 percent during 2024 or during the current year up to the publication date of the annual report. Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, relationship with the Company and its directors, managerial officers, and shareholders with a stake of more than 10 percent, and the number of shares transferred or pledged.

For details regarding the share transfers and changes in share pledges of the Company's directors, managers, and shareholders holding more than 10% of the shares for the year 2024 (Republic of China Year 113) and up to the date of publication of the annual report, please refer to the Market Observation Post System (Summary Reports > Shareholding Changes / Securities Issuance > Changes in Shareholdings of Directors, Supervisors, Managers, and Shareholders with Over 10% Shareholding > Summary Table of Changes in Shareholdings of Directors, Supervisors, Managers, and Shareholders Holding More Than 10%) .

VIII. Information on the Relationship Among the Ten Largest Shareholders Who Are a Related Parties, Spouses, or Relatives Within the Second Degree of Kinship

Name (Note 1)	Individual shareholding		Spous and minor shareholding		Nominee shareholding		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 (Note 3).		Remark
	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Title (or name)	Relationship	
TTY Biopharm Company Limited Representative: Chuan Lin	21,687,177	56.48	0	0	0	0	None	None	-
Chuan Lin	0	0	0	0	0	0	None	None	-
Dawan Technology Co., Ltd. Representative: Hsiao, Ying-Chun	805,941	2.10	0	0	0	0	None	None	-
Hsiao, Ying-Chun	154,227	0.40	0	0	0	0	None	None	-
Microbio Co., Ltd. Representative: Kuo, Hsien-Shou	386,240	1.01	0	0	0	0	None	None	-
Kuo, Hsien-Shou	0	0	0	0	0	0	None	None	-
Lin, Jung-Chin	350,194	0.91	0	0	0	0	None	None	-
Li, Wen-Hsing	299,000	0.78	0	0	0	0	None	None	-
Liu, Shui-Tan	280,000	0.73	0	0	0	0	None	None	-
Liu, Ying-Chang	279,300	0.73	0	0	0	0	None	None	-
Citibank in custody of Barclays Capital SBL/PB Investment Account	278,000	0.72	0	0	0	0	None	None	-
Pan, Ya-Chi	246,000	0.64	0	0	0	0	None	None	-
Chang, Chao-Heng	179,000	0.47	-	-	-	-	None	None	-

IX. Total Shares and Consolidated Equity Stake Percentage Held in Any Single Investee Enterprise by the Company, Its Directors, Managerial Officers, or Any Companies Controlled Either Directly or Indirectly by the Company.

Unit: shares; %

Investee	Investment by the Company		Investment by Directors, Managerial Officers, and Entities Controlled Directly or Indirectly by the Company		Total investment	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
Chuang Yi Biotech co. ltd.	16,590,279	51.60	7,432,299	23.12	24,022,578	74.72
TOP Pharma Medical-wares Co., Ltd. (Note)	2,157,300	51.00	0	0	2,157,300	51.00
Top Pharma & Bio-Tech-Company (Note)	510,000	51.00	0	0	510,000	51.00

Note: These subsidiaries were acquired by the Company in April 2024.

Three. Fundraising Status

I. Capital and shares

(I) Source of share capital

Unit: thousand shares; NT\$1,000

Date	Issue price	Authorized capital stock		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Source of share capital	Capital paid in by assets other than cash	Others
2010.09	10	50,000	500,000	15,000	150,000	Issuance of new shares worth NT\$150,000 thousand in connection of acquisition of the shares of other companies due to demergers	None	Note 1
2010.11	30	50,000	500,000	25,000	250,000	Follow-on offering of NT\$100,000 thousand	None	Note 2
2011.10	10	50,000	500,000	28,000	280,000	Recapitalization of earnings in the amount of NT\$30,000 thousand.	None	Note 3
2012.04	88	50,000	500,000	31,734	317,340	Follow-on offering of NT\$37,340 thousand	None	Note 4
2012.09	10	50,000	500,000	34,907	349,074	Recapitalization of earnings in the amount of NT\$31,734 thousand.	None	Note 5
2013.09	10	50,000	500,000	38,398	383,981	Recapitalization of capital reserves in the amount of NT\$34,907 thousand	None	Note 6
2020.06	10	100,000	1,000,000	38,398	383,981	To increase the registered capital	None	Note 7

Note 1: Approved by TPCG with its official letter Fu-Chan-Ye-Shang-Zi No.09987636410 dated September 21, 2010, and registered.

Note 2: Approved by TPCG with its official letter Fu-Chan-Ye-Shang-Zi No.09989789610 dated November 29, 2010, and registered.

Note 3: Approved by TPCG with its official letter Fu-Chan-Ye-Shang-Zi No.10087837410 dated September 22, 2011, and registered.

Note 4: Approved by TPCG with its official letter Fu-Chan-Ye-Shang-Zi No.10183748410 dated May 25, 2012, and registered.

Note 5: Approved by TPCG with its official letter Fu-Chan-Ye-Shang-Zi No.10187530210 dated September 19, 2012, and registered.

Note 6: Approved by TPCG with its official letter Fu-Chan-Ye-Shang-Zi No.10288087900 dated September 24, 2013, and registered.

Note 7: Approved, as evidenced by the official letter Fu-Chan-Ye-Shang-Zi No.10950337800 dated June 9, 2020, and registered.

Unit: shares

Type of shares	Authorized capital stock			Remark
	Outstanding shares (Note 1)	Unissued shares	Total	
Registered Common Shares	38,398,140	61,601,860	100,000,000	-

Note 1: The Company was listed on the Taipei Exchange (TPEx) as an OTC company on April 30, 2012.

Information about the shelf registration system: None

(II) List of major shareholders

March 30, 2025

Name of major shareholder	Shares	Number of shares held (shares)	Shareholding percentage (%)
TTY Biopharm Company Limited		21,687,177	56.48
Dawan Technology Co., Ltd.		805,941	2.10
Microbio Co., Ltd.		386,240	1.01
Lin, Jung-Chin		350,194	0.91
Li, Wen-Hsing		299,000	0.78
Liu, Shui-Tan		280,000	0.73
Liu, Ying-Chang		279,300	0.73
Citibank in custody of Barclays Capital SBL/PB Investment Account		278,000	0.72
Pan, Ya-Chi		246,000	0.64
Chang, Chao-Heng		179,000	0.47

Note: This table includes shareholders who hold more than 5% of the total shares or are among the 10 largest shareholders.

(III) Company's dividend policy and implementation thereof

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

The Company's dividend policy is implemented in accordance with the Company Act and the Company's Articles of Incorporation, ensuring the normal operations of the Company and protecting the rights and interests of investors. Below is the dividend policy stated in Article 29 through Article 31 of the Company's Articles of Incorporation:

- (1) Where the Company makes a profit in the year, it shall allocate 2% to 8% of the profit as employee compensation, which may be paid out in stock or cash as per the resolution by the Board of Directors. The recipients of the remuneration may include employees of affiliates or subordinate companies who meet certain criteria. The Company may allocate no more than 2% of the above-mentioned profit as the directors' compensation, which can be paid only in cash. The proposals to distribute compensation to employees and directors shall be reported at the Shareholders' Meeting. However, if the Company is still in losses, an amount equal to such losses shall be reserved before such earnings can be distributed as employee compensation and remuneration to directors in the proportion mentioned above.
- (2) In the event of surplus earnings after the closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated for. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserves. However, in the event that the accumulated legal reserves are equivalent to or exceed the Company's total paid-in capital, such allocation may be exempted. The remainder may be set aside or reversed as special surplus reserve in accordance with laws and regulations. If there are remainder earnings, the Board of Directors shall draft an earnings distribution proposal regarding the remainder of the earnings as well as accumulated undistributed earnings for approval at the shareholders' meeting, at which the allocation of shareholders' dividends shall be decided.
- (3) As the end of each year, the Board of Directors takes into account factors, including the Company's profitability, capital and financial structure, future operating needs, cumulative earnings and legal reserves, as well as market competition, and then makes an earnings distribution proposal and

submits it to the shareholders' meeting for resolution before distributing earnings.

- (4) The Company may, as per financial, business, and operating factors, distribute not less than 50% of the distributable earnings for the year. To reinforce the Company's financial structure and take into account investors' rights and interests, the Company adopts a dividend balance approach and pays out more than 50% of the dividends distributed in the year as cash dividends.

2. Distribution of dividends (distribution of the earnings of 2023):

Type of dividend	Dividend per share determined by the Shareholders' Meeting (NT\$)	Amount actually distributed	Source
Cash dividends	1.28	49,149,619	Distributable earnings
Total	1.28	49,149,619	—

3. Distribution of dividends determined at the Shareholders' Meeting of 2025 (distribution of the earnings of 2024):

Distribution of dividends determined at the Shareholders' Meeting of 2025 (reviewed and approved by the Audit Committee and proposed by the Board of Directors on February 21, 2025)

Type of dividend	Amount distributed to each share (NT\$)	Amount	Source
Cash dividends	2.12	81,404,057	Distributable earnings
Total	2.12	81,404,057	—

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting in 2025: Not applicable.

(V) Profit-sharing compensation of employees and directors:

1. The percentages or ranges with respect to employee, and director profit-sharing compensation, as set forth in the company's articles of incorporation:
According to Article 29 of the Company's Articles of Incorporation, if the Company makes a profit in the year, it shall allocate 2% to 8% of the profit (e.g. the pre-tax profit inclusive of employee compensation and director compensation) as employee compensation, which may be paid out in stock or cash as per the resolution by the Board of Directors. The recipients of the remuneration may include employees of affiliates or subordinate companies who meet certain criteria. The Company may allocate no more than 2% of the above-mentioned profit as the directors' compensation, which can be paid only in cash. The proposals to distribute compensation to employees and directors shall be reported at the Shareholders' Meeting.
2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.
 - (1) The Board of Directors approved the distribution of remuneration to employees and directors for 2024 on February 21, 2025. The aforementioned compensation refers to the distribution percentage of 2% and 1.25%, as specified in the Articles of Incorporation, of the pre-tax profit of a given year inclusive of employee compensation and director compensation, and is recognized as operating expenses of 2024.
 - (2) If the actual distribution amount is different from the estimated amount, such differences are

accounted for by adjusting the profit or loss of the year in which distribution is made.

3. Compensation distribution approved by the Board of Directors:

(1) If the amount of any employee profit-sharing compensation and director and employee profit-sharing compensation distributed in cash or stocks differs from the estimated figure for the fiscal year in which these expenses are recognized, the difference, its cause, and the status of treatment shall be disclosed. The Company's Board of Directors meeting dated February 21, 2025, resolved to distribute employee compensation in cash in the amount of NT\$2,902 thousand, employee compensation in stock in the amount of NT\$0, and director compensation in the amount of NT\$1,814 thousand. The figure determined through a resolution was not different from the estimated figure recognized in the year in which these expenses were incurred.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports for the current period and total employee compensation: Not applicable, because the Company distributed employee compensation solely in cash in this period.

4. The actual distribution of employee and director compensation for 2024, including the number of shares distributed, the amount, and the share price, along with any explanations for differences from the recognized employee and director remuneration, are as follows: No differences.

(VI) Status of the Company repurchasing its shares: None.

II. Issuance of corporate bonds, preference shares, global depositary receipts, employee stock options, and employee restricted stock

(I) Issuance of corporate bonds (including overseas corporate bonds): None.

(II) Issuance of preferred shares: None.

(III) Participation in the issuance of global depositary receipts: None.

(IV) Employee stock options:

1. The annual report shall disclose unexpired employee stock warrants issued by the company in existence as of the date of publication of the annual report, and shall explain the effect of such warrants upon shareholders' equity. Any privately placed employee stock warrants shall be prominently identified as such: None.
2. The annual report shall disclose the names of top-level company executives holding employee stock warrants and the cumulative number of such warrants exercised by said executives as of the date of publication of the annual report. The annual report shall also disclose the names of the ten employees holding employee stock warrants authorizing purchase of the most shares, along with the cumulative number of warrants exercised by these ten employees, as of the date of publication of the annual report: None.

(V) Issuance of employee restricted stock:

1. For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity: None.
2. Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the annual report: None.

III. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies

(I) Disclosure of appraisal opinion issued by the sponsoring securities underwriter of a new share issuance involving merger, acquisition or transfer of shares of another company in the most recent quarter:

None.

(II) In addition to requirements set forth in the preceding item, the annual report shall also disclose the state of implementation of any of the aforementioned matters during the most recent quarter. If the progress or benefits of such implementation fails to meet the expectation, the annual report shall explain specifically how the situation is likely to affect shareholders' equity, and shall put forward a plan for corrective action: None.

(III) If the Board of Directors has resolved to issue new shares by merging, acquiring or transferring shares of other companies in the recent year and up to the printing date of the annual report, it should disclose the implementation status and the basic information of the company being merged, acquired or transferred. Disclosure of the status of implementation of mergers and acquisitions or acquisition of other companies' shares and issuance of new shares and the impact on shareholders' equity: None.

IV. Implementation of the Company's capital allocation plans

Not applicable, because the Company did not have previous issue or private placement of securities up to the quarter preceding the publication date of the annual report, nor did it have such a plan which had been completed in the most recent three years but whose benefits have not been yielded.

Four. Operational Overview

I. Business Content

(I) Scope of business

1. The Company's main business activities

- | | |
|---|---|
| (1) C199990 Manufacture of Other Food Products Not Elsewhere Classified | (7) F208031 Retail Sale of Medical Apparatus |
| (2) C802060 Veterinary Drug Manufacturing | (8) F401010 International Trade |
| (3) F102170 Wholesale of Foods and Groceries | (9) F601010 Intellectual Property Rights |
| (4) F108021 Wholesale of Western Pharmaceutical | (10) IC01010 Medicine Inspection |
| (5) F108031 Wholesale of Medical Devices | (11) IG01010 Biotechnology Services |
| (6) F108021 Retail Sale of Western Pharmaceutical | (12) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval. |

2. Revenue breakdown (%)

Unit: NT\$ thousand

Items \ Year	2023		2024	
	Amount	Percentage %	Amount	Percentage %
Medication and health supplement	626,160	77.21	838,211	75.13
Vaccines	149,263	18.41	180,220	16.15
Testing	28,920	3.57	44,734	4.01
Service revenue	6,574	0.81	52,551	4.71
Total	810,917	100.00	1,115,716	100.00

3. The company's current goods (service) items

The Company's current products are mainly cardiovascular medications, gastrointestinal medications, central nervous system medications, and precision medical testing. The main products and their important uses are as follows:

Drugs – main products and their important uses

Item	Important uses	Representative product
Cardiovascular medication	Hypertension	Amtrel
Cardiovascular medication	Arrhythmia	Rhynorm
Cardiovascular medication	To reduce blood lipids	Linicor 、Cretrol
Cardiovascular medication	Angina pectoris	Rancad 、Isormol
Cardiovascular medication	Platelet aggregation inhibitor	Licodin
Cardiovascular	Improvement in symptoms of peripheral	Alprosm

medication	arterial occlusive disease	
Gastroenterology medicines	Discomfort caused by abnormal peristaltic function of digestive organs	Mopride
Central nervous system medication	Epilepsy	Aleviatin
Central nervous system medication	Osteoarthritis	Lonine
Central nervous system medication	Rheumatoid arthritis	Lacoxa SR

Precision medical testing – Major products and their key usages

Testing technology	Testing subject and target	Chinese/English name of testing item	
ddPCR	11 genes are analyzed to determine suitable medication for lung cancer patients.	Lung diagnostics (tissue)	Lung Cancer Panel
CtDNA (NGS sequencing)	For solid carcinoma patients, 118 genes and MSI are analyzed to find the right target or immune drug, to seize the opportunity for early treatment, and to increase the choice of drugs for clinical trial.	Precise Cancer Testing (blood)	Alpha-liquid 100
DNA (NGS sequencing)	For solid carcinoma patients; 118 genes and MSI are analyzed to find the right target or immune drug, to seize the opportunity for early treatment, and to increase the choice of drugs for clinical trial.	AlphaSolid 100 (tissue)	Alpha-solid 100
CtDNA (NGS sequencing)	For solid carcinoma patients; 118 genes and MSI are analyzed to find the right target or immune drug, to seize the opportunity for early treatment, and to increase the choice of drugs for clinical trial.	Precise Cancer Testing (tissue)	Alpha-solid 100
CtDNA (NGS sequencing)	For solid carcinoma patients; 118 genes and MSI are analyzed to find the right target or immune drug, to seize the opportunity for early treatment, and to increase the choice of drugs for clinical trial.	AlphaSolid® (HRR)	Alpha-liquid HRR
CtDNA (NGS sequencing)	For solid carcinoma patients, cancer-related gene analysis is performed on those who have completed treatment or are currently undergoing therapy, to facilitate disease monitoring and progression tracking.	AlphaLiquid® Detect	Cancer Detect
DNA (NGS sequencing)	For solid carcinoma patients, comprehensive cancer genome sequencing is performed on those who have completed treatment or are currently undergoing treatment,	AlphaSolid 100 WES	Cancer profiler

	to serve as the foundation for tracking or monitoring disease progression.		
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4. New items planned for development

- (1) The Company invests in clinical research and medication treatment, hoping to become a provider of drugs with high economic value for special chronic diseases.
- (2) The registration process for osteoporosis medication was initiated in 2022. Approval was obtained in the first quarter of 2024, and an application for National Health Insurance pricing is currently underway.
- (3) In 2024, TSH Biopharm obtained the marketing authorization for Tyrvaya, a medication for dry eye disease.
- (4) In 2024, TSH Biopharm launched a new development project, in addition to several ongoing R&D projects that have entered the clinical development stage, aiming for market launch in Taiwan before 2031.
- (5) To support new drug development and expand marketing channels, the team is proactively promoting the company's products, both those already approved and those soon to be launched in Taiwan, to global markets. Building on the certification of Amtrel in Thailand and Myanmar, Amtrel also received marketing approval in Malaysia in June. In addition to registrations in these three countries, Rhynorm has also been approved in Hong Kong. TSH Biopharm has initiated multiple overseas registration applications, including in Thailand, the Philippines, Malaysia, Vietnam, and Macau, to further expand its presence in the Southeast Asian market.
- (6) TSH Biopharm remains committed to pharmaceutical development, focusing on high-barrier, patentable new drugs in therapeutic areas such as cardiovascular and autoimmune diseases. In 2023, the Company initiated the development of a new specialty in ophthalmic diseases. Moving forward, the Company will continue to develop international partnerships and treatment solutions across various medical specialties, providing physicians with a comprehensive product portfolio to improve patients' quality of life.

(II) Industry overview

1. Current state and development of the pharmaceutical industry

The pharmaceutical industry is an industry characterized by cutting-edge technology, high added value, low pollution, low energy consumption, long development period, and long life cycle. The Company's products are mainly for treatment of human diseases and closely related to the life and health of our citizens, so their safety and efficacy are of considerable concern. The development of the pharmaceutical industry also symbolizes the advanced level of a country. The higher the national income, the more developed the pharmaceutical manufacturing industry. Countries such as the United States, Europe, and Japan are typical examples.

The COVID-19 pandemic has accelerated technological research and development, as well as interdisciplinary integration within the biopharmaceutical industry. This includes advancements in nucleic acid vaccine manufacturing and mass production techniques, as well as the digitalization of healthcare through the use of digital technologies such as artificial intelligence,

big data analytics, and the Internet of Things. The future of digital healthcare and terotechnology will see further developments and applications in areas such as precision medicine, transitioning from disease treatment to prevention and prediction, thereby ushering in a new era of personalized healthcare.

After the COVID-19 pandemic, the global healthcare system has gradually recovered, leading to a resurgence in the biopharmaceutical industry. It has regained pre-pandemic investment levels and the number of new drug approvals, reaching new record highs in market approvals in 2023. According to research reports, R&D investment in 2023 increased by more than 20% compared to the previous year. Furthermore, the extreme circumstances during the pandemic accelerated the pace of technological advancements and innovation, which are now being integrated into the new drug portfolios being developed by companies worldwide.

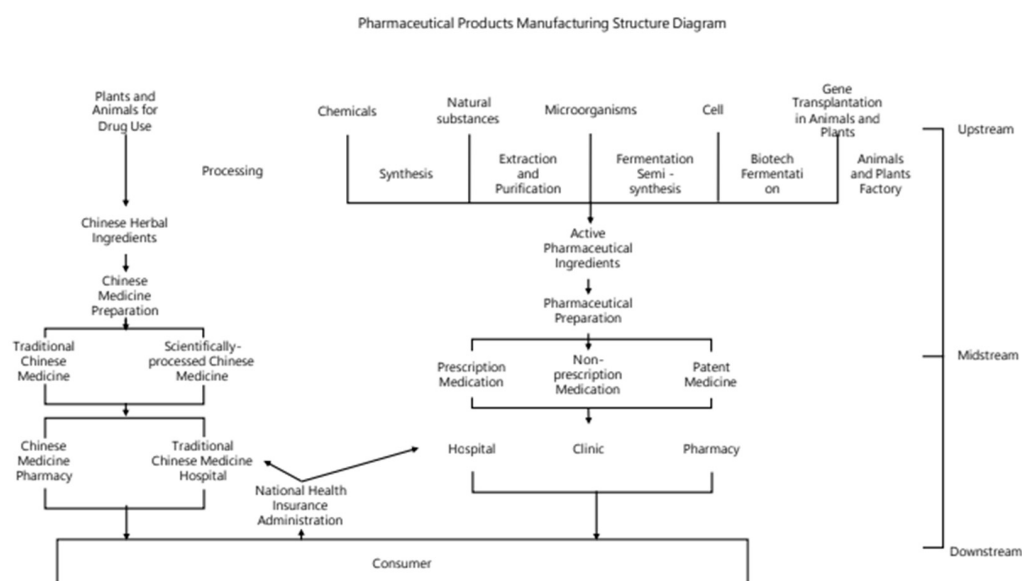
Below are the prospects for global pharmaceutical industry:

- (1) To meet the basic requirements of drug safety, pharmaceutical laws and regulations are demanding on the environmental requirements, increasing the cost of developing new drugs, lengthening the time to market, boosting the research and development costs, and yielding poor research and development performance. Given so, to maintain the competitiveness of research and development and control the growth of R&D expenses, many pharmaceutical companies turn to adopt a co-development policy, by which they authorize the pre-development of drugs to their partners and share the R&D expenses as well as the fruitful results. Meanwhile, there has been an improvement in international regulations concerning drug safety. One example is ICH Q3D, which evaluates and controls the risks of impurities in pharmaceuticals, including the carcinogenic risks linked to raw materials like nitrosamines. Countries around the world have put forward corresponding measures for risk management and assessment. The pharmaceutical industry has significantly increased its investments before and after drug listing to align with ESG and sustainable development goals across industries.
- (2) Both Europe and the United States legislate to encourage the development of innovative drugs. Facing the stress of competition, more pharmaceutical companies will adopt the strategy of developing niche drugs and selling them among different markets, or will focus on the research and development of drugs for certain types of diseases, to increase the value of drugs; a typical example of this is the increasing ratio of orphan drugs to all approved new drugs in the US in recent years. Based on a third-party report, there are around 2,000 projects focused on rare diseases, excluding cancer. The largest category of these diseases is central nervous system disorders. However, despite the lower threshold for patient numbers required in clinical trial data analysis, the success rate of rare disease treatments in the market is lower compared to other types of diseases and conventional therapies.
- (3) China is actively aligning its pharmaceutical laws and regulations with international standards. Such a globalized competition in the pharmaceutical industry gradually forms a globalized pharmaceutical manufacturing network in terms of regulatory framework, markets, supply chain, and marketing. Therefore, manufacturers capable of leveraging global resources and

identifying their roles in the industrial supply chain will have brighter prospects.

2. The relationship between the upstream, mid-stream, and down-stream of the pharmaceutical industry

The pharmaceutical manufacturing industry can be broken down into upstream, midstream, and downstream; those in the upstream and midstream engage in the search and manufacturing of raw materials (substances), and those in the downstream are the manufacturers and sellers of preparations. Drugs can be simply divided into three types: original drugs, innovative generics, and pure generics. At present, Taiwan's pharmaceutical industry generally sits in the downstream, and most of them are only engaged in the manufacture and sale of pure generics. As shown in the figure below:



Upstream: This stage involves the preparation of raw materials for pharmaceutical processing.

These materials encompass general chemicals, natural plants, animals, minerals, microbial strains, and related tissue cells, with general chemicals comprising the majority. In traditional Chinese medicine, upstream materials primarily consist of Chinese medicinal substances derived mainly from plants, along with a smaller proportion from animals and minerals. Advancements in biotechnology have enabled scientists to develop transgenic animals and plants through gene transfer techniques. Consequently, it is now possible to cultivate plants and raise animals specifically for pharmaceutical production, marking a significant breakthrough in upstream pharmaceutical manufacturing technology.

Midstream: Mainly the substances industry and the processing industry of traditional Chinese medicinal materials. The substances industry includes organic chemical synthesis, natural materials extraction and purification, microbial fermentation or post-fermentation semi-synthesis, and cell fermentation and recycling purification

improved by means of genetic engineering technology. The processing of Chinese medicinal materials is mainly based on the processing of medicinal plants.

Downstream: Mainly the pharmaceutical products manufacturing industry; it combines substances with auxiliary preparations, e.g. excipients, disintegrating agents, adhesives, and lubricants, into dosage form convenient for use. Domestic manufacturing at this stage must comply with the PIC/S GMP requirements; they then sell through marketing channels such as hospitals, clinics, and pharmacies to consumer patients.

Recent Risks: The shortage of drugs caused by COVID-19 has created a risk of supply chain disruption in the pharmaceutical industry. It is clear that managing the future supply chain and controlling costs will be crucial aspects of the pharmaceutical industry, potentially affecting the Company's operations and development in specific areas.

3. Various development trends of pharmaceutical products

The trend of the development of global pharmaceutical products in the coming years can be summarized into the following points:

- (1) The concentration of population in cities around the world has gradually refined urban life patterns as well as diet. In addition, the substantial growth in the elderly population in the world has resulted in rapid growth of diseases, e.g. hypertension, high cholesterol, diabetes, obesity, depression, and cancer, which in turn has boosted the pharmaceutical market's demand for drugs for chronic diseases and cancer. In the past few years, GLP-1-type drugs, which were originally used for the treatment of diabetes, have also been utilized for the treatment of obesity, leading to remarkable effectiveness and acknowledgment.
- (2) In terms of R&D, the primary focus remains on cancer and central nervous system diseases within the field of disease. According to a third-party industry research report, research projects in these areas account for 38% and 11% of the total number of projects, respectively. Moreover, ophthalmology and otolaryngology are the disease areas experiencing the most rapid growth in research projects. The vaccine industry has experienced significant growth, particularly in projects related to COVID-19 and influenza. These projects have been increasing at an annual growth rate of 14% in recent years.
- (3) Research on protein-based pharmaceutical treatments remains a key focus for R&D departments in many pharmaceutical companies. Given its substantial impact on pharmaceutical development and the expected profitability it will bring, it is widely recognized as a major driver of growth in the pharmaceutical industry. In addition to monoclonal antibodies, there are specialized antibody drug products derived from them, including antibody-drug conjugates (ADCs) and bispecific antibodies (BsAbs). Also, emerging treatment technologies like CAR T and NK cell therapy, gene editing therapies, and nucleic acid vaccines are progressively being adopted in the clinical and market sectors. According to statistics, almost 1000 research and development projects have entered the development phase utilizing the aforementioned technologies.
- (4) As for the cardiovascular drug market, since there has been no successful development of

new antihypertensive drugs with new mechanism of action (MOA) in recent years, it will become a trend to use a combination of at least two types of drugs with supplementary mechanisms of action to cure cardiovascular diseases in the future. In the past, the value of these combination drugs in clinical practice leaned towards improving patient compliance. However, in recent years, due to the slowdown in the development of new drug components, this type of product has also become a focus for the development of new indications. In addition, lipid-lowering drugs are also a key focus in the cardiovascular drug market, with an increasing number of new drugs targeting this indication. However, addressing the need to alleviate pressure on health insurance budgets and creating further space for reimbursement of new drugs will also be a trend that the health insurance market must address.

- (5) While there are many other autoimmune drugs available, such as those for lupus erythematosus and Alzheimer's disease, they only provide symptom relief and are not effective in treating the underlying diseases. As a result, there remains a substantial medical need. This is also a highly discussed subject in the realm of market development.

4. Drug competition

According to statistics from the Taiwan Pharmaceutical Manufacturers' Association, Taiwan features a small market and numerous small pharmaceutical companies which cannot compete with international pharmaceutical giants. There are 142 (statistics as of the end of April 2023) of such companies that have passed the PIC/S GMP certification in pharmaceutical preparations factory specifications.

Pharmaceutical products in Taiwan are sold mainly through three channels, namely, hospitals, pharmacies, and clinics (excluding government medical stations, special medical hospitals, and dental clinics). Most of the Company's products are sold in hospitals, accounting for more than 80% of the turnover. The distribution network spans across the hospitals in Taiwan, e.g. National Taiwan University Hospital, Veterans General Hospital, Mackay Hospital, Tri-Service General Hospital, and so on.

The Company's products mainly feature pharmaceutical preparations, e.g. oral tablets and small-volume injections. To expand product application fields and reduce business risks, the Company has successively developed cardiovascular and gastroenterology preparations and achieved remarkable results. Products in this regard include Mopride, Amtrel, Linicor, and Rancad, all of which have already hit the market. Likewise, TSH successfully launched Cretrol in 2021, and it officially obtained health insurance reimbursement in November 2022, achieving remarkable performance in the current year. In addition, to cope with the impact of reduced health insurance rates year on year, the Company, in addition to successively developing drugs for cardiovascular, autoimmune, and gastrointestinal diseases, will actively penetrate the international market. To sharpen its competitiveness in the market and on the international arena, the Company will mainly develop the targets which pose a high entry barrier and for which patents can be filed in the future. Currently, the Company is striding towards bio-tech pharmaceutical manufacturing.

5. Current status and development of precision medical testing industry

Precision medicine, which has emerged in recent years, plays a key role in the four major aspects

of cancer, namely, risk assessment, therapeutics, prognosis, and monitoring. One typical example is liquid biopsy, whose application in oncology medicine has advanced rapidly. Since nothing but body fluid sample (e.g. blood, saliva, or urine) is required, liquid biopsy is not so much as invasiveness. It can be used for screening for cancer, as well as early detection of other major diseases. Therefore, liquid biopsy has demonstrated huge market potential.

Cancer screening methods in clinical use currently include traditional biochemical tumor indexes testing (e.g. CEA, CA153, CA125) or traditional biopsy, both are prone to the condition of personal health and physical fitness, have low sensitivity and specificity, are restricted by sampling times, quantity, or organ tissue, and therefore cannot be used for early screening for cancer.

The Company works with multiple international and domestic companies to provide detection services using different types of liquid biopsy technologies, including circulating tumor DNA (ctDNA) and next-generation sequencing (NGS), which can be used for a comprehensive analysis of the efficacy of medicines, so as to provide physicians with a choice of therapy. In addition, NGS can be used to assess the risk of acquiring hereditary cancer. Starting in 2022, body fluid samples from different sources, e.g. pleural fluid, also provided clinicians with further testing options in the treatment of specific cancers. Moreover, various techniques are employed to apply mitochondrial DNA analysis for the non-invasive assessment of cancer risks in specific types of concerts uses different liquid biopsy technologies to provide cancer detection services needed by different groups including healthy people, sub-healthy people, and patients.

Different from many cancer testing companies on the market that mainly offer single technologies or sell traditional testing kits, TSH's strategy focuses on technology and clinical benefits. Whether it is commercializing domestic team's technologies or introducing leading foreign technologies into the Taiwanese market through licensing, the goal is to provide physicians and patients with more comprehensive information for risk assessment or treatment when needed, thereby enhancing the efficiency of cancer treatment. In order to ensure the quality of testing services, TSH's partners are internationally certified laboratories and teams. In the future, TSH plans to promote such technology and service products to domestic cooperative hospitals and laboratories by leveraging the distribution channels and experience accumulated from its years of engagement in the field of chronic diseases and cancer, so as to provide a basis for medical clinical inspection, accelerate and improve clinical value and services, benefit more patients, and facilitate early screening for cancer and follow-up of medical treatment.

(III) Overview of technology and R&D

1. The technical level and research and development of the business

The Company mainly focuses developing new drugs by Taiwan's new chemical entity (TNCE) improving existing drugs, e.g. Controlled release, compound dosage form products, and biopharmaceutical research and development.

●Taiwan new composition and new drug product

Since its establishment, TSH has been actively involved in the development of new composition and new drug in Taiwan, including MOPRIDE tablets and Rancad, to meet the

unmet needs of patients. In response to the announcement of the Wei-Shou-Shi-Zi No. 1111407703, in 2022, the Company will actively continue to invest in the development of new drug components to expand both the Taiwanese and overseas markets.

● Controlled release and compound dosage form products

At present, the company has achieved considerable technology and achievements in the research of sustained-release dosage form technology. The first long-acting cough suppressant Regrow in Taiwan and Lacoza SR, a long-acting rheumatoid arthritis drug, have been launched; compound dosage forms, such as the marketed Amtrel and Linicor. In 2021, the new blood lipid-lowering compound drug Cretrol was also approved for marketing. In 2024, an innovative dosage form for dry eye syndrome was approved for marketing. In the future, the Company will continue to engage in the development of special dosage forms and compound dosage forms of drugs for the treatment of chronic diseases, as well as treatment solutions for special patient groups.

● Research of biopharmaceuticals manufacturing

Biopharmaceutical's manufacturing is an emerging field of the pharmaceuticals manufacturing industry. Since biopharmaceuticals are derived from master cells and efficacy varies with types of master cells, so biopharmaceuticals cannot be completely replicated, leading to a high entry barrier and longer product life cycle.

The Company opts to develop biosimilars whose risks are low and chances of success are high, based on its experience in developing new biopharmaceuticals. Development takes place by collaborating with manufacturers at home and abroad; doing so lays the foundation for tapping into the global markets in the future. Currently, the drugs are under the examination and registration process in Taiwan.

2. R&D expenditures in 2024 and the first quarter of 2025

Unit: NT\$1,000

Items	2024	First quarter of 2025
R&D expenditure	27,987	Not applicable (Note)
Net operating revenue	1,115,716	
As a percentage of net operating revenue	2.51%	

Note: The financial information for the first quarter of the Company's 2024 has not yet been audited by the CPA, so it is not applicable.

3. Technology or product successfully developed

September 2010	Obtained a patent for preparations of Amtrel, a compound anti-hypertensive
September 2012	Obtained a drug license for Linicor, a compound hypolipidemic drug.
February 2015	Obtained the patent of combination preparations for DMTA in mainland China.
July 2017	TuNEX passed the registration review conducted by Taiwan's Ministry of Health and Welfare.
March 2020	Rancad [®] Extended Release passed the review by the Ministry of Health and Welfare and was approved for marketing.
April 2020	Guzipbio, a TWSE-listed company, licensed its MPap test technology

	for detecting endometrial cancer exclusively to the Company.
October 2020	Became the exclusive licensee of IMBDx's NGS products for cancer diagnostics in Taiwan and turned the license into a business.
March 2021	Became a licensee of Centogene's testing items for detection of cancer and non-cancer diseases in Taiwan.
December 2021	Obtained the marketing license in Taiwan for Crerol, new compound hypolipidemic drug.
December 2021	Obtained the marketing authorization of Alprosm Lyophilized Powder for Injection, used for the alleviation of the symptoms of peripheral arterial occlusive diseases, for Taiwan's market.
July 2022	Became the exclusive licensee of IMBDx's NGS body fluid testing products for cancer diagnostics in Taiwan and turned the license into a business.
September 2022	Collaborated with Chi Mei Medical Center on lung disease diagnostics and testing.
September 2023	Became the exclusive licensee of IMBDx's NGS new testing products for cancer diagnostics in Taiwan and turned the license into a business.
November 2024	The dry eye treatment, Tyrvaya, was approved by the Ministry of Health and Welfare for marketing license in Taiwan.
December 2024	Became the exclusive licensee of IMBDx's NGS testing products for cancer diagnostics in Taiwan and turned the license into a business.

4. Unfinished research and development plan and implementation progress

R&D plan	R&D progress	To-be-invested research and development expenditure (NT\$1,000)	Expected to be listed Time	Main factors affecting R&D success in the future
LBCA19	Completed three consecutive batches of validation by 2024 Q4, and planned to submit registration submitted by 2025 Q2.	1,500	Q2 2026	Results of the registration inspection
ACTA20	In Q4 of 2024, conducted a bioequivalence test, and the results are currently under analysis. Based on the results, the development of the target market will be initiated.	30,000	Q4 2026	Results of bioequivalence test
EDIA20	Completed prescription development in Q1 and process validation in Q4 2024. Initiated long-term stability test in Q4 2024 and planning to register for inspection in Q3 2025.	6,000	Q1 2026	Results of stability test
VTNA23	Obtained marketing license in Q4 2024.	500	Q3 2025	Results of the registration inspection

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

1. Short-term plan development direction

(1) Marketing Strategy: Develop product marketing strategies based on the current domestic

target market and healthcare policies. Execute operational plans through the sales team at TSH and the synergies from group channels, leveraging established hospital and clinic networks.

- (2) Production strategy: Production will be carried out by outsourcing, and will be outsourced to professional pharmaceutical manufacturers passing the PIC/S GMP certification. The Company will focus on producing pharmaceutical products with high competitiveness and high economic value, and on improving core preparations and clinical development capability
- (3) R&D strategy: Focus on the development of special dosage forms of drugs and reach the quality meeting international standards, to prepare for penetrating the international markets.
- (4) Business planning: Deepen the relationship with customers engaged in the field of chronic diseases in Taiwan; optimize the life cycle of existing product portfolios; and continuously increase profits to maintain the momentum for new product development. Continue to carefully select the most suitable partners for the target markets, focusing on those with international-standard CMC/CTD format and ICH data. Collaborate with manufacturing facilities that meet PIC/S GMP standards, establishing long-term partnerships to implement international operational plans.

2. Long-term plan development direction

- (1) Marketing Strategy: Focus on core disease areas as the marketing backbone, enhance channel competitiveness, and become the best partner for drug development and marketing in the Asian market for biotech innovation companies.
- (2) Production strategy: In line with the development of new drugs and the expansion of international marketing channels, strategically ally with production manufacturers suitable for entering the international market, to obtain pharmaceuticals that meet PIC/S certification standards for international marketing.
- (3) R&D strategy:
 - A. Put the semi-new drugs or new drugs with international market potential and specifications developed by the Company for international authorization after Phase I or II and complete the launch in Taiwan; leverage the experience in clinical trial in Taiwan in combination with drugs for international clinical trial to develop new drugs and obtain patents in the world.
 - B. Integrate the Taiwanese market with the international market using marketing, fast, effective, and accurate clinical trial capabilities.
 - C. Participate in the early research and development of international biotechnology companies, and enjoy a part of the benefits from global patents for new drugs.

(4) Business planning:

Corporate vision: Committed to improving the quality of life and becoming the best strategic partner of international Innovation biotech in development and marketing in Asia.

Corporate mission:

- 1. “Become the best partner of international innovative biotech pharmaceutical companies in the development and marketing of new drugs in Asia.”

2. “Provide medical product portfolio for patients whose needs are not met.”
3. “Committed to collaborating on the development of new ingredients, special formulations, and innovative therapies.”

II. Markets, production, and marketing

(I) Market analysis

1. Geographic areas where the main products (services) of the Company are provided (supplied), and the Company’s market share
The Company’s main products are mainly sold domestically through hospitals and practice clinics, accounting for more than 95% of the net operating revenue.
2. Demand and supply conditions for the market in the future, and the market’s growth potential

2-1. Chronic disease market

According to the statistics from the Ministry of the Interior, the declining fertility rate and increasing longevity in recent years have caused those aged 65 and more to account for more than 17.8% of the total population (statistics on the Statistics Inquiry Website of the Ministry of the Interior in March 2023), which is indicative of an aging society (the WHO defines an aging society as one where the elderly population accounts for 7% or more of the total national population). According to the population estimation system of the National Development Council, Taiwan will officially become a super-aged society in 2025, which means that Taiwan’s population is aging at an accelerating rate. Therefore, it is expected that the continuously increasing elderly population will increase the demand for drugs for cardiovascular and autoimmune diseases.

According to BCC Research “Cardiovascular Drugs: Global Markets to 2022,” the global markets for cardiovascular drugs reached US\$141.1 billion in 2017. Such markets are predicted to maintain a compound annual growth rate of about 1% until 2025, reaching US\$150 billion by then. At present, the patents on billion-dollar cardiovascular drugs in the world have already expired. Aside from developing new products, many pharmaceutical companies also constantly manage their product life cycle, including launching different dosages and dosage forms, new indications and multi-substance combinational drugs, to cope with the impact. Since cardiovascular diseases tend to occur in pairs, it is required to take multiple drugs at the same time. Given so, multi-substance combinational drugs are the core of development of many pharmaceutical companies, mainly due to such drugs’ features of low cost, short time to market, and possession of the advantages of existing products, in the hope to maintain their market share. Many combinational drugs emphasize more on a single pill with multiple effects. For instance, hypolipidemic substances and antihypertensives, or two or more types of them, can be combined into new combinational drugs, whose emergence will bring new changes to the cardiovascular drugs market.

COVID-19 has greatly impacted the market for cardiovascular drugs, mainly due to changes in the way people seek medical advice. For patients with cardiovascular conditions on long-term medications, the convenience of getting medicines and medication will be the key consideration. In the future, the growing and gradually aging population will increase the awareness of health, thereby boosting the demand for drugs. Therefore, the global pharmaceutical manufacturing industry will be an industry which sees constantly increasing demand and steady development.

2-2. Precision medicine market

According to a BIS Research report, the global precision medicine market will gradually grow from US\$78.9 billion in 2018 to US\$216.8 billion in 2028, with a compound annual growth rate of 10.64%. In addition, data from Netscribes also indicates that the growth in precision medicine market in the Asia-Pacific will outpace that in the world, with an estimated compound annual growth rate of 16.63%. Given so, the Asia-Pacific market will see its economic scale reaching US\$20.9 billion by 2023.

In recent years, governments around the world have actively invested in precision medicine. For example, in January 2015, former U.S. President Barack Obama actively promoted the “Precision Medicine Initiative,” and further proposed the “MoonShot Project” jointly with the then Vice President Joe Biden in 2016, aiming to cure cancer within the shortest possible time. At the end of 2016, the U.S. Congress passed the “21st Century Cures Act,” which fast-tracked the FDA’s review of drugs and medical equipment, encouraged medical research and innovation, and accelerated the United States’ investment in the field of precision medicine. Biotech companies in the world are also coincidentally promoting “precision medicine” policies in major countries.

As per the “Integral Ecosystem-Creating a Vibrant Biotechnology Industry Environment” policy and the recommendations from the Biotech Committee in 2016, the Ministry of Economic Affairs included precision medicine, gene therapy, and cell therapy, starting from 2016 when the Executive Yuan approved the “Bio-tech Industry Innovation and Promotion Project”; it also amended the Biotech New Drugs Industry Development Strategy, so as to accelerate industry performance. It also amended the “Act for the Development of Biotech and Pharmaceutical Industry” in December 2016. The Executive Yuan also proposed the “Five Plus Two Industry Innovation Plan,” under which the biomedical industry innovation promotion plan will focus on the development of niche precision medicine. The several government departments jointly promoted the multiple precision medicine plans, especially the “Precision Oncology” flagship plan, aiming to build Taiwan as a characteristic “Asia-Pacific Area Oncology Treatment Center.”

With the continuous introduction of reimbursed drugs in Taiwan, companion targeted gene testing has become a major focus for future development. In 2021, the government began implementing regulations for Laboratory Developed Tests (LDTs), and in 2024, the National Health Insurance Administration started offering partial reimbursement for next-generation gene sequencing related to drug-associated tissue sampling. This indicates that the government and medical community are increasingly recognizing the clinical application of next-generation gene sequencing, which will create new niche markets for precision medicine in Taiwan. Of course, as the scope of clinical applications expands, addressing the challenges and risks of obtaining tissue samples, liquid biopsy in oncology has become a key focus for many companies. Body fluids (such as pleural fluid, cerebrospinal fluid, bile, and ascitic fluid), which only require sampling for analysis, are less invasive. In addition to cancer screening, they can be applied to the early detection and diagnosis of other major diseases. Therefore, liquid biopsy shows significant potential for market growth.

3. Competitive niche

(1) In terms of the core competitiveness of the Company’s pharmaceuticals:

- A. The Company has a clear market position. Focus on the medical institution channel.
- B. Master key clients in relevant industries, and establish a strong competitive advantage for

our brand.

C. Continue to develop core competitive drugs for chronic diseases.

D. Continue to develop core competitive drugs for chronic diseases.

(2) In terms of competitiveness in the precision medicine market:

A. The Group is deeply involved in the field of cancer diseases and familiar with key customer groups.

B. Has a complete tissue/liquid biopsy and risk assessment product lines.

C. Continue to introduce relevant featured testing products at home and abroad.

4. Positive and negative factors for future development, and the company's response to such factors

(1) Positive factors

A. Rising healthcare costs due to an aging population

(a). Pharmaceutical market

In September 2023, the sales of MAT in the pharmaceutical market in Taiwan experienced a decline for the first time, reaching NT\$222.7 billion, which is a 2% decrease compared to the same period last year. Due to the significant increase in healthcare spending between April 2022 and April 2023 as a result of the pandemic, there has been a substantial reduction in the prices of drugs covered by national health insurance. This has had a profound impact on the overall pharmaceutical market growth rate, particularly affecting medications for chronic diseases. As society ages, medical expenses have been increasing by around 6% every year. To prevent a substantial rise in overall medical costs, the national health insurance system annually adjusts the reimbursement prices of medications each year. Moreover, the scarcity of pharmaceutical products in the market is also a significant factor contributing to the overall contraction of the market.

(b). Precision medicine market

When analyzed by disease category, the development of global medicine is still predominantly for cancer. Therefore, the precision medicine industry also focuses on the research and development of the treatment of cancer. During the period between 2017 and 2026, the CAGR of precision medicine applications in the market for cancer applications will be 10.4%. Other chronic diseases such as central nervous system diseases and cardiovascular diseases are also another focus of research and development of precision medicine.

B. Excellent R&D and marketing capabilities

(a). The Company is committed to cultivating talents and investing in research and development, and cooperates with GMP-certified companies, enabling itself to complete the pre-clinical trials, draft and complete the human trial protocols, furnish a summary report, and apply for marketing of new drugs, thereby ensuring the success of putting new products on the market and the time to market.

(b). The marketing and business team has been deeply engaged in the Taiwan market for many years, and has grasped the key channels and important customers for main products; this helps promote and put new products on the market in a rapid way, thereby boosting

the Company's business performance in a continuous manner. Meanwhile, proper manpower and resources were invested in line with the progress of market development projects, so as to continuously assess new markets and new fields, thereby creating new opportunities for the Company growth.

(2) Negative factors, and response to such factors

A. Impact of the drug price reimbursement system on drug price

Since the implementation of the global budget payment system, Taiwan has changed the drug payment reimbursement system for many times; the global budget payment system aims to control the drug price and volume of domestic pharmaceutical companies, and has affected the price and sales of some drugs, squeezing the operating revenue and profits of pharmaceutical companies.

Countermeasures:

Aside from creating a complete distribution network throughout Taiwan to provide real-time service to medical institutions and increase the extensiveness of sales, the Company also develops the distribution channels and customers for drugs with certain market scales and values and continues to bolster the confidence of medical institutions and physicians in prescription drugs. In addition, the Company also intensifies the research and development and introduction of new drugs, and launches new competitive self-pay drugs while enhancing the experience and capability of the marketing and business team to sell self-pay drugs. On the other hand, by launching genetic testing-related products, the Company branches out into the precision medicine market and gradually increases sales to reduce the financial impact of health insurance reimbursement cuts and mitigate the pressure on the Company from the drop in profitability as a result of the annual change in drug price reimbursement scheme of the health insurance system.

B. Manufacturers are small and face pressure to upgrade

Domestic pharmaceutical companies are traditional SMEs that mainly produce generic drugs and act as agents for the sale of foreign drugs. However, when it comes to their export business, they lack the professional information on foreign markets and international laws and regulations, and are not experienced in international marketing, so their growth is quite limited. In addition, after Taiwan joined the World Trade Organization (WTO), there came foreign competitors grabbing Taiwan's pharmaceutical market share using lower prices, causing a blow to domestic SMEs which largely rely on domestic markets. To align with the trend of international laws and regulations and improve drug quality, Taiwan implemented the Drug Master File (DMF) management system in 2013, and fully implemented PIC/S GMP in 2015 to require drugs, domestically made or imported alike, and their manufacturer to comply with PIC/S GMP. Therefore, pharmaceutical companies that did not comply with PIC/S GMP were phased out.

C. The Precision diagnostics market faces competition from hospital-developed tests

The implementation of LDTS (Laboratory Developed Tests) regulations and related health insurance reimbursement policies has created a new market for precision diagnostics, but they have also attracted major hospitals to develop their own tests. With the large number of medical centers in Taiwan, pathology laboratories possess the necessary testing capabilities, making it relatively easy for them to develop in-house tests for simpler tissue-

based diagnostics, thereby increasing competition.

Countermeasures:

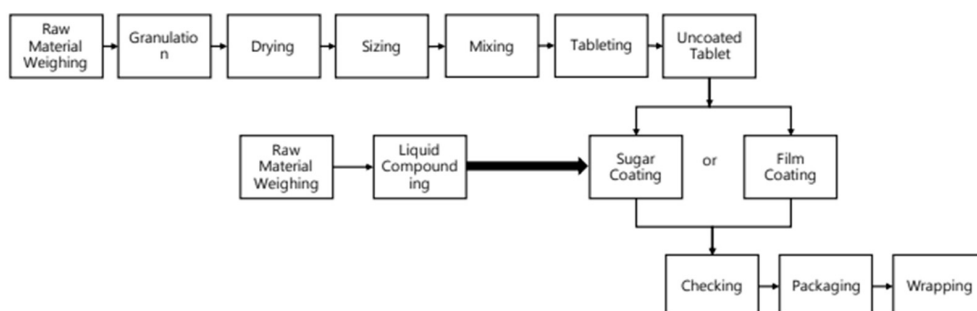
1. The Company continues to develop, introduce, and market innovative generic drugs, deepening its operations in the chronic disease sector to maintain R&D momentum for new products. At the same time, it focuses on the development of specialized drugs with significant pharmacoeconomic benefits, including high-barrier or patentable medications. The goal is to build a comprehensive product development portfolio in the fields of cardiovascular (CV), gastrointestinal (GI), and autoimmune diseases, striving to become a biotech pharmaceutical company specializing in both international drug development and marketing within Taiwan. The Company aims to position itself as a development and marketing partner for international collaborators in CV, GI, and autoimmune disease medications. Through these dedicated efforts, the company can support its partners in focusing on drug development, thereby creating higher value-added returns.
2. For the precision diagnostics sector, the Company will continue to build differentiated product lines and accelerate the introduction of new products to quickly earn the trust of clinical physicians. Additionally, by continuously optimizing operational processes to shorten report turnaround times and enhance efficiency, the Company aims to establish itself as an indispensable part of clinical practice.

(II) Important uses and manufacturing processes of main products

The Company's main products are prescription drugs and testing items. The usage and manufacturing process are enumerated as follows:

1. The important uses of prescription drugs include the following:
 - A. Cardiovascular drugs: hypertension, arrhythmia, anti-platelet, angina pectoris, hypolipidemic.
 - B. Gastrointestinal drugs: Discomfort symptoms caused by abnormal peristaltic function of digestive organs.
 - C. Central nervous system drugs: Epilepsy, osteoarthritis, rheumatoid arthritis.
2. Manufacturing process:

The diagram below pictures the manufacturing process of the main tablet products:



3. Testing items by category are as follows:

- A. Next-generation gene sequencing (NGS) testing: Liquid biopsy NGS, biopsy NGS.
- B. Oncogene detection for medication prescription.

4. Manufacturing process

At present, all testing items are service-based products. Relevant blood or tissue samples obtained from medical institutions are transferred to the referral laboratory, which performs commissioned inspection service and issues an inspection report; the report is then provided by the Company to the said medical institutions.

(III) Supply status for the major raw materials

The Company currently does not own any manufacturing facilities. Since 2020, it has adopted a production model where it engages in toll manufacturing with certain suppliers, allowing the Company to have control over some raw material supply and costs. The Company's raw materials are supplied by manufacturers at home and abroad. To secure a stable source of supply, the Company maintains close cooperation with existing suppliers while actively seeking new ones.

(IV) Names of customers whose purchase amounts accounted for more than 10% of the total purchases (sales) amount in either of the past two years, along with their purchase (sales) amounts and percentages, and reasons for the changes.

1. Major suppliers

Information on Major Suppliers for the Past Two Years

Unit: NT\$ thousand

Items	2023				2024				First quarter of 2025			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	TTY	263,668	63.50	Parent	TTY	256,782	45.47	Parent	Not applicable (Note)			
2	Company A	32,048	7.72	None	Company A	102,929	18.22	None				
3	Others	119,493	28.78	None	Others	205,062	36.31	None				
	Net purchases	415,209	100.00	-	Net purchases	564,773	100.00					

Note: The financial information for the first quarter of the Company's 2024 has not yet been audited by the CPA, so it is not applicable.

2. Major Customers

Information on Major Customers for the Past Two Years

Unit: NT\$1,000

Items	2023				2024				First quarter of 2025			
	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	Top (Note 2)	83,145	10.25	None	Top (Note 2)	22,124	1.98	Subsidiary	Not applicable (Note 1)			
2	Others	727,772	89.75	None	Others	1,093,592	98.02	None				
3	Net sales	810,917	100.00	-	Net sales	1,115,716	100.00	-				

Note 1: The financial information for the first quarter of the Company's 2024 has not yet been audited by the CPA, so it is not applicable.

Note 2: TOP Pharma Medical-wares Co., Ltd. is the Company's principal customer. Following the launch of its new cardiovascular drug, Cretrol, the Company has experienced an increase in sales revenue. The Company acquired more than 50% of the shares of the company in April 2024, and became a subsidiary of the Company included in the consolidated financial statements.

III. Employees

Year		2023	2024	As of March 31, 2025
Number of employees.	Managerial officers	14	15	14
	R&D technicians	7	7	7
	Other employees	47	50	46
	Total	68	72	67
Average age		41.3	42.5	42.7
Average years of service		7.5	7.1	7.5
Education distribution percentage (%)	Ph.D.	1%	1%	1%
	Master	33%	35%	34%
	BA	51%	54%	55%
	Junior college	15%	10%	9%
	Senior high school	0%	0%	0%
	Below senior high school	0%	0%	0%

IV. Disbursements for environmental protection

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company has never polluted the environment since its establishment on September 1, 2010 and up to the publication date of this annual report, and will uphold the same ideal to maintain the best environmental performance.

V. Labor relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, the status of implementation, and the status of labor and management agreements and measures for preserving employees' rights and interests.

1. Employee welfare measures and implementation

To foster a close relationship with employees and encourage them to contribute their efforts, the Company offers more welfare measures and takes care of their lives. In addition, the Company also builds a good corporate culture and values. Moreover, the Company set up its Employee Welfare Committee by referring to the competent authority's "Employee Welfare Fund Act" and "Organization Regulations on Employee Welfare Committee"; the committee was approved by the competent authority with its official letter TPCG Labor and Management No.09941864100 dated November 8, 2010. After that, the Company makes welfare contribution as required by law to the committee, which will then carry out the various welfare measures. Below is a summary description of the welfare measures:

A. Birthday monetary gifts: Monetary gifts in the amount of NT\$1,000 will be given to employees in the month of their birth.

- B. Wedding monetary gifts: Employees with the Company for more than three months but less than one year will be given monetary gifts of NT\$3,600; employees with the Company for one year or more will be given monetary gifts of NT\$6,000.
- C. Childbirth monetary gifts: Employees passing the probationary period or employees whose spouse gives birth to a child are entitled to this welfare measure, and will be given NT\$3,600.
- D. Monetary gifts for the Chinese New Year and other major festivals: NT\$1,000 will be given in the month of Dragon Boat Festival, Mid-autumn Festival, and the International Workers' Day.
- E. Educational subsidies: Including scholarships and grants. To the children of employees who are in school and achieve the required scores, scholarships ranging from NT\$1,000 to NT\$4,000 are awarded depending on the children's level of education. To the children of employees who qualify as members of low-income households, bursaries ranging from NT\$4,000 to NT\$10,000 are given depending on the children's level of education.
- F. Consolation money for hospitalization: NT\$3,000 will be provided to colleagues who have passed the probation period and are hospitalized due to illness; the worth of consolation gifts must not exceed NT\$800.
- G. Disaster Relief: If a colleague suffers from a disaster, the Company will provide a relief fund ranging from NT\$5,000 to NT\$30,000, depending on the situation.
- H. Condolence money:
- Employees whose parent, child, spouse, or the spouse's parent passes away will be given NT\$3,100 in cash and NT\$2,000 worth of flower baskets.
 - Employees whose grandparent, maternal grandparent, sibling, grandchild, maternal grandchild, great-grandparent, or maternal great-grandparent passes away will be given NT\$1,500 in cash or NT\$2,000 worth of flower baskets.
- I. Others: Company dinner parties and year-end party: The Welfare Committee will hold various activities from time to time depending on the budget and needs. The committee is also responsible for planning the year-end party and preparing the gifts at the end of each year.

2. Continuing education, and training, of employees, and the implementation thereof

To enhance the professional knowledge and skills of employees so as to have them effectively achieve work goals, and to stimulate their potential and enhance their willingness to learn in order to meet the needs of their self-growth and organizational development, the Company implements pre-employment training, internal and external on-the-job training, and external training at home or abroad according to its "Education and Training Management Regulations." In 2024, we continued to focus on talent development within the organization and deepen our engagement with universities. We conducted various professional and managerial training programs and collaborated with campuses by signing MOUs on industry-academia internship projects. In addition, this year we invited a team of professional consultants to conduct DEI (Diversity, Equity, and Inclusion) culture seminars and leadership workshops, aiming to foster a healthy and positive workplace culture and environment. At the same time, to help the organization align with AI trends, we invited expert speakers to host the seminar "Empowering with AI: Creating High-Efficiency Presentations," assisting employees in producing efficient and innovative work outcomes.

The state of implementation in the year was as follows:

Items	Number of classes	Total number of trainees	Total hours	Total cost (yuan)
New employee orientation	1	15	22.5	0
Professional and occupational training	7	189	14	0

Talent training for officers	5	47	12	217,324
Liberal education and training	3	97	19	218,823
External training	15	15	95	54,896
Total	31	363	162.5	491,043

3. Employee retirement scheme and its implementation

All our employees have adopted the new scheme under the Labor Pension Act, which has been implemented since July 1, 2005. We have adopted a defined contribution plan for employees' length of service. We make a contribution to their pension funds equal to not less than 6% of their monthly salaries to their individual labor pension accounts.

(1) Implementation status:

Pension scheme	New scheme
Applicable law	Labor Pension Act
Contribution method	Make a contribution equal to 6% of their insured salary level to their individual account under the Labor Insurance Bureau.
Contribution amount	A total of NT\$5,037 thousand was appropriated for 2024.
Application for retirement	No employee retired in 2024

(2) Retirement eligibilities:

As per Article 24 of the Labor Pension Act, employees who have reached the age of 60 and have worked for more than 15 years may apply for monthly pension payment. However, those who have worked for fewer than 15 years should apply for pension payment in a lump sum.

(3) Pension payment standards

Individual pension account system:

- Monthly pension payment: The amount calculated based on the individual pension account, cumulative income, average life expectancy specified in the annuity mortality table, and the interest rate is adopted as the amount of the monthly pension payment.
- Pension in a lump sum: The principal and cumulative income in the individual pension account is paid to each employee in a lump sum.

4. Labor and management agreements and measures for preserving employees' rights and interests:

Any amendment or revision in relation to labor relations is determined only through a labor and management meeting in which workers and management fully communicate with each other. The Company also has set up additional communication channels, e.g. TSH Reporting, TSH TV, and TSH Talk (employee email box) whereby the opinions of both parties can flow freely without any obstruction. Moreover, the Company has formulated its Employee Handbook and various internal regulations, wherein employees' rights and obligations are specified. In this way, the Company spares no efforts in protecting employees' rights and interests.

5. Employee code of conduct or ethical principles

To specify the rights and obligation of employees and the employer, the Company has formulated its Work Rules as required by law; the Work Rules, which was already approved by the competent authority and disclosed, serves as the basis for compliance by employees. The Work Rules sets out regulations for employment, lay-off, resignation, discharge, retirement, wage, working hours, rewards and discipline, compensation for work-related injury and illness, compensation for death, welfare measures, and safety and health measures. In addition, the Company has also formulated its

“Ethical Corporate Management Best-Practice Principles” and “Ethical Corporate Management Operating Procedures and Code of Conduct,” which prohibit employees from directly or indirectly providing, promising, demanding, or accepting any improper benefits, committing unethical or illegal conduct, or breaching fiduciary duty, in exchange for, or for the purpose of maintaining, benefits during the course of business conduct. For the contents of the Ethical Corporate Management Best-Practice Principles and Ethical Corporate Management Operating Procedures and Code of Conduct, please see the Company’s website at: <http://www.tshbiopharm.com>.

6. Measures at workplace to protect the personal safety of employees

(1) The Company organizes a health check for employees every year and has prepared a first aid kit inclusive of medicines.

(2) We have installed drinking water equipment in alignment with the drinking water standards in the workplace, and we regularly clean and maintain it every 1 to 2 months.

(3) We outsource environmental sanitation management and cleaning and maintenance of the workplace to a professional cleaning company to maintain the sanitation quality of the work environment as per the Company’s cleaning and maintenance checklist in accordance with the cleaning standards to maintain the quality of our work environment.

(4) The “Regulations for the Safety and Maintenance of Offices” is formulated to maintain office safety.

A. Flammable and dangerous items are prohibited.

B. The last employee leaving the office after getting off work every day or working overtime on holidays should close the doors and windows and turn off air-conditioners and lights in the front of the gate.

C. After getting off work every day or working overtime on holidays, employees are required to lock the door (ground lock) when there is no one else in the office to prevent thieves from breaking in at night.

D. We ban smoking inside the Company and public places in accordance with the Tobacco Hazards Prevention Act.

E. Employees who have borrowed a parking space or office keys must return them after use; employees are not allowed to lend the Company’s access card or key to non-company personnel without authorization.

(5) To maintain the work environment and employees’ personal safety, we have formulated the Safety and Health Work Rules and designated an occupational safety and health specialist: The Company’s “Safety and Health Work Rules” has been implemented since it was approved by the competent authority.

A. In principle, the safety and health inspection work is carried out by the operators and supervised by the personnel in charge of management, command, and supervision.

B. To prevent the stacked objects from collapsing or falling off, we tie up all stacked objects with ropes or protect them by bollards or at a limited height or change the stacking method.

C. We stipulate the first aid measures for general first aid, bleeding, electrical shock, fractures, apnea, and cardiac arrests.

D. In the event of three or more casualties at the same time in an accident in the workplace with one or more victim hospitalized or under the circumstances specified in the announcement made by the central competent authority, we should offer emergency first aid and rescue victims and report to the labor inspection agency within eight hours.

(6) We implement access control. Employees and visitors entering the Company should pass the card swipe sensor for verification at the elevators of our building in the park and the door of our office.

(7) We participate in fire exercises and lectures held by the Management Committee of the Nangang Software Park Phase II every year.

(8) We made available adequate number of fire extinguishers in the workplace.

(9) Aside from covering all employees with labor insurance and national health insurance, the Company also purchases a group insurance for them. Employees on a business trip abroad are further covered with a travel insurance purchased by the general affairs unit. In addition, the coverage amount may be adjusted to ensure employees' travel safety whenever required.

(II) List any losses suffered by the Company in the most recent year and up to the date of the annual report publication due to labor disputes, and disclose an estimate of possible expenses that could be incurred currently and, in the future, as well as the measures being taken or to be taken. If a reasonable estimate cannot be made, an explanation of the facts that prevent it shall be provided.

The Company has a harmonious relationship with workers. Therefore, in the most recent year and up to the publication date of the annual report, the Company did not suffer any loss due to labor disputes.

VI. Cyber security management:

(1) Describe cybersecurity risk management framework, cybersecurity policy, specific management plan, and resources committed to cybersecurity management.

1. Cyber security risk management framework

To coordinate, plan, audit, and promote information security management and relevant matters, the Company has set up an information security risk management team. The Company's cybersecurity risk management team consists of the head of the Administrative Department, the chief officer in charge of cybersecurity affairs, and cybersecurity personnel. There is one cybersecurity supervisor and one cybersecurity personnel appointed. The state of implementation of cybersecurity in 2024 was reported to the Board of Directors meeting dated December 9, 2024.

The primary responsibilities of this committee involve formulating and revising cybersecurity operating procedures, assisting in the promotion, coordination, and review of cybersecurity management matters, conducting regular reviews of cybersecurity policies and objectives, performing quarterly cybersecurity inspections, and reporting the status of information security operations to the Board of Directors on an annual basis.

2. Information Security Policy and Specific Management Plan

The goal of the Company's information security policy is to ensure the confidentiality, integrity, and availability of information.

- (1) Availability – Availability: Ensuring that various information assets are up to date and accurate enough to meet the needs of users.
- (2) Integrity – Classifying information assets by importance and adopting appropriate protection measures to ensure their integrity.
- (3) Confidentiality – Confidentiality: Appropriately classifying data into different confidentiality levels, and assigning proper regulations and protection to them according to their confidentiality level.

The Company's cybersecurity standards are guided by ISO 27001:2022 and are implemented with reference to the "Guidelines for Security Control Measures" issued by the National Institute of Cyber Security. However, as the Company does not fall under the category required to obtain international certification for its cybersecurity policies and specific management programs, we do not need to purchase insurance for cybersecurity risks for the time being as per the cybersecurity risk appetite identified by the Company's cybersecurity risk management team. However, for information security management, the Company will continue to strengthen cybersecurity protection and establish joint defense plans.

The Company's information security policy and specific management plans are as follows:

Aspect	Activity	implementation status
Core business system management	• Core business system control	1. Identified the Company's core business and confidential and sensitive information, and inventoried the information

Aspect	Activity	implementation status
	<ul style="list-style-type: none"> Confidential and sensitive data control 	assets of the core business system. 2. Formulated the recovery time objective (RTOs) and recovery point objectives (RPOs) for core business. 3. Regularly scanned and checked for vulnerabilities, and performed a penetration test on core systems. Fixed, tracked, and managed the vulnerabilities for items with medium to high risk in the testing report. 4. The operating host and equipment of the core information system were continuously updated and security vulnerabilities were fixed.
Information and communications system development, maintenance, and security management	<ul style="list-style-type: none"> Information system access control Password management Physical and remote security 	1. Registered or canceled usernames in line with the Company's user management, and periodically reviewed usernames and their permission. 2. Periodically changed the passwords. 3. System server mainframe was installed in an area where access is controlled. 4. Server room environment complied with the requirements for safety operation in a server room. 5. Telecommuting was controlled in terms of encrypted communication, identity verification, and work contents.
Information security protection and control measures	<ul style="list-style-type: none"> Endpoint security protection Email security management Intrusion detection and prevention mechanism threat and attack defense measures Cybersecurity threat detection and management mechanism 	1. An endpoint security protection center is set up to reflect malware intrusions and information security incidents in real time, and to provide statistics, so as to reduce information security risks. 2. Perform information security checks quarterly. 3. The email system is capable of filtering out and detecting malware, to implement email security management. 4. An intrusion detection and prevention mechanism is in place at each network node. 5. A firewall is erected for open application systems of external network to reduce operational risks.
Control of the security of outsourced service	<ul style="list-style-type: none"> Management of outsourced development Contractor management 	1. Information security requirements are specified for vendors to which the Company outsources work in order to ensure that the work performed by them is within the agreed work content and scope. 2. Confidentiality requirements and service change methods are specified in contracts.
Information security risk management, and response and reporting procedures	<ul style="list-style-type: none"> Information security risk assessment Procedures for responding to and reporting information 	1. The Company assesses information security risk, identifies information security risks for core business and core information systems, and implements corresponding control measures every year. 2. The Company has established information security incident response and reporting procedures. 3. The Company has gathered threat information and

Aspect	Activity	implementation status
	security incidents • Material information announcement	reported information security incidents, and has joined Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC).
Continuous advancement of cybersecurity	<ul style="list-style-type: none"> Periodical audits Information security operation annual report Information security awareness session Disaster recovery drill 	<ol style="list-style-type: none"> Auditors conduct inspections periodically; if any event is spotted, they propose improvement measures and suggestions and periodically track the progress of improvement. The Board of Directors is periodically briefed on the implementation of cybersecurity measures. An information security awareness session is regularly held every year to enhance employees' information security awareness. Disaster recovery drills are regularly held every year to ensure the ability to respond to information security incidents and reduce system operation risks.

3. Resources allocated to cybersecurity management

In 2024, the Company invested approximately NT\$1,769 thousand to upgrade software and hardware systems, enhance system availability, and procure various cybersecurity governance and inspection services, including updates and maintenance of endpoint security centers and antivirus software.

The Company conducted two social engineering attack drills on October 22 and December 17, 2024, with a total of 71 participants. Between the first and second drills, an information security awareness training session was held on November 25, aimed at raising employees' cybersecurity awareness. By comparing the attack results before and after the training, the effectiveness of the course was assessed. Furthermore, team members actively engage in annual professional development courses in cybersecurity management to enhance their skills and remain up to date on pertinent matters.

In 2024, we conducted a disaster recovery drill and a remote backup restoration drill for our core business system. Both drills were completed to confirm their effectiveness. Additionally, we performed a vulnerability scan on the selected core business system. Based on the detection results, we carried out vulnerability remediation and tracking for medium to high-risk items to reduce the risk of system intrusion. By performing quarterly internal cybersecurity inspections, the Company demonstrates its proactive approach and unwavering focus on information security management.

- (II) List any losses suffered by the company in the most recent year and up to the annual report publication date due to significant cybersecurity incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts preventing this must be provided.

The Company did not suffer any loss in the most recent fiscal year and up to the annual report publication date due to significant cyber-security incidents.

VII. Important contracts

Nature of contract	Party	Beginning and end dates of contract	Major content	Restrictive clauses
Drug license rights transfer	Mycenax Biotech Inc.	January 4, 2018 – Completed	Drug license rights transfer	According to the contractual terms
License agreement	Ji Xing Pharmaceuticals Hong Kong Limited	From May 31, 2023	Pharmaceutical examination and registration	According to the contractual terms

License agreement	Ji Xing Pharmaceuticals Hong Kong Limited	From May 31, 2023	Pharmaceutical distribution	According to the contractual terms
License agreement	Lupin Limited	July 1, 2011 – June 30, 2027	Pharmaceutical licensing and distribution	According to the contractual terms
License agreement	Aju Pharm Co., Ltd.	October 1, 2019 – September 30, 2025	Pharmaceutical licensing and distribution	According to the contractual terms
License agreement	American Taiwan Biopharm	From August 20, 2013	Pharmaceutical licensing and distribution	According to the contractual terms
License agreement	InnoPharmax Inc.	From February 20, 2019	Pharmaceutical licensing	According to the contractual terms

Five. Review and analysis of financial position and financial performance, and risk matters

- 1. Financial position: List the main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof. Where the effect is of material significance, the annual report shall describe the measures to be taken in response.**

Unit: In NT\$1,000

Year (item)	2023	2024	Differences	
			Amount	%
Current assets	1,113,759	1,304,702	190,943	17.14
Property, plant, and equipment	25,359	19,989	(5,370)	(21.18)
Intangible assets	53,636	287,652	234,016	436.30
Other assets	207,105	229,850	22,745	10.98
Total assets	1,399,859	1,842,193	442,334	31.60
Current liabilities	133,626	208,895	75,269	56.33
Non-current liabilities	0	10,330	10,330	0.00
Total liabilities	133,626	219,225	85,599	64.06
Share capital	383,981	383,981	0	0.00
Capital reserves	459,500	459,554	54	0.01
Retained earnings	208,559	480,678	272,119	130.48
Other equity	55,560	67,579	12,019	21.63
Non-controlling interests	158,633	231,176	72,543	45.73
Total equity	1,266,233	1,622,968	356,735	28.17

1. Reason for material changes
 - (1) Decrease in property, plant and equipment: The impairment of related property, plant and equipment was recognized in 2024 due to the termination of R&D projects.
 - (2) Increase in intangible assets: Increase in intangible assets was due to goodwill arising from mergers and acquisitions in 2024.
 - (3) Increase in current liabilities: The increase in tax liabilities was due to the increase in revenue and net income in 2024.
 - (4) Increase in total assets and liabilities: Due to the merger and acquisition transaction, the financial statements for the two years were prepared on a different entity basis, resulting in the difference.
 - (5) Increase in retained earnings: The increase in revenue and net income in 2024 and the increase in retained earnings from the disposal of financial assets at fair value through other comprehensive income.
 - (6) Increase in other equity: The market value of "financial assets at fair value through other comprehensive income" held by the Company increased, resulting in an increase in the overall valuation amount.
 - (7) Increase in non-controlling interests: Mainly due to the acquisition of a 51% interest in a subsidiary in 2024.
 - (8) The increase in total shareholders' equity: Mainly due to the increase in retained earnings.
2. Impact of material changes and future response plans: None.

2. Financial performance: List the main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years, provide a sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response.

Items	2023	2024	Increase (or decrease)	Change in percentage terms (%)
Operating revenue	810,917	1,115,716	304,799	37.59
Operating Cost	411,018	532,954	121,936	29.67
Gross profit	399,899	582,762	182,863	45.73
Operating cost	336,269	412,906	76,637	22.79
Operating profit	63,630	169,856	106,226	166.94
Non-operating income and expenses	12,461	3,577	(8,884)	(71.29)
Net income before tax from continuing operations	76,091	173,433	97,342	127.93
Net income after tax from continuing operations	64,978	134,148	69,170	106.45
Total other comprehensive income for the period (Net Amount after Tax)	39,973	220,230	180,257	450.95
Total comprehensive income for the period	104,951	354,378	249,427	237.66

(I) Reason for material changes:

- (1) Increase in operating revenue, operating cost, operating gross profit, operating expenses, operating income, net income before tax of continuing operations, and net income after tax of continuing operations: The difference was attributable to the growth of TSH's main business and the acquisition of subsidiaries in 2024.
- (2) Decrease in non-operating revenues and expenses: Due to the provision of impairment for related plants and drug certificates in 2024 as a result of the termination of the R&D project.
- (3) Increase in other comprehensive income (net of tax): Mainly due to the increase in the market price of the Company's "financial assets at fair value through other comprehensive income," resulting in an increase in the overall evaluation amount.
- (4) The increase in total comprehensive income: This is mainly due to the increase in other comprehensive income (net of tax).

(II) Expected sales volume and basis thereof

The Company expects to sell 195,280 thousand tablets of oral preparations and 50 thousand injections in 2025. The projected sales quantity is determined based on the statistical report from IQVIA, taking into consideration the possible changes in supply and demand in the market in the future, the new product development schedule, and the national health insurance policy.

(III) Potential impact on the Company's future financial operations and response plan:

The Company will accelerate the proportion of business growth using exports of self-developed products and out-licensing of products at the early stage of development to overseas companies. Aside from making progress in the application of drug licenses around the world, the Company will co-develop new drugs at the early stage of development with international partners and create value, and will use a Twin-engine strategy to develop international drugs and do international marketing to boost sales. In addition, the Company has introduced companion diagnostic items for personalized medicine.

In addition to the existing products for cancer treatment decision support and recurrence monitoring, new cancer screening products have been added and positioned as key items in health check-up services' will continue to put more testing products on the market to meet more clinical needs. Together with strategic investments and acquisitions, the Company will continue to create integrated benefits in product and channel development through resource and product integration, while exploring strategic investment opportunities to sustain growth through inorganic development. The goal is to bring benefits to the Company's business and financial performance.

III. Cash flow: Analysis of cash flow changes during the most recent fiscal year, corrective measures to be taken in response to liquidity, and a liquidity analysis for the coming year.

(I) Analysis of cash flow changes in 2024:

Unit: NT\$ thousand

Cash balance – beginning of year	Net cash flow from operating activities throughout the year	Cash outflow throughout the year	Cash surplus amount	Remedy for cash deficiency	
				Investment plan	Wealth management plan
576,585	183,768	(172,011)	588,342	—	—

1. Operating activities: Net cash inflow from operating activities: NT\$183,768 thousand, mainly from operating profits.
2. Investing activities: Net cash outflow of NT\$110,383 thousand. Mainly consists of cash inflows from the disposal of financial assets at fair value through other comprehensive income and cash outflows from the acquisition of subsidiaries and the increase in time deposits with a maturity of over three months.
3. Financing activities: Net cash outflow of NT\$61,685 thousand. Mainly due to the payment of cash dividends of NT\$49,150 thousand in 2024.

(II) Improvement plan for insufficient liquidity in 2024:

The Company has sufficient working capital, so it is not subject to illiquidity.

(III) Liquidity analysis for the following year:

Unit: NT\$ thousand

Cash balance – beginning of year	Net cash flow expected of operating activities throughout the year	Expected cash outflow throughout the year	Expected cash surplus amount	Remedy for expected cash deficiency	
				Investment plan	Wealth management plan
588,342	187,720	(84,822)	691,240	—	—

1. Cash inflow from operating activities: NT\$187,720 thousand, mainly due to the positive net cash inflow from operating activities as a result of expected operating revenue in 2025.
2. Estimated annual cash inflow: NT\$(84,822) thousand, mainly due to cash dividends expected to be distributed in the current year, and dividends received from financial assets.
3. Remedies for cash shortfall and analysis of liquidity: Not applicable.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year in 2024: The Company did not incur major capital expenditures in 2024.

V. Investment policy in 2024, the main reasons for profit or loss, improvement plan, and investment plan for the coming year:

1. Investment policy:

The Company invests in investees mainly by its “Procedures for the Acquisition and Disposal of Assets” formulated based on the competent authority’s “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

(1) Expanding market channel in Taiwan:

- i. In 2023, the Company acquired its first subsidiary by participating in a cash capital increase of Chuang Yi Biotech Co., Ltd. to expand its service age group downward to include preventive medicine such as pediatric and cellular influenza vaccines, with a sales force covering more than 3,000 clinics and pharmacies.
- ii. In 2024, the Company acquired two more subsidiaries, TOP Pharma Medical-ware Co., Ltd. and Top Pharma & Bio-Tech Company, to increase the availability of bone health products and diabetes care materials for the aging market.
- iii. Currently, the Group covers more than 5,000 clinics and pharmacies in Taiwan, covering 100% of all large-scale hospitals, 60% of clinics and pharmacies, and creating more opportunities and benefits.

(2) Investment in new drug development companies: Participating in the early-stage research and development of biotech companies to share the benefits of global patents for new drugs. For example: LUMOSA THERAPEUTICS CO. LTD. (“LUMOSA THERAPEUTICS” hereinafter).

(3) Revitalize funds and increase non-operating income for example: Union Bank of Taiwan Preferred Stock A (Stock Code: 2838A), Fubon Financial Holding Co., Ltd. Preferred. Stock B (Stock Code: 2881B), and Fubon Financial Holding Co., Ltd. Preferred. Stock C (Stock Code: 2881C)

2. The main reason for the profit or loss of the reinvestment, and the improvement plan:

(1) New drug development company:

Lumosa Therapeutics’ R&D in progress: LT3001, a new drug for acute ischemic stroke. LT3001 is an innovative small molecule drug with an indication for the treatment of acute ischemic stroke.

(a) In January 2024, the Phase II clinical trial for multiple-dose administration was approved for execution in six European countries, and patient recruitment was initiated across these countries.

(b) In July 2024, the Phase II clinical trial for multiple-dose administration was completed, and the trial was approved for execution in the UK.

(c) In September 2024, the last patient follow-up (Last Patient Out, LPO) for the Phase II clinical trial in China was completed.

(d) In November 2024, it was announced that the results of the Phase II clinical trial for LT3001 in China, conducted with the licensing partner Shanghai Pharmaceuticals, were received. Plans are in place for multi-country, multi-center Phase II trials, Phase III clinical trials, and new drug application and registration review.

As of December 31, 2024, the Company still held 308,000 shares, with a shareholding ratio of 0.18%.

(2) Revitalize funds and increase non-operating income: Investments are made within the limits authorized by the Board of Directors. The preferred shares mentioned above are purchased under the conditions of safety, profitability, and higher premium income than that from time deposits, primarily to participate in the dividend distribution.

(3) Investment plan for the coming year: Long-term strategic investment will be the principle. Strategic investment will be a key focus for the organization’s growth, and we will continue to look for strategic partners and carefully evaluate investment targets as the second engine for the growth of the Company.

VI. The section on risks shall analyze and assess the following matters during the most recent fiscal year and as they stood on the date of publication of the annual report:

(I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

(1) Effect upon the company's profit and loss

(expressed in NT\$ thousands; %).

Items	Interest income (expenditure) in 2024	2024 exchange gain (loss)
Net amount	5,000	327
Percentage of net operating revenue	0.45%	0.03%
Percentage of net profit before tax	2.88%	0.19%

(2) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate

A. Interest rate: In general, changes in interest rate have no material impact on the Company's profit and loss. The Company continues to actively establish and maintain good relationships with banks, understanding interest rate trends to secure the most favorable deposit rates.

B. Exchange rate: Due to the import of products and the increase in inventory, there was an increased demand for US dollars. The Company will constantly monitor the trends in exchange rates and estimate the foreign currency demand for the coming year to mitigate the impact of exchange rate fluctuations on the Company. The exchange gain or loss for the year 2024 accounted for (0.03)% of the net revenue, resulting in a relatively low impact.

C. Inflation: Inflation has no significant impact on the Company's profit and loss.

(II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

(1) The Company, adhering to the principle of conservatism and stability, did not engage in any high risk or highly leveraged investment in the most recent year or in the current year up to the publication date of this annual report. Any investment to be made in the future will be assessed cautiously in advance and be made in the manner specified in the Company's internal regulations.

(2) In the most recent year and in the current year up to the date of publication of the annual report, the Company did not loan funds to others or make endorsement or guarantee for others.

(3) Derivatives transactions; the main reasons for the profits/losses generated thereby:

In the most recent year and in the current year up to the publication date of the annual report, the Company did not engage in any derivatives transaction.

(4) Future response measures:

If the Company must engage in financing, making endorsement or guarantee for others, or trading derivatives out of business considerations in the future, the Company will act by its internal regulations, and will announce the various information accurately and in a timely manner as required by law.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The Company's future R&D plan will focus on the development of new drugs for the treatment of cardiovascular, gastrointestinal, autoimmune diseases, ophthalmic diseases, and orthopedics; the Company will actively engage in clinical research and drug treatment of diseases, with the aim of becoming a provider of high-value drugs for rare chronic diseases, and will continue to develop international partnerships and businesses. The annual investment in research and development in the next two years is expected to exceed NT\$50,000 thousand.

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

(1) Since the implementation of the global budget payment system, Taiwan has changed the drug payment reimbursement system for many times; the global budget payment system aims to control the drug price and volume of domestic pharmaceutical companies, and has affected the price and sales of some drugs, squeezing the operating revenue and profits of pharmaceutical companies.

(2) Response measures

Aside from creating a complete distribution network throughout Taiwan to provide real-time service to medical institutions and increase the extensiveness of sales, the Company also develops the distribution channels and customer for drugs with certain market scale and value, and continues to bolster the confidence of medical institutions and physicians in prescription drugs. In addition, the Company also intensifies the research and development and introduction of new drugs, and launches new competitive drugs, lest the implementation of changes in drug price reimbursement system reduce the Company's profitability. On the other hand, by launching genetic testing-related products, the Company branches out into the precision medicine market and gradually increases sales, so as to reduce the financial impact from health insurance reimbursement cuts.

(V) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

(1) Industry change: Drug development takes a long time and huge research and development expenditures, with little chance of success. Thus, technological changes and industrial changes will not have an immediate and significant impact on the Company's financial and business performance in the short term. However, the Company will still actively absorb new technological knowledge and invest in the research and development of innovative drugs, so as to cope with technological changes and industrial changes.

(2) Technological changes (cyber security risk): After carrying out an assessment, the Company did not expect technological changes in recent years to have a significant impact on its financial and business affairs. Nonetheless, given the increasing importance of information security, the Company will continuously enhance its information security protection measures, so as to reduce possible losses resulting from information security incidents. Below are the response measures taken by the Company:

- Maintain remote backup system.
- Held information security awareness sessions for new and in-service employees, to raise their awareness of information security risk.
- Joined Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) to gather threat information and report information security incidents.
- Scanned and checked for the vulnerabilities and performed a penetration test for core business systems, and fixed, tracked, and managed the vulnerabilities for items with medium to high risk.
- Established an information security maintenance and control center to implement information security monitoring.

(VI) Effect of changes in corporate image on corporate crisis management, and measures to be taken in response:

Having dedicated itself to the research and development and sale of drugs, the Company has been recognized by medical institutions, and by manufacturers and professionals in this industry. In addition, the Company is also committed to improving its internal system and capital structure, which will have a positive effect on its reputation and corporate bonds.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

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

Not applicable since there have been no plans to expand the factory premises in the recent fiscal year or up to the end of 2024.

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

(1) Risk of concentration of purchases: The Company mainly purchases from TTY Biopharm Company Limited.

TTY Biopharm Company Limited holds 56.48% of the Company's stock (i.e. the Company's parent). The Company was demerged from TTY Biopharm Company Limited on September 1, 2010, and has since been in charge of 100% of the medical and pharmaceutical business of TTY Biopharm Company Limited. The Company did not have its own pharmaceutical factories. Therefore, it purchased some pharmaceuticals from foreign brands and some from domestic PIC/S-certified pharmaceutical companies which were commissioned by the Company to produce. To effectively manage the costs, product quality, and production efficiency of each product, the production model for each product is a customer-supplied materials model. The company is responsible for purchasing APIs, which are then provided to various commissioned manufacturing organizations for processing and production. The main products commissioned, such as Amtrel Tablet, Mopride, Rhynorm Film Coated Tablet, are produced by the PIC/S certified Liudu plant of the parent company, TTY. Additionally, the Company obtained the distribution rights for three products – TTY Algitab, Alginos Oral Suspension, and Alginos Fresh Chewable Tablet – in June 2020, along with the distribution rights for Flucelvax Quad. Consequently, in 2024, there was a concentration of procurement, with 45.47% sourced from TTY.

The Company has been actively seeking strategic partners and will engage in discussions with both domestic and major international manufacturers to collaborate on agency products, in response to future market demands. It is anticipated that the proportion of procurement from the parent company will gradually decrease in the future. Moreover, the number of suppliers for procurement will also increase gradually to mitigate the risk associated with concentrated procurement.

At present, the Company outsources the production of its products to TTY Biopharm Company Limited and Genovate Biotechnology Co., Ltd., as well as to some domestic PIC/S GMP-certified pharmaceutical factories, in the hope to maintain supply flexibility, ensure uninterrupted supply of goods, and be in the right position for price negotiation. In addition, the Company has actively planned to invest in product research and development and seek strategic partners to meet the market demand for new products in the future. Therefore, the Company will gradually purchase less from the parent and more from suppliers, so as to reduce the risk of concentrated purchase.

(2) Risk of concentration of sales: No single customer accounted for 10% of the Company's net sales in 2024, so there is no risk of concentration of sales.

(X). Effect upon and risk to the company in the event a major quantity of shares belonging to a

director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.

In 2024 and up to the publication date of this annual report, the Company did not experience any event in which a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report:

1. On May 8, 2017, TTY Biopharm Company Limited ("TTY") entered into a joint venture agreement with 2-BBB Medicines BV, a company incorporated in the Netherlands ("2-BBB"), to jointly establish EnhanceX, Inc. Subsequently, disputes arose between the parties regarding the performance of the joint venture agreement. 2-BBB has alleged that the joint venture company breached the terms of the agreement and, on May 23, 2024, filed for arbitration seeking damages. The case has been accepted and is currently being handled by the Chinese Arbitration Association, Taipei. The actual impact of this matter will depend on the outcome of the arbitration.
2. TTY Biopharm Company Limited ("TTY"), upon receiving a whistleblower report and conducting an internal investigation, voluntarily referred the matter concerning the Huanlei case to the Criminal Investigation Bureau for further investigation. Subsequently, on April 18, 2024, the Shilin District Prosecutors Office of Taiwan indicted Chun-Liang Shih and other individuals. The case has since been transferred to the Shilin District Court of Taiwan for judicial proceedings. Furthermore, on December 25, 2023, the Shilin District Prosecutors Office issued an official letter requesting TTY Biopharm Company Limited ("TTY") to return an amount of NT\$53,900 thousand, previously recorded as donations received and paid on behalf of others. After consulting with external legal counsel, it was advised that the dispute remains unresolved. Following an assessment of the potential claims and remedies available, TTY has recognized a provision for partial loss.
3. Regarding the Agreement on Commissioned Development of Risperidone signed between Center Laboratories Inc. (hereinafter referred to as Center Laboratories) and TTY, TTY contends that the signing of the agreement did not comply with procedures and relevant legal provisions, and therefore should not be effective. On July 1, 2016, Center Laboratories filed a civil lawsuit against TTY in the Taipei District Court to confirm the contractual relationship. Following multiple levels of proceedings and remands, on December 24, 2024, the Taiwan High Court rendered a judgment dismissing TTY's appeal, thereby affirming the existence of the contractual relationship between the parties. TTY has, within the prescribed statutory period, filed an appeal to the Supreme Court in order to protect its lawful rights and interests.
4. On May 14, 2021, TTY received a disposition from the Fair Trade Commission, which

determined that the exclusive agency distribution agreement for Furil Capsules signed between TTY Biopharm Company Lim and Lotus Pharmaceutical Co., Ltd. on February 4, 2009, constituted a concerted action and imposed penalties accordingly. On July 12, 2021, TTY Biopharm Company Limited filed an administrative lawsuit with the Taipei High Administrative Court requesting revocation of the citation; the case is under adjudication by the Taipei High Administrative Court.

5. On May 31, 2016, the Company filed a lawsuit against Inopha AG of Switzerland with the District Court of Canton Zug, Switzerland to confirm that the thirteen licensing contracts between the two parties were invalid, and requested that Inopha AG of Switzerland return the benefits derived from infringement of rights. On January 21, 2025, TTY Biopharm Company Limited (“TTY”) reached an out-of-court settlement with Inopha AG and its beneficial owner, Mr. Denis Opitz, and formally executed a settlement agreement. The case was subsequently dismissed by a ruling of the District Court of Canton Zug, Switzerland on January 22, 2025.
6. Regarding the tripartite arbitration initiated by Janssen Pharmaceutica NV on May 30, 2016, at the request of TTY Biopharm Company Limited (“TTY”), against Inopha AG and TTY before the World Intellectual Property Organization (WIPO) Arbitration and Mediation Center, concerning the attribution of the contract payment amounts, TTY reached an out-of-court settlement with Inopha AG and its beneficial owner, Mr. Denis Opitz, on January 21, 2025, and the settlement agreement was formally executed.
7. Regarding the civil damages’ lawsuit filed by TTY Biopharm Company Limited (“TTY”) on February 28, 2020, with the Labor Court in Dresden, Germany, against Mr. Denis Opitz, the original beneficial owner of Inopha AG, TTY reached an out-of-court settlement with Inopha AG and its beneficial owner, Mr. Denis Opitz, on January 21, 2025, and the settlement agreement was officially signed. The case was dismissed by the Labor Court of Dresden on January 31, 2025.

(XIII) Other important risks, and mitigation measures being or to be taken:

The Company passed its “Risk Management Policy and Procedures” through a resolution at the Board of Directors meeting dated October 30, 2020. In addition, the Company has also set up risk management organizations, defined possible risks inherent to operations and formulated countermeasures therefor, and set up a management mechanism for identification, measurement, monitoring, response, and reporting of risks, so as to avoid risks or reduce the risks to an acceptable level, thereby ensuring sustainable development of the Company. For the risks identified and under management in 2024, see “Corporate Governance/Corporate Governance Operation” on the Company’s website.

VII. Other important matters: None.

Six. Special Items

I. Information on affiliates:

The consolidated business report, consolidated financial statement, and affiliation report for the most recent fiscal year, compiled in accordance with the FSC's Regulations Governing Preparation of Consolidated Business Reports Covering Affiliated Enterprises, Consolidated Financial Statements Covering Affiliated Enterprises, and Reports on Affiliations.

Please refer to the Market Observation Post System (MOPS) (Single Company > Electronic File Download > Section for the Three Statements for Affiliated Enterprises). https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the company, participation in the operations of the company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan.

None.

III. Other matters that require additional description.

None.

IV. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one.

None.

TSH Biopharm Corporation Ltd.

Chairman : Chuan Lin

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Patients With Chronic Diseases

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