



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

Annual Report 2025

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 2025 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.

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Table of Contents

| | |
|---|----|
| One. To shareholders' report | 1 |
| Two. Corporate Governance Report..... | 8 |
| I. Information on Directors, General Manager, Deputy General Managers, Assistant General Managers, and Heads of Departments and Branch Offices..... | 8 |
| II. Remuneration Paid to Directors, General Manager, and Deputy General Managers in the Most Recent Fiscal Year..... | 16 |
| III. Corporate Governance Status | 20 |
| IV. Information on CPA Fees | 68 |
| V. Information on Change of CPAs | 69 |
| VI. The Chairman, General Manager, and Managers Responsible for Finance or Accounting Affairs of the Company Who Have Served in the Accounting Firm of the Certifying CPA or Its Affiliated Enterprises Within the Past Year. | 69 |
| VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to 2025. | 69 |
| VIII. Information on Whether the Top Ten Shareholders Are Related Parties, or Are Spouses or Relatives Within the Second Degree of Kinship | 69 |
| IX. The Number of Shares Held by the Company, Its Directors and Managers, and Enterprises Directly or Indirectly Controlled by the Company in the Same Investee Enterprise, and the Combined Shareholding Ratio | 70 |
| Three. Status of Fundraising | |
| I. Capital and Shares | 71 |
| II. Issuance of corporate bonds, preferred shares, overseas depository receipts, employee stock options, and restricted stock options..... | 74 |
| III. Status of Issuance of New Shares in Connection with Mergers and Acquisitions or Transfer of Shares of Other Companies | 75 |
| IV. Status of Implementation of Capital Utilization Plans..... | 75 |
| Four. Operation overview | |
| I. Business Scope | 76 |
| II. Market, production and sales overview | 87 |
| III. Employees..... | 93 |
| IV. Environmental Expenditure Information | 93 |
| V. Labor Relations | 93 |

| | |
|---|-----|
| VI. Information Security Management | 98 |
| VII. Material Contracts | 101 |
| Five. Review, analysis and risk matters of financial condition and financial performance | |
| I. Financial Condition..... | 102 |
| II. Financial Performance | 103 |
| III. Cash Flow..... | 104 |
| IV. Impact of Major Capital Expenditure in 2025 on the Financial Status | 105 |
| V. Reinvestment Policy in the Most Recent Fiscal Year, Main Reasons for Profit or Loss, Improvement Plans, and Investment Plans for 2025 | 105 |
| VI. Matters to be Analyzed and Assessed for Risks..... | 106 |
| VII. Other important matters | 111 |
| Six. Special notes and matters | |
| I. Related information on the affiliated companies | 112 |
| II. Private Placements of Securities..... | 112 |
| III. Other supplementary notes..... | 112 |
| IV. Matters with a Significant Impact on Shareholders' Equity or Securities Prices... | 112 |

One. Letter to Shareholders

We would like to express our sincere appreciation to all shareholders for their support and to all employees for their dedicated efforts. Adhering to our commitment to the chronic disease business and professional management, the Company hereby reports to all shareholders the operating results for 2025, an overview of the 2026 operating plan, as well as future development strategies and the impact of the overall business environment, as follows:

Operating Results for 2025

(I) Business Plan implementation results

The Company's consolidated net operating revenue for 2025 amounted to NT\$1,336,523 thousand, representing an increase of NT\$220,807 thousand from NT\$1,115,716 thousand in 2024, or a growth of 20%. The increase was mainly attributable to the growth in sales of cardiovascular drugs, influenza vaccines, and various diagnostic products.

Net profit attributable to the owners of the Company for 2025 was NT\$139,260 thousand, representing an increase of NT\$26,167 thousand from NT\$113,093 thousand in 2024, or a growth of 23%. In addition to the growth in operating revenue, the Company's share of profits from investees accounted for using the equity method also increased compared to the previous year, contributing to the growth in net profit for the current year.

(II) Budget execution

For 2025, the Company's parent company only net operating revenue amounted to NT\$656,947 thousand, and profit before tax amounted to NT\$174,486 thousand, achieving 155% of the annual budget target.

(III) Financial Position and Profitability Analysis

| Item | Year | | January 1 to December 31, 2025 |
|-------------------------|----------------------------------|--|--------------------------------|
| | | | |
| Income and expenditures | Interest income (NT\$ thousand) | | 5,084 |
| | Interest expense (NT\$ thousand) | | 137 |
| Profitability analysis | Return on assets % | | 9.07 |
| | Return on equity % | | 9.83 |
| | Net profit rate % | | 21.20 |
| | Earnings Per Share (NT\$) | | 3.63 |

(IV) Research and development status

The results of the Company's new product introduction and development in 2025 are summarized as follows:

- 2025/01:
The self-developed domestically produced new drug (T-NCE) E20 for rare diseases completed formulation development and process validation, and stability studies meeting both domestic and export requirements were initiated.

- 2025/04:
The T24 project completed the submission for drug registration in Taiwan.
- 2025/04:
An agreement was signed to obtain the exclusive license for the Taiwan market for the G25 project, a drug for rare diseases.
- 2025/07:
The T24 project obtained marketing approval in Taiwan.
- 2025/07:
The self-developed domestically produced new drug (T-NCE) E20 for rare diseases completed the 6-month stability studies meeting both domestic and export requirements.
- 2025/10:
The self-developed domestically produced new drug (T-NCE) E20 for rare diseases completed the submission for drug registration in Taiwan and obtained 9-month stability study results meeting both domestic and export requirements.
- 2025/11:
An agreement was signed to obtain the exclusive license for the Taiwan market for the B25 project, a prescription drug for presbyopia.
- 2025/12:
Completed the licensing agreement to introduce two next-generation gene testing (NGS) new products, Alpha Liquid® Breast and Alpha Solid® Breast.

Summary of the 2026 Business Plan

(I) Business policy

Since 2019, the Company has adopted a dual-engine strategy of pursuing both “licensed in-licensing” and “in-house development” in parallel, thereby accelerating product portfolio deployment while driving both organic growth and inorganic growth. TSH Biopharm successfully achieved in 2024 the five-year targets set in 2019, and in 2025 reached a record-high revenue of NT\$1.34 billion. In addition to reaching a new peak in business performance, the Company will continue to evaluate various strategic cooperation opportunities in the future, leverage the momentum of inorganic growth, and steadily move toward the next five-year target of doubling revenue.

I. Organic Growth:

➤ Growth in Prescription Drugs:

- i. Deepening Presence in the Taiwan Market:
The Company is focusing primarily on Taiwan-developed new drugs (T-NCE), particularly after the TFDA shortened the filing period for T-NCE applications from the previous 10 years to 5 years in September 2022, encouraging and accelerating local R&D. The Company’s current R&D pipeline includes Taiwan-developed new drugs and 505(b)(2) products (such as biosimilars, new combinations, and new dosage forms), completed through either independent development or co-development. From 2019 through the end of 2025, TSH Biopharm has obtained a total

of fifteen marketing authorizations at home and abroad, including the Taiwan-developed new drug Norrelin Tablets, the potent new lipid-lowering combination drug Lipitor Tablets, Taiwan's first specialty generic drug Ibodine Lyophilized Injection, the 505(b)(2) dry eye nasal spray TYRVAYA, and the first generic smoking cessation drug Jie Wei Qing Film-Coated Tablets 0.5 mg. The launch of multiple products in the coming years will continue to drive overall business growth.

- ii. **Actively Expanding Overseas Markets:** The export-oriented domestically produced new drug (T-NCE) Amtrel, an antihypertensive drug, obtained marketing approval in Malaysia as a "new chemical entity and new combination drug," and the export-oriented domestically produced new drug (T-NCE) Lonine has been filed for drug registration in Macau. The registration efforts actively deployed in Southeast Asia over the past five years have already delivered results, with eight overseas marketing authorizations obtained between 2022 and 2025.
- iii. Over the past three years, the Company has also invested in the evaluation and development of multiple new projects, and currently has a total of five development projects underway. In 2026, 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 into New Disease Areas:**

- i. **Ophthalmology:** In 2023, the Company obtained through licensing Tyrvaya, an innovative dry eye nasal spray developed by a U.S. ophthalmic pharmaceutical company. It obtained marketing approval as a new drug in Taiwan in the second half of 2024 and was officially launched in 2025. In the fourth quarter of 2025, the Company also signed an agreement to obtain the exclusive license in Taiwan for a presbyopia drug and plans to file for drug registration in Taiwan in 2026. 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. **Rare Diseases:** TSH Biopharm currently has two prescription drug projects for rare diseases, E20 and G25, under development, of which E20 initiated drug registration in 2025. In addition to the existing projects, the team is also evaluating other treatment options for rare diseases for development. The Company will continue its efforts for diseases with unmet needs in the future.

➤ **TSH Biopharm Genetic Testing:**

- i. Since establishing its patient care team in 2019, the Company has, in addition to acting as an agent for existing products from partners in Taiwan, South Korea, and Singapore, also added new products co-developed with South Korean partners to meet the needs of the Taiwan market. This business achieved a growth rate of over 30% in 2025. At

the same time, the Company has successively collaborated with several well-known cancer hospitals in Taiwan, successfully publishing Taiwan's first NGS testing paper on pleural effusion in lung cancer in an internationally renowned journal, and becoming the first company in Taiwan to obtain LDTs approval for "body fluid" testing.

- ii. By the end of 2025, the Company had further introduced liquid biopsy and tissue biopsy testing products for breast cancer, and combined them with its existing testing product lines, with the goal of fully covering different levels of cancer care needs, including cancer screening and cancer risk assessment for sub-healthy populations, support for decision-making in cancer treatment strategies, and disease monitoring and recurrence assessment.

II. Inorganic Growth:

➤ Deepening Taiwan Distribution Channels:

- i. At the end of 2023, through equity investment, the Company acquired its first subsidiary, Chuangyi Biotech, extending its professional healthcare channel services to preventive medicine fields such as medicinal probiotics, health food certification, and cell influenza vaccines, with a sales team covering more than 3,000 clinics and pharmacies.
- ii. In 2024, the Company further acquired two subsidiaries, TOP Pharma Medical-wares and TOP Biological Technology (a health food factory), to strengthen its offerings in bone health products for the aging market and diabetic medical supplies.
- iii. At present, the TSH Biopharm Group covers more than 5,000 clinics and pharmacies across Taiwan, achieving 100% coverage of large hospitals and 60% coverage of clinics and pharmacies, thereby creating more opportunities and synergies. Strategic investment will be a key focus of organizational growth, and the team will continue to seek strategic partners and investment targets as the Company's second growth engine.

III. Strategically Increasing the Proportion of Self-Pay Revenue: Self-pay revenue has increased from NT\$0.4 billion in 2022 to NT\$662 million in 2026, exceeding 50% of consolidated revenue, so as to reduce the impact of National Health Insurance and retain independent pricing power.

IV. In the face of ESG sustainable operations, TSH Biopharm upholds the core concept of the United Nations Sustainable Development Goals (SDGs)—SDG 3 Good Health and Well-being—and adheres to the core value of being "people-oriented," creating the value of "cultivating sustainability with heart, letting love rise." The Company has gone deep into all parts of Taiwan to directly respond to the most urgent needs of society, letting love rise to every corner of Taiwan, demonstrating sincere care for and contribution to people.

V. In 2025, TSH Biopharm also received multiple awards in recognition of its performance in corporate governance and development, including the 2025 Asia Responsible Enterprise Awards, the 18th TCSA Taiwan Corporate Sustainability

Awards, and Top 5% in the 11th Corporate Governance Evaluation. The TSH Biopharm team will also continue striving toward the goals of corporate responsibility and sustainable operations.

(II) Expected volume of sale, and the basis for such expectation

The Company expects to sell 197,467 thousand oral solid dosage units and 53 thousand injections in 2026. The expected sales volume is determined based on IQVIA statistical reports, while also taking into account possible future changes in market supply and demand, the pace of new product development, and National Health Insurance policies.

(III) Important Production and Sales Policies

1. Business plan

- The Company will accelerate sales growth through exports of self-developed products and overseas licensing of early-stage R&D products. In addition to maintaining the progress of obtaining international approvals for existing R&D products, it will also introduce international early-stage innovative drugs for co-development and value enhancement, leveraging the “Double Engine” strategy to expand into international pharmaceutical development and international market sales.
- New Business Model in the Biotech Industry: introducing testing products accompanied by precision medicine (personalized medicine). With the rise of precision medicine, testing has become part of treatment or preventive medicine, and AI has become increasingly widespread and easily accessible. In addition to its existing products for recommending cancer treatment options and tracking recurrence, the Company also added new cancer testing products in 2025, positioned as important genetic testing products to support breast cancer treatment. TSH Biopharm will continue to launch related testing products in the future to meet more clinical needs.
- Strategic investment and M&A to achieve inorganic growth: In the future, the Company will continue to create synergies in products and distribution channels through the integration of resources and products, and will explore strategic investment opportunities to continue growing through inorganic development.

2. Production strategy

In line with the Company’s past strategy, pharmaceutical production will continue to rely primarily on contract manufacturing. Currently, all products are manufactured by contracted plants certified under PIC/S GMP. At the same time, in line with government policies to align with international pharmaceutical quality regulations, the Company has followed ICH Q3D to conduct pharmaceutical quality risk control for elemental impurities. Relevant risk assessment reports and corresponding measures were delivered starting in 2024. In addition, temperature control during storage and transportation is an important factor in maintaining pharmaceutical quality throughout the entire distribution chain. Accordingly, in line with the government’s Good Distribution Practice (GDP) policy for western pharmaceuticals, the Company incorporated APIs into its GDP scope in 2022 and pharmaceutical cold chain transportation into its GDP scope in 2023. The Company also implements pharmacovigilance in compliance with government drug safety

regulations to ensure the safety of medication users in Taiwan.

For the testing business, the Company adopts the same strategy as for pharmaceutical production by cooperating with internationally certified laboratories, and also successfully obtained LDTs certification in 2024.

3. Marketing and R&D strategy

Dual engines and three-pronged parallel development to provide more outstanding healthcare services

The Company continues to focus on a “patient-centered” approach, driven by the “dual-engine” strategy, with “traditional pharmaceuticals” and “innovative healthcare” as its two main pillars, creating a portfolio of medical products dedicated to unmet patient needs, and committing itself to new ingredients, special dosage forms, chronic disease treatment, genetic testing, cancer testing, collaborative development of innovative therapies, and becoming the best partner for international innovative biotech and pharmaceutical companies in Asia for new drug development and marketing, while striving to provide more outstanding healthcare services for all people before, during, and after treatment.

Corporate Development Strategy

Corporate Vision:

To improve patients’ quality of life and become the best strategic partner for international innovative biotech companies in Asia in development and marketing!

Business goals:

- ✓ Focus:
Centered on patients’ quality of life, providing a total solution portfolio for unmet medical needs
- ✓ Differentiation:
Develop innovative special medical technologies and dosage forms to establish market differentiation
- ✓ Creating Value:
To become the best strategic partner for innovative biotech companies in Asia in development and marketing

Impacts from the External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

Challenge 1: Impact of Pharmaceutical Supply Chain Risks

In the post-pandemic era, the global pharmaceutical supply chain has been significantly affected. The trend toward deglobalization has caused shortages or price increases in the supply of APIs and finished pharmaceutical products. Since 2023, shortages in APIs and manufacturing capacity have already caused declining inventory levels and product shortages. To address this risk, in addition to planning and maintaining multiple API sources for major products, TSH Biopharm has also initiated evaluations of contract manufacturers to address supply chain risks and cost control.

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. Accordingly, TSH Biopharm is pursuing a dual-track strategy: on the one hand, continuing its existing R&D capabilities so that new products can be launched every year; on the other hand, actively investing in innovative fields and related evaluations such as cell therapy, gene therapy, and gene editing, which are highly innovative therapies aligned with international market trends.

Challenge 3: Upgraded Regulations on Quality and Drug Safety

As international regulations place increasing emphasis on impurity risks, including recent cases involving the carcinogenic risks of nitrosamines, Taiwan's competent authorities are also gradually aligning with international quality regulations and raising requirements. This includes ICH Q3D elemental impurity risk assessment and pharmacovigilance, both of which were launched in 2023 and require corresponding measures. In the future, pharmaceutical companies will need not only to implement relevant risk control mechanisms during the R&D stage, but also to apply the same controls to marketed products, which will significantly increase the costs of drug development and commercialization.

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: Yang Ssu-Yuan Accounting Officer: Chen-Ju Kan

Two. Corporate Governance Report

I. Information on Directors, General Manager, Deputy General Managers, Assistant General Managers, and Heads of Departments and Branch Offices

(I) Profile of Directors:

April 24, 2026

| Title | Nationality or place of registration | Name | Gender | Date on which the effect of took office | Term | Commencement date of first term | No. of shares held at time of election | | Shareholding ratio | Number of shares held by spouse and immediate children | | Shareholding ratio | Number of shares held under the shareholding into | Main career (academic) achievements | Position concurrently held in the Company or other company | Other heads and directors who are spouses or immediate family members | | | Remark | |
|----------------------|--------------------------------------|---|--------|---|-------------|---------------------------------|--|--------------------|--------------------|--|--------------------|--------------------|---|--|---|---|------|--------------|--------|--|
| | | | | | | | Shares | Shareholding ratio | | Shares | Shareholding ratio | | | | | Title | Name | Relationship | | |
| Chairman | Republic of China | TTY Biopharm Company Limited | - | | | 2010.9.1 | 21,687,177 | 56.48 | 0 | 0.00 | 0 | 0.00 | 0 | Education and professional qualifications Ph.D. in Economics, University of Illinois at Urbana-Champaign Experience Premier, Executive Yuan Chairman, Vanguard International Semiconductor Corporation Director-General of Budget, Accounting, and Statistics, Executive Yuan Commissioner, Department of Finance, Taipei City Government Professor and Chair, Department of Finance, National Chengchi University Research Fellow, Chung-Hua Institution for Advanced Study | Chairman, TTY Biopharm Company Limited Independent Director, Pegatron Corporation Director, Taiwan Semiconductor Manufacturing Co., Ltd. | | | | | |
| | | Representative: Chuan Lin | Male | 2023.5.25 | Three years | 2020.5.29 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | None | None | None | None | None | None | |
| Director | Republic of China | TTY Biopharm Company Limited | - | | | 2010.9.1 | 21,687,177 | 56.48 | 0 | 0.00 | 0 | 0.00 | 0 | Education and professional qualifications University of the Pacific of the USA Doctor of Pharmacy (Pharm.D.), School of Pharmacy and Health Sciences Master of Business Administration (MBA), School of Business | Director (Legal Representative), TTY Biopharm Company Limited Director, Xidong Hupai International Co., Ltd. Director, Wing Hong International Limited Director, American Taiwan Biopharm Philippines Inc. Director (Legal Representative), Chang Yi Director, Dorean Technology Co., Ltd. Director (Legal Representative), American Taiwan Biopharm Co., Ltd. | | | | | |
| | | Representative: CARL HSIAO (Carl Hsiao) | Male | 2023.5.25 | Three years | 2019.3.26 | 33,638 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | None | None | None | None | None | None | |
| Director | Republic of China | TTY Biopharm Company Limited | - | | | 2010.9.1 | 21,687,177 | 56.48 | 0 | 0.00 | 0 | 0.00 | 0 | Education and professional qualifications MBA, University of St. Thomas in Minnesota, USA Experience Deputy General Manager, Taipei Exchange Corporation General Manager, Capital Securities Corp. Assistant Manager, Listing Department, Taiwan Stock Exchange Managing Director, Securities and Futures Commission Member, Merchants Association of the Republic of China | Chairman, Ray Wang Innovative Co., Ltd. Independent Director, Audit Committee Member, and Remuneration Committee Member, China Probe Card Co., Ltd. Independent Director, Audit Committee Member, and Remuneration Committee Member, Rikhting Life Technology Co., Ltd. Independent Director, Audit Committee Member, and Remuneration Committee Member, Frontland OSAKAWA Wind Power Equipment Manufacturing Co., Ltd. Corporate Representative Director, Jui Long Technology Engineering Co., Ltd. Independent Director, Director, Wei-Ren Technology Co., Ltd. Supervisor, Da Wan Technology Co., Ltd. | | | | | |
| | | Representative: Keng-Gui Chen | Male | 2023.5.25 | Three years | 2020.5.29 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | None | None | None | None | None | None | |
| Director | Republic of China | TTY Biopharm Company Limited | - | | | 2010.9.1 | 21,687,177 | 56.48 | 0 | 0.00 | 0 | 0.00 | 0 | Education and professional qualifications Bachelor of Pharmacy, Taipei Medical University Experience Vice President, Healthcare Business Group, TTY Biopharm Company Limited | Supervisor, Da Wan Technology Co., Ltd. | | | | | |
| | | Representative: Kung-Liang Wei | Male | 2023.5.25 | Three years | 2023.5.25 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | None | None | None | None | None | None | |
| Independent director | Republic of China | TTY Biopharm Company Limited | - | | | 2023.5.25 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | Education and professional qualifications Bachelor of Science in Physics, National Tsing Hua University Experience Director, Taiwan Financial Holdings Co., Ltd. General Manager, Taipei Financial Center Corporation Independent Director, Chuang Yi Biotech Co., Ltd. Director, National Chengchi University Academic Supervisor, Chinese Fiscal Association | Associate Professor, Department of Public Finance, National Tsing Hua University Independent Director, Remuneration Committee Member, and Audit Committee Member, Cooperative Bank of Taiwan Co., Ltd. Director, Cardinal Sin Hospital Member, National Election Review Committee, Ministry of Finance Consulting Committee Member, Privatization Evaluation Committee, Ministry of Finance | | | | | |
| | | Director: De-Yu Chou | Male | 2023.5.25 | Three years | 2023.5.25 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | None | None | None | None | None | None | |
| Independent director | Republic of China | TTY Biopharm Company Limited | - | | | 2010.9.1 | 21,687,177 | 56.48 | 0 | 0.00 | 0 | 0.00 | 0 | Education and professional qualifications Master of Business Administration (MBA), Columbia University Doctor of Philosophy, National Taiwan Normal University Experience General Manager, TAIHO Pharmaceuticals Ltd. General Manager, NAL Pharmaceuticals Ltd. | Independent Director, Audit Committee Member, and Remuneration Committee Member, General Biologics Corp. | | | | | |
| | | Representative: Ruei-Shun Chen | Female | 2023.5.25 | Three years | 2018.6.15 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | None | None | None | None | None | None | |

| Title | Nationality or place of registration | Name | Gender Age | Dates on which the director was elected or took office | Tenure | Commencement date of first term | No. of shares held in time of election | | 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 background directors who are spouses or second-degree of kinship | | | Remark |
|-----------------------------|--------------------------------------|---------------|---------------------------|--|-------------|---------------------------------|--|--------------------|--|--------------------|--|--------------------|--|---|--|------|--------------|--------|
| | | | | | | | Shares | Shareholding ratio | Shares | Shareholding ratio | Shares | Shareholding ratio | | | Title | Name | Relationship | |
| Independent director | Republic of China | Mao-Bin Huang | Female 61-65 years old | 2023.5.25 | Three years | 2022.5.25 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | Education and professional qualifications Master of Science, Kaohsiung Medical University M.S. in Pharmacy, Graduate Institute of Pharmaceutical Sciences, Kaohsiung Medical University Ph.D. in Pharmacy, Graduate Institute of Pharmaceutical Sciences, Kaohsiung Medical University B.S. in Pharmacy, School of Pharmacy, Kaohsiung Medical University Experience Administrative Officer, Kaohsiung Medical University Director, Department of Pharmacy, Chung-Ho Memorial Hospital, Kaohsiung Medical University Professor, School of Pharmacy, Kaohsiung Medical University Director, Graduate Institute of Clinical Pharmacy, Kaohsiung Medical University Lecturer, School of Pharmacy, Kaohsiung Medical University Lecturer, School of Pharmacy, Kaohsiung Medical College Lecturer, Pharmaceutical Society of Taiwan | Professor, School of Pharmacy, Kaohsiung Medical University Chief Pharmacist, Department of Pharmacy, Kaohsiung Medical University Chang-Ho Memorial Hospital | None | None | None | None |
| Independent director (Note) | Republic of China | Wu Show-Ming | Male 66-70 years old | 2024.5.24 | 2 years | 2024.5.24 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | Education and professional qualifications Doctor of Laws (S.J.D.), Faculty of Law, Ludwig Maximilian University of Munich Master of Laws (LL.M.), National Chengchi University Experience Chairperson/Vice Chairperson, Fair Trade Commission, Republic of China Professor, Faculty of Law, Department of Law, National Chengchi University Independent Director, Chang Yi Biotech Co., Ltd. Professor, Department of Land Economics, National Chengchi University | Adjoint Professor, Department of Land Economics, National Chengchi University (NCCU) | None | None | None | None |
| Independent director (Note) | Republic of China | Lai Yun-Liang | Male 76-80 years old | 2024.5.24 | 2 years | 2024.5.24 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | Education and professional qualifications Diploma of Palliative Medicine, College of Medicine, University of Waike Doctor of Medicine (M.D.), Chung Shan Medical University Master of Public Health, National Chengchi University Bachelor of Pharmacy, Taipei Medical University Experience Independent Director, Chang Yi Biotech Co., Ltd. Vice Chairman, Mackay Memorial Hospital Vice President, Shuang Ho Hospital Chairman, YMCAs of Taipei Ministry of Health and Welfare (commissioned to be built and operated by Taipei Medical University) Honorary Physician, Senior Attending Physician, Honorary Attending Physician, Mackay Memorial Hospital | Honorary Consultant Physician, Mackay Memorial Hospital Adjoint Associate Professor, National Yang Ming Chiao Tung University Adjunct Professor, Kaohsiung Medical College Adjoint Professor and Physician, Department of Radiation Oncology, Taipei Medical University Hospital Vice Chairman, Tai Lien Containerized Transportation Chairman, YMCAs of Taipei Executive Supervisor, Taiwan Academy of Hospice Palliative Medicine Supervisor, Taiwan Hospice Organization | None | None | None | None |

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

March 30, 2026

| Name of corporate shareholder | Major shareholders of the corporate shareholder | Shareholding ratio |
|-------------------------------|--|--------------------|
| TTY Biopharm Company Limited | Dawan Technology Co., Ltd. | 9.48% |
| | Wen-Yi Chang | 2.09% |
| | Ying-Chun Hsiao | 2.01% |
| | Wen-Hwa Chang | 1.77% |
| | Wen-Ling Chang | 1.68% |
| | HSBC Bank (Taiwan) Limited, acting as custodian for Morgan Stanley International Investment Account | 1.59% |
| | Chun-Jen Chang | 1.54% |
| | Chang Hwa Commercial Bank, Ltd. | 1.45% |
| | Standard Chartered Bank (Taiwan) Limited, Offshore Banking Branch, acting as custodian for Advanced Star Fund Company Series Funds – Advanced Total International Equity Index Fund Investment Account | 1.20% |
| | JPMorgan Chase Bank, N.A., Taipei Branch, acting as custodian for Vanguard Group Inc. – Vanguard Emerging Markets Stock Index Fund Investment Account | 1.17% |

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

March 30, 2026

| Name of corporate/juristic person | Major shareholders of the corporate/juristic person | Shareholding ratio |
|-----------------------------------|---|--------------------|
| Dawan Technology Co., Ltd. | Yu-Pin Hsiao | 36.99% |
| | Public Interest Trust—Liyuan Welfare Fund Special Account | 11.02% |
| | Ying-Chun Hsiao | 11.01% |
| | Hsiao-Chin Hsu | 10.97% |
| | Hsin-Ya Hsiao | 7.89% |
| | Hsin-Yu Hsiao | 7.84% |
| | Mei-Chen Hsu | 4.65% |
| | Yung-Liang Wu | 3.96% |
| | Chia-Yu Hsiao | 3.11% |
| | Carl Hsiao | 2.56% |

April 15, 2025

| Name of corporate/juristic person | Major shareholders of the corporate/juristic person | Shareholding ratio |
|-----------------------------------|---|--------------------|
| | Ministry of Finance, Republic of China (Taiwan) | 12.19% |

| | | |
|---------------------------------|---|-------|
| Chang Hwa Commercial Bank, Ltd. | Chunghwa Post Co., Ltd. | 7.5% |
| | National Development Fund, Executive Yuan | 5.42% |
| | First Commercial Bank, Ltd. | 4.09% |
| | Taishin Financial Holding Co., Ltd. | 2.68% |
| | Hosei Petrochemical Industries Co., Ltd. | 2.53% |
| | Taiwan Cooperative Bank, Ltd. | 2.39% |
| | Bank of Taiwan | 1.81% |
| | Land Bank of Taiwan | 1.80% |
| | Taiwan Business Bank, Ltd. | 1.40% |
| | Taiwan Business Bank, Ltd., acting as custodian for Yuanta/P-shares Taiwan High Dividend Low Volatility 30 ETF Securities Investment Trust Fund Account | 1.28% |
| | New Labor Pension Fund | 1.16% |

(III) Disclosure of directors' professional qualifications and the independence of independent directors:

| Name | Conditions | Professional qualifications and experience | Independence of Independent Directors | No. of other public companies at which the person concurrently serves as an independent director | |
|---|------------|---|---------------------------------------|---|---|
| Representative of TTY Biopharm Company Limited: Chuan Lin | | Please refer to pages 7-9 of this annual report, section (I) Director Information. None of the directors have any circumstances as described in Article 30 of the Company Act (Note 1). | Not applicable | 2 | |
| Representative of TTY: CARL HSIAO | | | | 0 | |
| Representative of TTY: Kang-Chi Chou | | | | 3 | |
| Representative of TTY: Yung-Liang Wu | | | | 0 | |
| De-Yu Chou (Independent Directors) | | | | 1. All independent directors comply with 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). | 1 |
| Ruei-Shun Chen (Independent Directors) | | | | 2. None of the independent directors, nor their spouses or minor children, whether in their own names or in the names of others, holds any shares of the Company's common stock. | 1 |
| Yao-Bin Huang (Independent Directors) | | | | 3. None of the independent directors has received any remuneration in the past two years for providing audit, business, legal, financial, or accounting services to the Company or its related parties. | 0 |
| Wu Shou-Ming (Independent Directors) | | | | | 0 |
| Lai Yun-Liang (Independent Directors) | | | | | 0 |

Note 1:

1. Having been convicted of an offense under the Organized Crime Prevention Act with a final judgment, where the sentence has not yet been executed, has not been fully executed, or where less than five years have elapsed since completion of execution, expiration of probation, or a pardon.
2. Having been convicted of fraud, breach of trust, or embezzlement and sentenced to imprisonment of one year or more with a final judgment, where the sentence has not yet been executed, has not been fully executed, or where less than two years have elapsed since completion of execution, expiration of probation, or a pardon.
3. Having been convicted of an offense under the Anti-Corruption Act with a final judgment, where the sentence has not yet been executed, has not been fully executed, or where less than two years have elapsed since completion of execution, expiration of probation, or a pardon.
4. Having been declared bankrupt or subject to a court ruling commencing liquidation proceedings, and having not yet been reinstated.
5. Having been subject to dishonor of negotiable instruments with the sanction period not yet expired.
6. A person without legal capacity or with limited legal capacity.
7. A person subject to an assistance declaration that has not been revoked.

Note 2:

1. Not being the government, a juristic person, or its representative as referred to in Article 27 of the Company Act.
2. Not concurrently serving as an independent director of more than three other public companies in Taiwan.
3. None of the following circumstances has occurred within the two years prior to appointment and during the term of office:
 - (1) An employee of the Company or its affiliates.
 - (2) A director or supervisor of the Company or its affiliates.
 - (3) The individual, his or her spouse, minor children, or any person acting in another's name holding more than 1% of the total issued shares of the Company, or being among the top ten natural person shareholders.
 - (4) The spouse, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship of the managerial officers referred to in (1) or the persons referred to in (2) and (3).
 - (5) A director, supervisor, or employee of a juristic person shareholder that directly holds more than 5% of the Company's total issued shares, is among the top five shareholders, or appoints a representative to serve as a director of the Company pursuant to Article 27 of the Company Act.
 - (6) A director, supervisor, or employee of another company of which more than half of the board seats or voting shares are controlled by the same person as the Company.
 - (7) A director (or equivalent), supervisor (or equivalent), or employee of another company or institution in which the same person or his or her spouse serves as the Chairman, General Manager, or an equivalent position of the Company.
 - (8) A director (or equivalent), supervisor (or equivalent), managerial officer, or shareholder holding more than 5% of shares of a specific company or institution that has financial or business dealings with the Company.
 - (9) A professional, sole proprietorship, partnership, company or institution, or its owner, partner, director (or equivalent), supervisor (or equivalent), managerial officer, or their spouse, that provides auditing or other commercial, legal, financial, accounting, or related services to the Company or its affiliates and has received cumulative remuneration exceeding NT\$500,000 within the most recent two years.

(IV) Board Diversity and Independence:

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:

- Structure of the Board of Directors: The appropriate number of directors, which shall be seven or more, shall be determined based on the Company’s scale of operations and development, as well as the shareholding structure of major shareholders, with due consideration to practical operational needs.
- Directors who concurrently serve as managerial officers of the Company shall not exceed one-third of the total number of director seats.
- Basic conditions and values: gender, age, nationality, and culture, among which the proportion of female directors should ideally reach one-third of the total number 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 directors, all of whom do not hold employee status within the Company. Among them, there are two female directors, representing 22.22% of the total board seats. To continuously enhance corporate governance and achieve gender diversity objectives, the Company will, in future director nomination and selection processes, in addition to maintaining professional and technical expertise, actively seek to engage female professional leaders with backgrounds in pharmaceutical operations, intellectual property, or international marketing, in order to increase the diversity of the candidate pool. Female candidates who meet the needs of industry development will be prioritized for appointment, with the goal of progressively achieving the policy target of at least one-third representation of either gender.

The implementation status of the Company’s board member diversity policy is as follows:

| Title | Chairman | Director | | | Independent director | | | | |
|-------------|---|--|---|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Name | Representative of TTY Biopharm Company Limited: Chuan Lin | Representative of TTY Biopharm Company Limited: Carl Hsiao | Representative of TTY Biopharm Company Limited: Kang-Chi Chou | Representative of TTY Biopharm Company Limited: Yung-Liang Wu | De-Yu Chou | Ruei-Shun Chen | Yao-Bin Huang | Shou-Ming Wu | Yun-Liang Lai |
| Age | 71–75 years old | 36–40 years old | 81–85 years old | 61–65 years old | 56–60 years old | 66–70 years old | 61–65 years old | 66–70 years old | 76–80 years old |
| Nationality | Republic of China (Taiwan) | United States | Republic of China (Taiwan) | Republic of China (Taiwan) | Republic of China (Taiwan) | Republic of China (Taiwan) | Republic of China (Taiwan) | Republic of China (Taiwan) | Republic of China (Taiwan) |

| Tenure of Independent Directors | Not applicable | Not applicable | Not applicable | Not applicable | 3 years | 8 years | 4 years | 2 years | 2 years |
|--|----------------|----------------|----------------|----------------|---------|---------|---------|---------|---------|
| Professional background and capabilities | | | | | | | | | |
| Financial accounting | ✓ | | | | ✓ | | | | |
| Financial law | ✓ | | | | ✓ | ✓ | | ✓ | |
| Business administration | ✓ | ✓ | ✓ | ✓ | | ✓ | | | ✓ |
| Crisis management | ✓ | | ✓ | | ✓ | ✓ | | | ✓ |
| International market perspective | ✓ | ✓ | | | ✓ | ✓ | ✓ | | ✓ |
| Industry knowledge | ✓ | ✓ | | ✓ | | ✓ | ✓ | | ✓ |
| Leadership and decision-making | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |

The Company has 5 independent directors, representing 55.56% of the board; none of them have served more than three consecutive terms. There are no spousal or second-degree kinship relationships among any of the Board members. This meets the requirements under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Therefore, the Company deems its Board of Directors independent.

(V) Information on the Management Team

April 24, 2026

| Title | Nationality | Name | Gender | Date on which the person was elected or took office | Shares held | | 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 | 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 | Chairman and General Manager, Chuang Yi Biotech Co., Ltd. Chairman, Top Pharm Co., Ltd. | None | None | None |
| Senior Director, Business Department | Republic of China | Yu-Chung Wu | Male | 2024.1.1 | 0 | 0 | 0 | 0 | 0 | 0 | Ming University General Manager, Mundipharma Director, Special Pharmaceuticals Division, Bayer-Taiwan Company Ltd. | None | None | None | None |
| Senior Director, Corporate Development and R&D | 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 Division, TSH Biopharm Co., Ltd. Project Manager, Business Development Department, TTY Biopharm Company Limited | None | None | None | None |
| Senior Director, Marketing Department | Republic of China | Chuan-Hsu 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 Division, TSH Biopharm Co., Ltd. Senior Product Manager, Product Marketing Department, TTY Biopharm Company Limited | None | None | None | None |
| Senior Director of Finance and CFO | Republic of China | Jung-Liang Kao | Male | 2024.4.1 | 0 | 0 | 0 | 0 | 0 | 0 | Department of Accounting, Tunghai University Chief Auditor, TTY Biopharm Company Limited Special Assistant to the CEO, Precious Mountain Enterprise Corporation | None | None | None | None |
| Senior Manager of Finance, 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 Director, Moores Rowland CPAs Assistant Manager, Lan-Jai CPAs Firm Manager, Audit Office, TSH Pharmaceutical Co., Ltd. | None | None | None | None |
| Senior Manager of Accounting, Finance Department | Republic of China | Chen-Ju Kan | Female | 2010.9.1 | 0 | 0 | 0 | 0 | 0 | 0 | Department of Accounting, Kaohsiung University of Science and Technology Senior Specialist of the Accounting Department, TTY Biopharm Company Limited | None | None | None | None |
| Chief Auditor, Audit Office | Republic of China | Ying-Ju Wu | Female | 2025.8.4 | 0 | 0 | 0 | 0 | 0 | 0 | Department of Accounting, Soochow University Head of Audit, Tsang-Yow Industrial Co., Ltd. Head of Audit, Chia Yi Steel Co., Ltd. | None | None | None | None |

Note: Ms. Shu-Ping Huang, Manager of the Finance Department and Corporate Governance Officer, was promoted to Senior Manager of the Finance Department and Corporate Governance Officer on April 1, 2026.

II. Remuneration of directors, supervisors, general manager and deputy general managers in the latest year

(I) Remuneration for general directors and independent directors in 2025

Unit: NT\$ thousand

| Title | Name | Compensation (A) | | Retirement pay and pension (B) | | Director remuneration (C) | | Business reception (D) | | Sum of (A)+(B)+(C)+(D) and ratio to total income | | Share, rewards and special allowances (E) | | Remuneration received by directors for consumer service as an employee (F) | | | | Total of Items A, B, C, D, E, F, and G, and percentage of net profit after tax | | Remuneration received by other than subsidiaries or from the parent company | |
|----------------------|---|------------------|---------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|------------------------|---------------------------|--|---------------------------|---|---------------------------|--|---------------------------|-------------|--------------|--|--------------|---|---------|
| | | 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 | | Company |
| Chairman | Representative of TTY Biopharm Company Limited; Chuan Lin | 750 | 0 | 0 | 496 | 496 | 16 | 16 | 1,262 | 0.91% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,262 | 0.91% | 12,412 |
| Director | Representative of TTY Biopharm Company Limited; Hung Yao-Bin | 0 | 0 | 0 | 496 | 496 | 16 | 24 | 512 | 0.37% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 512 | 0.37% | 40 |
| Director | Representative of TTY Biopharm Company Limited; Lu Yung-Liang | 0 | 0 | 0 | 496 | 496 | 16 | 16 | 512 | 0.37% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 512 | 0.37% | 0 |
| Director | Representative of TTY Biopharm Company Limited; Te-Yu Chou | 500 | 0 | 0 | 496 | 496 | 48 | 48 | 548 | 0.39% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 548 | 0.39% | 0 |
| Independent director | Chen Huei-Shun | 500 | 0 | 0 | 496 | 496 | 48 | 48 | 548 | 0.39% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 548 | 0.39% | 0 |
| Independent director | Hung Yao-Bin | 500 | 0 | 0 | 496 | 496 | 96 | 96 | 596 | 0.43% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 596 | 0.43% | 0 |
| Independent director | Wu Shou-Ming | 500 | 0 | 0 | 496 | 496 | 48 | 48 | 548 | 0.39% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 548 | 0.39% | 0 |
| Independent director | Lu Yung-Liang | 500 | 0 | 0 | 496 | 496 | 48 | 48 | 548 | 0.39% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 548 | 0.39% | 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, as assessed, 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/parent consolidated entities/invested enterprises). None.

(II) Remuneration scale for general directors and independent directors in 2025

| Ranges of remuneration paid to each of the Company's directors | Sum of A+B+C+D | | Names of Directors | |
|--|---|---|---|---|
| | Company | All consolidated entities H | Company | Sum of A+B+C+D+E+F+G |
| Less than NT\$1,000,000 | Representative of TTY Biopharm Company Limited; Carl Hsiao (CARL Hsiao); Independent Directors Yung-Liang Wu, Kang-Liang Wu, Kang-Chi Chou; Directors Chi Chou; Directors Rueti-Shun Chen, Yao-Bin Huang, De-Chi Chou; Directors Rueti-Shun Chen, Shou-Ming Wu, Yun-Liang Chou, Shou-Ming Wu, Yun-Liang Lai | Representative of TTY Biopharm Company Limited; Carl Hsiao (CARL Hsiao); Independent Directors Yung-Liang Wu, Kang-Liang Wu, Kang-Chi Chou; Directors Yung-Liang Wu, Kang-Liang Wu, Kang-Chi Chou; Directors Rueti-Shun Chen, Yao-Bin Huang, De-Chi Chou, Shou-Ming Wu, Yun-Liang Lai | Representative of TTY Biopharm Company Limited; Carl Hsiao (CARL Hsiao); Independent Directors Yung-Liang Wu, Kang-Liang Wu, Kang-Chi Chou; Directors Yung-Liang Wu, Kang-Liang Wu, Kang-Chi Chou; Directors Rueti-Shun Chen, Shou-Ming Wu, Yun-Liang Lai | Representative of TTY Biopharm Company Limited; Carl Hsiao (CARL Hsiao); Independent Directors Yung-Liang Wu, Kang-Liang Wu, Kang-Chi Chou; Directors Yung-Liang Wu, Kang-Liang Wu, Kang-Chi Chou; Directors Rueti-Shun Chen, Shou-Ming Wu, Yun-Liang Lai |
| NT\$1,000,000 (incl.)-NT\$2,000,000 (excl.) | Chairman: Chuan Lin | Chairman: Chuan Lin | Chairman: Chuan Lin | None |
| NT\$2,000,000 (incl.)-NT\$3,500,000 (excl.) | None | None | None | None |
| NT\$3,500,000 (incl.)-NT\$5,000,000 (excl.) | None | None | None | None |
| NT\$5,000,000 (incl.)-NT\$10,000,000 (excl.) | 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 |

| | | | | | | | | | |
|--|----------------------|------|------|----------------------|------|------|----------------------|------|------|
| NT\$30,000,000 (incl.)-NT\$50,000,000 (excl.) | None | None | None | None | None | None | None | None | None |
| NT\$50,000,000 (incl.)-NT\$100,000,000 (excl.) | None | None | None | None | None | None | None | None | None |
| NT\$100,000,000 or above | None | None | None | None | None | None | None | None | None |
| Total | A total of 9 persons | | | A total of 9 persons | | | A total of 9 persons | | |

(III) Remuneration to the General Manager and Deputy General Manager for 2025

Unit: NT\$ thousand

| Title | Name | Salary (A) | | Retirement pay and pension(B) | | Rewards and special disbursements(C) | | Employee profit-sharing compensation (D) | | | Total of Items A, B, C, and D, and percentage of net profit after tax (%) | | 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 | Company | All consolidated entities | Company | | All consolidated entities |
| President | Ssu-Yuan Yang | 3,565 | 3,935 | 108 | 108 | 2,757 | 2,789 | 1,200 | 0 | 1,200 | 0 | 7,630 5.48% | 8,032 5.77% | None |

Note: The Company has only one General Manager, Deputy General Manager, or equivalent position; therefore, the individual compensation of all such positions has been fully disclosed.

(IV) Remuneration scale table for General Manager and Deputy General Manager for 2025

| Ranges of remuneration paid to each of the Company's president and vice president | Name of president and vice president | |
|---|--------------------------------------|---------------------------|
| | The Company | All consolidated entities |
| 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.) | Ssu-Yuan Yang | Ssu-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 | |

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

March 5, 2026; Unit: NT\$ thousand

| | Title | Name | Stock Amount | Cash Amount | Total | As a % of net profit |
|---------|--|----------------|--------------|-------------|-------|----------------------|
| Manager | President | Ssu-Yuan Yang | 0 | 3,388 | 3,388 | 2.43 |
| | Senior Director, Business Department | Yu-Chung Wu | | | | |
| | Senior Director, Corporate Development and R&D | Wei-Han Hsieh | | | | |
| | Senior Director, Marketing Department | Chuan-Hsu Chen | | | | |
| | Senior Director of Finance and CFO | Jung-Liang Kao | | | | |
| | Manager of Finance Department, Finance Division | Shu-Ping Huang | | | | |
| | Senior Manager of Accounting, Finance Department | Chen-Ju Kan | | | | |

Note: Employee remuneration was approved by the Board of Directors on March 5, 2026.

(VII) Separately compare and explain the analysis of the ratio of the total remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, general manager, and deputy general managers, etc. over the most recent two fiscal years as a percentage of net income after tax in the individual or separate financial statements, and explain the remuneration payment policy, standards, and structure, the procedures for determining remuneration, and the relevance thereof to operating performance and future risks.

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

| Item | Company | | | | All companies in the consolidated statements | | | |
|--|--------------|---|--------------|---|--|---|--------------|---|
| | 2024 | | 2025 | | 2024 | | 2025 | |
| | Total amount | As a percentage of net profit after tax | Total amount | As a percentage of net profit after tax | Total amount | As a percentage of net profit after tax | Total amount | As a percentage of net profit after tax |
| Remuneration to directors | 5,126 | 4.53% | 5,586 | 4.01% | 5,126 | 4.53% | 5,586 | 4.01% |
| Remuneration to General Manager and Deputy General Manager | 6,987 | 6.18% | 7,630 | 5.48% | 6,987 | 6.18% | 8,032 | 5.77% |
| Net income after tax | 113,093 | --- | 139,260 | --- | 113,093 | --- | 139,260 | --- |

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

A. Director:

The Company's policy on directors' remuneration is governed by Article 26 of the Articles of Incorporation. Directors may be remunerated for their services regardless of whether the Company is profitable. Such remuneration is authorized to be determined by the Board of Directors based on each director's level of participation in the Company's operations and the value of their contributions, with reference to prevailing industry standards. If the Company generates profits,

in accordance with Article 29 of the Articles of Incorporation, no more than 2% of the annual profit may be allocated as directors' remuneration, taking into account operating results and individual contributions.

The Company has established procedures for determining directors' remuneration. Pursuant to the Company's "Board Performance Evaluation Regulations" and "Functional Committee Performance Evaluation Regulations," both individual directors and the Board as a whole are subject to performance evaluations. The evaluation dimensions include understanding of the Company's goals and tasks(20%), awareness of directors' responsibilities(15%), degree of participation in the Company's operations(20%), internal relationship management and communication(20%), directors' professional expertise and continuing education(10%), and internal control(15%). These factors are used to assess the level of participation in operations and the value of contributions made to the Company, with reference to prevailing industry standards. Remuneration proposals are submitted by the Remuneration Committee and approval by the Board of Directors.

In 2025, through the joint efforts of the Board of Directors and the management team, operational performance saw significant growth, with individual pre-tax net profit reaching 155% of the annual budget target. The 2025 self-assessment results for the Board and functional committees indicate effective operations. As there were no significant variances in individual director performance evaluations, director remuneration has been allocated uniformly to reflect the synergistic contributions of the Board's collective operations.

The Chairman's compensation is based on their responsibility for the overall management of the company. In addition to director remuneration, the Chairman receives a fixed monthly salary, with annual merit increases determined by operational performance. This compensation structure is recommended by the Remuneration Committee and submitted to the Board of Directors for approval. The Company's independent directors receive fixed remuneration and honoraria for attending meetings, which are different from regular directors.

B. Manager:

The Company's policy for paying remuneration to managers is based on the "Managerial Compensation Policy" and the "Performance Management Guidelines and Performance Bonus Distribution Standards." Managers' remuneration includes base salary, allowances, and bonuses. Salary is determined with reference to industry standards, job title, educational and professional background, professional capabilities, and responsibilities, and is approved according to the Company's salary structure. Employee remuneration is based on the annual performance evaluations of managers, which assess: the achievement of annual work goals (linked to the individual's performance development plan (PDP) and the Company's overall KPIs approved by the Board of Directors); core competencies (e.g. trust and results orientation, integrity and teamwork, proactiveness and ambition, customer orientation); and demonstration of management capabilities. Annual work goals consist of financial indicators (such as revenue, operating profit, and the pre-tax profit achievement rate) and non-financial indicators (including inventory and cost management in manufacturing, project progress in R&D, and core talent development programs in organizational development). Following review of operating performance, future risks, and industry standards, the Remuneration Committee submits its recommendations to the Board of Directors 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. Key decisions made by management are the result of balancing various risk factors, and their performance is reflected in the Company's profitability.

III. Corporate governance

(I) Operations of the Board of Directors

The Board of Directors convened 4 times in 2025 (A). The attendance of directors is as follows:

| Title | Name | No. of meetings attended in person (B) | Attendance by proxy | Attendance rate (%) (B/A) | Remark |
|----------------------|--------------------------------------|--|---------------------|---------------------------|--------|
| Chairman | Representative of TTY: Chuan Lin | 4 | 0 | 100 | |
| Director | Representative of TTY: CARL HSIAO | 4 | 0 | 100 | |
| Director | Representative of TTY: Kang-Chi Chou | 4 | 0 | 100 | |
| Director | Representative of TTY: Yung-Liang Wu | 4 | 0 | 100 | |
| Independent director | Te-Yu Chou | 4 | 0 | 100 | |
| Independent director | Chen Ruei-Syun | 4 | 0 | 100 | |
| Independent director | Huang Yao-Bin | 4 | 0 | 100 | |
| Independent director | Wu Shou-Ming | 4 | 0 | 100 | |
| Independent director | Lai Yun-Liang | 4 | 0 | 100 | |

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 listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee and is subject to the provisions of Article 14-5 of the Securities and Exchange Act; therefore, this paragraph is not applicable.
- (II) Other than the above, any Board resolutions to which independent directors have expressed dissenting or qualified opinions and which are recorded in meeting minutes or written statements: None.
- II. Proposals with a director's recusal due to conflict of interests, shall clearly state the director's name, proposal content, reasons for recusal and the situation of the entitlement to vote:

| Date | Name | Motion content | Reason for recusal | Participation in voting |
|------------|---|--|--|--|
| 2025/02/21 | Carl Hsiao | Proposal for the Company to enter into a "Pharmaceutical Exclusive Distribution Agreement" with a related party. | The Company's directors are representatives of affiliated enterprises. | The directors recused themselves from discussion and voting due to conflicts of interest. |
| | Chuan Lin, Carl Hsiao, Kang-Chi Chou, Yung-Liang Wu | Proposal regarding the distribution list of directors' remuneration for 2024. | The Company's directors were the parties involved. | The directors recused themselves from discussion and voting due to conflicts of interest and involvement in matters concerning themselves. |

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 | Method of evaluation | Evaluation content |
|--|---|---|---|---|
| 1. The Company conducts an internal self-evaluation once a year. | January 1, 2025 to December 31, 2025 | Includes the Board of Directors, individual directors, and functional committees (Audit Committee, Remuneration Committee, and Sustainability Committee). | Board self-evaluation, individual director self-evaluation, and functional committee member self-evaluation. | 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. | Evaluation period: September 1, 2024 to August 31, 2025 | Board of directors. | Commissioning an external professional institution (Taiwan Corporate Governance Association) to conduct the evaluation. | For evaluation content and results, please refer to pages 27–29 of the Annual Report. |

The Company's 2025 performance evaluations of the Board of Directors and functional committees were reported to the Remuneration Committee and the Board of Directors on March 5, 2026.

The Board performance evaluation score was 98.0, individual director evaluation score was 99.2, and the Audit Committee, Remuneration Committee, and Sustainability Committee each received a score of 100.

Based on the evaluation results, the board of directors and functional committees operate effectively.

IV. Evaluation of goals for strengthening board functions in the current and most recent fiscal years and their implementation status:

1. The Company's 2025 risk management operations were reported by the General Manager to the Board of Directors on November 5, 2025.
2. The Company has established an Integrity Management Task Force. The Board approved the "Integrity Management Operating Procedures and Code of Conduct" and the "Ethical Corporate Management Best Practice Principles," and the Internal Audit Department conducts regular audits. The implementation status of ethical corporate management for 2025 was reported by the corporate governance officer to the Board on March 5, 2026.
3. The Company regularly reports stakeholder communication, intellectual property management plans, and annual implementation status to the Board.
4. Starting from 2021, material information is published in both the Chinese language and the English language.
5. To align with sustainable development principles and international trends, the Company established the "Sustainability Development Committee" on August 4, 2022, which regularly reports to the Board on the tracking and review of sustainability performance.
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 every Board meeting in person in 2025.
8. The Company continues to implement regular evaluations of CPA independence. On November 5, 2025, in accordance with the Company's "Rules for the Review of Appointment of Certifying CPAs," and based on the independence declaration and Audit Quality Indicators (AQIs) issued by KPMG Taiwan, the Audit Committee and the Board of Directors reviewed and approved that the CPAs met the requirements of independence and professional competence. Details of the review results are disclosed on page 29 under "III. Status of Corporate Governance Implementation," specifically in "(III) Status of Corporate Governance Implementation and Differences from the Corporate Governance

Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof,” section “III. Composition and Responsibilities of the Board of Directors,” item 4.

9. Since participating in the first corporate governance evaluation, the Company has, on an annual basis, established short-, medium-, and long-term improvement objectives for items that did not meet the corporate governance evaluation standards, based on the evaluation results. The progress of improvements is reported to the Board of Directors each year, and priority improvement items and corresponding measures are proposed for those not yet completed. Details are provided on page 35 under “III. Status of Corporate Governance Implementation,” specifically item 9 of “(III) Status of Corporate Governance Implementation and Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof.”

(II) Operations of the Audit Committee:

1. Composition and duties of the Audit Committee:

The Audit Committee of the Company consists of five independent directors. The responsibilities of the Audit Committee include reviewing financial reports, internal control systems and internal audits; material acquisitions or disposals of assets or derivatives transactions; lending of funds; endorsements and guarantees; raising or issuance of securities; compliance with applicable laws and regulations; the appointment (or dismissal) of certifying CPAs and the evaluation of their independence; related-party transactions and potential conflicts of interest; and the appointment or dismissal of the heads of finance, accounting, or internal audit. For the professional qualifications and experience of the committee members, please refer to “(1) Director Information” on pages 8 to 10 of this Annual Report.

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) Establishment and amendment of internal control systems and major regulations.
- (3) Evaluation of the effectiveness of internal control systems.
- (4) Regulatory compliance.
- (5) Related party transactions and possible conflicts of interest.
- (6) Material asset transactions.
- (7) Review of the independence, professional competence, appointment, and remuneration of the certifying CPAs.
- (8) Appointment or dismissal of the heads of finance or accounting.

[Review of financial statements]

The Board of Directors prepared the Company’s 2025 Business Report, financial statements, and earnings distribution proposal. The financial statements have been audited by KPMG, and an audit report has been issued. The aforementioned Business Report, financial statements, and earnings distribution proposal were reviewed by the Audit Committee, which found no discrepancies.

[Appointment of CPAs]

- Pre-approval of non-assurance services

In accordance with the revised requirements issued by the International Ethics Standards Board of Accountants (IESBA), when an audit client appoints an accounting firm to provide non-assurance services to the audit client, its affiliates, or entities that directly or indirectly control the audit client, such services must be pre-approved by the audit

client’s governance bodies (i.e., the Audit Committee and the Board of Directors), so that such bodies may oversee the independence of the accounting firm. Pursuant to the Company’s “General Principles for Pre-Approval of Non-Assurance Services Policy,” the Audit Committee and the Board of Directors approved the list of non-assurance services for 2026 on November 5, 2025.

- Appointment of CPAs in 2025 and evaluation of independence and competence

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 independence, the Audit Committee established an independence evaluation form with reference to Article 47 of the Certified Public Accountant Act and Bulletin No. 10, “Integrity, Objectivity, and Independence,” under the Code of Professional Ethics for CPAs, to assess the independence and competence of the accountants. In addition, KPMG provided Audit Quality Indicators (AQIs) to evaluate the suitability of the firm and its audit team. On November 5, 2025, following review by the Audit Committee and approval by the Board of Directors, CPAs Yi-Lian Han and Hsin-Ting Huang of KPMG were determined to meet the independence evaluation criteria and were deemed qualified to serve as the Company’s financial and tax auditors.

[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 Company held four (A) Audit Committee meetings in 2025. Attendance by independent directors was as follows:

| Title | Name | Attendance in person (B) | Attendance by proxy | Attendance rate (%) (B/A) | Remark |
|----------|----------------|--------------------------|---------------------|---------------------------|--------|
| Convener | Te-Yu Chou | 4 | 0 | 100 | |
| Member | Chen Ruei-Syun | 4 | 0 | 100 | |
| Member | Huang Yao-Bin | 4 | 0 | 100 | |
| Member | Wu Shou-Ming | 4 | 0 | 100 | |
| Member | Lai Yun-Liang | 4 | 0 | 100 | |

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 | Content of proposals and follow-up actions | 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 |
|-------------------------|---|---|---|
| The 10th meeting of the | 1. The Company’s 2024 Business Report and financial statements. | ✓ | None |

| | | | |
|--|--|---|------|
| 3rd term 2025/02/21 | 2. The Company's 2024 earnings distribution proposal. | | |
| | 3. The Company's 2024 "Statement of Internal Control System." | ✓ | |
| | 4. Proposal for the Company to enter into a "Pharmaceutical Exclusive Distribution Agreement" with a related party. | ✓ | |
| | 5. Proposal for the Company to enter into a "Pharmaceutical Distribution Agreement" with a subsidiary. | ✓ | |
| | 6. Proposal for the Company to enter into an "Annual Commission Regional Distribution Agreement" with a subsidiary. | ✓ | |
| Audit Committee's Opinion: None. Measures taken by the Company based on the opinions of the audit committee: N/A. Resolution: Approved unanimously by all Audit Committee members present. | | | |
| The 11th meeting of the 3rd term 2025/05/08 | 1. The Company's consolidated financial statements for the first quarter of 2025. | | None |
| | Audit Committee's Opinion: None. Measures taken by the Company based on the opinions of the audit committee: N/A. Resolution: Approved unanimously by all Audit Committee members present. | | |
| The 12th meeting of the 3rd term 2025/08/04 | 1. The Company's consolidated financial statements for the second quarter of 2025. | | None |
| | 2. Proposal for the appointment of a new head of internal audit of the Company. | ✓ | |
| | Audit Committee's Opinion: None. Measures taken by the Company based on the opinions of the audit committee: N/A. Resolution: Approved unanimously by all Audit Committee members present. | | |
| The 13th meeting of the 3rd term 2025/11/05 | 1. The Company's consolidated financial statements for the third quarter of 2025. | | None |
| | 2. Proposal to appoint KPMG as the Company's certifying CPA firm for 2026 and to approve related audit service fees. | ✓ | |
| | 3. Proposal regarding the pre-approved list of non-assurance services for 2026 and the related independence evaluation. | ✓ | |
| | 4. The Company's 2026 audit plan | ✓ | |
| | 5. Proposed amendments to the Company's "Internal Control System – Other Management Systems," "Internal Control System – New Employee Cycle System," and "Internal Audit System." | ✓ | |
| Audit Committee's Opinion: None. Measures taken by the Company based on the opinions of the audit committee: N/A. Resolution: Approved unanimously by all Audit Committee members present. | | | |

(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 communication between the Independent Directors and internal audit officer:

In addition to regularly submitting various internal audit reports to independent directors, the Company's audit unit also holds meetings with them periodically. Since the establishment of the Audit Committee, regular meetings have been held at least quarterly to communicate with committee members regarding audit execution and internal control operations. Independent directors participate annually in setting and evaluating the performance goals of the head of internal audit. Please refer to the Company's website for details on these communications.

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. Summary of Communications between Independent Directors and the Chief Internal Auditor

| Date | Meeting | Key Discussion Points |
|-----------|-----------------|---|
| 2025/2/21 | Audit Committee | 1. Reported to the independent directors on key internal audit matters for the period from October to December 2024. 2. Issued the Company's Internal Control System Statement for fiscal year 2024. 3. No recommendations requiring further action by the Company were raised in this meeting. |
| 2025/5/8 | Audit Committee | 1. Reported to the independent directors on key internal audit matters for the period from January to February 2025. 2. No recommendations requiring further action by the Company were raised in this meeting. |
| 2025/8/4 | Audit Committee | 1. Reported to the independent directors on key internal audit matters for the period from March to April 2025. |

| | | |
|-----------|-----------------|--|
| | | 2. No recommendations requiring further action by the Company were raised in this meeting. |
| 2025/11/5 | Audit Committee | <ol style="list-style-type: none"> 1. Reported to the independent directors on key internal audit matters for the period from May to September 2025. 2. Proposed amendments to the Company’s “Internal Control System – Other Management Systems,” “Internal Control System – Payroll Cycle,” and “Internal Audit System.” 3. No recommendations requiring further action by the Company were raised in this meeting. |

(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. Summary of the detailed communication is provided below:

| Date | Meeting | Key Discussion Points |
|----------|-----------------|--|
| 114/2/21 | Audit Committee | <ol style="list-style-type: none"> 1. The independent auditors reported on the financial position and operating performance of the Company’s financial statements for fiscal year 2024, including analysis, planning matters, and key audit matters, and explained the auditors’ responsibilities in auditing the financial statements. 2. The independent auditors discussed and communicated with the Audit Committee regarding audit findings, including adjusting journal entries. 3. The independent auditors presented an overview of recent updates to auditing standards and significant regulatory changes, including amendments to Article 14-6 of the Securities and Exchange Act. |
| 114/5/8 | Audit Committee | <ol style="list-style-type: none"> 1. The independent auditors reported on the financial position and operating performance of the Company’s financial statements for the first quarter of 2025, and explained the reviewers’ responsibilities in reviewing the financial reports. 2. The independent auditors presented an overview of recent updates to key securities regulations to the Audit Committee, including amendments to the rules governing information disclosure and material information reporting for OTC-listed companies. 3. No recommendations requiring further action by the Company were raised in this meeting. |
| 114/8/4 | Audit Committee | <ol style="list-style-type: none"> 1. The independent auditors reported on the financial position and operating performance of the Company’s financial statements for the second quarter of 2025, and explained the reviewers’ responsibilities in reviewing the financial reports. 2. The independent auditors presented an overview of recent updates to key securities regulations to the Audit Committee, including response measures related to IFRS 18 and the proposed amendments to the Regulations Governing Information to be Published in Annual Reports of Public Companies. 3. No recommendations requiring further action by the Company were raised in this meeting. |
| 114/11/5 | Pre-Meeting | <ol style="list-style-type: none"> 1. The independent auditors discussed with the Audit Committee the year-end audit planning, risk assessment, audit schedule, operating processes, key audit matters, and audit focus areas. 2. No recommendations requiring further action by the Company were raised in this meeting. |
| 114/11/5 | Audit Committee | <ol style="list-style-type: none"> 1. The independent auditors reported on the financial position and operating performance of the Company’s financial statements for the third quarter of 2025, including an analysis of key review items, and explained the reviewers’ responsibilities in reviewing the financial reports. 2. No recommendations requiring further action by the Company were raised in this meeting. |

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

| Evaluation item | Implementation status | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|-----------------------|----|---|
| | Yes | No | |
| 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 | | The Company has established corporate governance best practices, which are disclosed on the Company's website http://www.tshbiopharm.com . |
| II. The Company's equity structure and shareholder equity (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures? | V | | (I) The Company has designated a spokesperson, deputy spokesperson, and established dedicated investor relations and stock affairs units to handle related matters. Contact information for these units is disclosed on the Company's website. The investor relations unit actively responds to shareholders' suggestions and inquiries, records them in detail in a shareholder inquiry log, and reports them to management and the Board of Directors. On the other hand, shareholders attending a shareholders' meeting are given ample time to give a speech. Suggestions feasible and not contentious are accepted and put into practice for improvement by the Company; suggestions that are contentious are subject to a resolution adopted in the manner specified in the meeting rules. |
| (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) The Company has designated dedicated personnel for investor relations and stock affairs, and has engaged a professional stock affairs agency to handle such matters. It maintains up-to-date records of major shareholders who exercise actual control over the Company and their ultimate beneficial owners. |
| (III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? | V | | (III) All transactions between the Company and its related parties are conducted in accordance with the Company's "Regulations Governing Financial and Business Operations Between Related Parties," "Regulations Governing the Supervision and Management of Subsidiaries," "Internal Control System," "Internal Audit System," and applicable laws and regulations governing related-party transactions. Material related-party transactions are submitted to the Audit Committee for review and then to the Board of Directors for resolution. |
| (IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market? | V | | (IV) The Company has established the "Operating Procedures for Handling Material Inside Information and Preventing Insider Trading" as its policy governing the handling and disclosure of material internal information. These procedures explicitly prohibit insiders from trading securities based on non-public material information that may affect the Company's share price or its ability to meet its financial obligations. The aforementioned procedures are disclosed on the Company's website. The Company conducts regular annual training for employees on insider trading prevention and provides relevant guidance to newly appointed directors and managerial officers upon assumption of office. In addition, a notice is given at least 30 days prior to the annual financial statements 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. |

| Evaluation item | Implementation status | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons | |
|---|-----------------------|------|--|--------------------|
| | Yes | No | | |
| <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 | (I) | <p>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. Article 20 of the Company's "Corporate Governance Best Practice Principles" stipulates the following specific diversity policies:</p> <ul style="list-style-type: none"> • Board structure: An appropriate number of directors—seven or more—shall be determined based on the Company's operational scale, development needs, and major shareholders' shareholdings. Directors who concurrently serve as managerial officers shall not exceed one-third of the total number of directors. • Directors who concurrently serve as managerial officers of the Company shall not exceed one-third of the total number of director seats. • Basic conditions and values: gender, age, nationality, and culture, among which the proportion of female directors should ideally reach one-third of the total number of director seats. • Professional knowledge and skills: professional background (such as 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>For information on the Company directors' education and experience, please see pp. 7-9 of the Annual Report. Please refer to page 12 of the annual report and the Company's website for details on the implementation of the Board of Directors' diversity policy and specific management objectives.</p> <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 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.</p> <p>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> | (I) No deviation. |
| <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?</p> | V | (II) | <p>To strengthen corporate governance and promote sustainable development, the Company has established a Sustainability Development Committee on August 4, 2022, in addition to the Remuneration Committee and Audit Committee.</p> | (II) No deviation. |

| | | |
|---|---|----------------------------|
| <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) In accordance with the Company's "Board Performance Evaluation Regulations," the Company conducts an internal self-evaluation within three months after the end of each fiscal year to assess the Board's performance. The responsible unit collects relevant information on board activities and distributes self-assessment questionnaires to board members. Evaluation results are recorded based on specific indicators and scoring criteria and submitted to the Board as a reference for director selection or nomination. Individual director performance results are also used as a reference for determining remuneration. 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]: For 2025, the Board performance evaluation (including Board evaluation and individual director self-evaluation) results were as follows: Evaluation results: The Board of Directors' performance evaluation for 2025 resulted in a score of 98.0 (out of 100). The Board members' self-assessment resulted in a score of 99.2 (out of 100). The Audit Committee, Remuneration Committee, and Sustainability Committee all achieved scores of 100 (out of 100). These evaluation results were reported to the Remuneration Committee and the Board of Directors on March 5, 2026. For further details on the performance evaluations of the Board and functional committees, please refer to page 24 of this annual report or visit the Company's website.</p> <p>[External evaluation once every three years]: The Company commissioned Taiwan Corporate Governance Association in June 2025 to conduct an external evaluation of the effectiveness of its Board of Directors, obtained the evaluation report in October of the same year, and reported the evaluation results and improvement plan to the Board of Directors on November 5, 2025.</p> <p>The overall evaluation is as follows:</p> <ol style="list-style-type: none"> 1. The Company's Board of Directors was re-elected at the May 2023 annual shareholders' meeting, with seven directors elected, including four corporate directors and three independent directors. At the 2024 annual shareholders' meeting, two additional independent directors were elected, resulting in a Board in which independent directors constitute a majority, representing 55.56% of the seats. In consideration of gender balance, the current Board composition includes two female directors. Board members possess diverse professional expertise spanning pharmaceuticals and biotechnology, pharmacy, biology, physics, economics, securities and finance, international finance, marketing, law, and business administration. The overall composition of the Board meets the Company's future operational development needs and strategic objectives, and exceeds regulatory requirements. 2. Board members possess diverse professional expertise spanning pharmaceuticals and biotechnology, pharmacy, biology, physics, economics, securities and finance, international finance, marketing, law, and business administration. The overall composition of the Board meets the Company's future operational development needs and strategic objectives, and exceeds regulatory requirements. 3. The Company has continuously strengthened its corporate governance practices and maintained a leading position in corporate governance evaluations. It ranked within the top 6%-20% in the inaugural evaluation in 2014, and among the top 5% of TPEX-listed companies in 2017 and 2021. In other years, it consistently achieved strong results within the top 6%-20%. According to the recently announced 2024 corporate governance evaluation results, the Company once again ranked among the top 5% of TPEX-listed companies, with an improved ranking, which is commendable. 4. To enhance Board functions and implement corporate governance, the Company conducts annual performance evaluations of the Board and individual directors in accordance with its "Board Performance Evaluation Procedures." It also evaluates the performance of functional committees pursuant to the "Functional Committee Performance Evaluation Procedures." As all functional committees are composed entirely of independent directors, the evaluation of all functional committees is consolidated into a single self-assessment questionnaire, thereby streamlining the evaluation process and improving efficiency. The evaluation results are submitted to the Board of Directors for review. The "Board Performance Evaluation Procedures" stipulate that an external professional and independent organization shall be engaged at least once every three years to conduct a Board performance evaluation. The Company first engaged an external professional and independent organization in 2019, followed by another evaluation in 2022. In 2025, the Company conducted its third external evaluation, demonstrating the Board's proactive commitment to continuous improvement and enhancement of its effectiveness. | <p>(III) No deviation.</p> |
| <p>Recommendations from Taiwan Corporate Governance Association (TCGA) and the Company's improvement plan: Recommendations from Taiwan Corporate Governance Association: Company Improvement Plan</p> | | |

| Evaluation item | Implementation status | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons |
|-----------------|-----------------------|---|---|
| | Yes | No | |
| | | | |
| | | <p>Association (TCGA)</p> <p>It is recommended that, following each Board re-election, the Company establish term-specific objectives for the Board and functional committees, review the "Board and Functional Committee Performance Evaluation Indicators," and incorporate relevant objectives to ensure that such term objectives are reasonably achievable.</p> <p>It is recommended that the Company consider incorporating "senior management training, development and succession planning" and the "risk management organization" chaired by the General Manager into the scope of responsibilities of the Sustainable Development Committee, and regularly report implementation status to the Committee and the Board.</p> <p>It is recommended that the Company refer to regulatory examples and practical implementation practices, and periodically review corporate governance regulations in response to regulatory changes and governance needs.</p> | <p>Following the 2026 Board re-election, the Company plans to establish term objectives for the Board and functional committees, submit them to the Board for review, and reassess and revise existing performance evaluation indicators as necessary. Progress will be regularly reported to the Remuneration Committee and the Board for tracking and improvement.</p> <p>The Company plans to revise the scope of authority of the Sustainable Development Committee in 2026 to include "senior management training, development and succession planning" and "risk management organization" within its oversight. A risk management organization chaired by the General Manager will be established, and the human resources unit will report implementation status annually to the Sustainable Development Committee and the Board.</p> <p>The Company plans to review and amend its corporate governance regulations in 2026, with reference to regulatory examples and practical implementation practices.</p> |

| Evaluation item | 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 conducts annual evaluations of the independence and suitability of its attesting CPAs in accordance with the "Independence" and "Suitability" provisions set forth in the Company's "Rules for Selection and Evaluation of Certified Public Accountants." The Company also requires the CPAs to issue a "Statement of Independence" and provide "Audit Quality Indicators (AQI)" as a basis for determining whether to continue their engagement. 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. The CPA evaluation procedures and results were submitted to the Audit Committee for review and approved by the Board of Directors on November 5, 2025. The CPAs Han Yi-Lian and Huang Hsin-Ting of KPMG were determined to meet the independence and suitability criteria and are qualified to serve as the Company's financial and tax attesting CPAs.</p> <p>The key criteria on the CPAs Appointment Review Checklist are as follows:</p> <table border="1"> <tr> <td>Suitability</td> <td> <ol style="list-style-type: none"> The person has a good understanding of the industry or field related to the company's business, and of relevant laws and regulations. Has sufficient professional personnel to conduct the audit and complete the engagement within the agreed timeframe. Assess whether the person's suitability will be impacted by material events that the Company's will incur in the coming years. No potential conflicts of interest. </td> </tr> <tr> <td>Independence</td> <td> <ol style="list-style-type: none"> 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). Not an employee, director, or supervisor of the Company or its affiliated companies. 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. 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. 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. 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. </td> </tr> </table> | Suitability | <ol style="list-style-type: none"> The person has a good understanding of the industry or field related to the company's business, and of relevant laws and regulations. Has sufficient professional personnel to conduct the audit and complete the engagement within the agreed timeframe. Assess whether the person's suitability will be impacted by material events that the Company's will incur in the coming years. No potential conflicts of interest. | Independence | <ol style="list-style-type: none"> 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). Not an employee, director, or supervisor of the Company or its affiliated companies. 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. 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. 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. 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. | (IV) No Deviation. |
| Suitability | <ol style="list-style-type: none"> The person has a good understanding of the industry or field related to the company's business, and of relevant laws and regulations. Has sufficient professional personnel to conduct the audit and complete the engagement within the agreed timeframe. Assess whether the person's suitability will be impacted by material events that the Company's will incur in the coming years. No potential conflicts of interest. | | | | | | |
| Independence | <ol style="list-style-type: none"> 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). Not an employee, director, or supervisor of the Company or its affiliated companies. 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. 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. 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. 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. | | | | | | |

| Evaluation item | 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>The Company, by resolution of the Board of Directors on May 5, 2022, appointed Ms. Shu-Ping Huang, Senior Manager, as the Corporate Governance Officer. Ms. Huang holds a Certified Public Accountant qualification and has more than three years of experience as an internal audit supervisor at a TPEX-listed company. Her responsibilities include coordinating relevant departments to provide directors with information required for the execution of their duties, assisting directors in complying with applicable laws and regulations, handling matters related to the Board of Directors, shareholders' meetings, and investor relations in accordance with laws, continuously overseeing the operation of corporate governance, and reporting the implementation results to the Board of Directors on an annual basis.</p> <p>The execution of duties by the Corporate Governance Officer in 2025 is as follows:</p> <ol style="list-style-type: none"> 1. Assist independent directors and ordinary directors to perform their duties; provide required materials; and arrange continuing education for directors: <ol style="list-style-type: none"> (1) Assisted in the evaluation of the performance of the functional committees and the Board of Directors. The results of the 2024 internal performance evaluation were reported to the Board of Directors on February 21, 2025. (2) The results of the external evaluation of Board performance were reported to the Board of Directors on November 5, 2025. (3) Arranged quarterly communication between Audit Committee members and external auditors regarding the Company's financial status, major transactions, and any changes in laws and regulations that may affect accounting treatment. These meetings included both sessions attended by management and closed-door sessions without management. The 2025 communication records have been disclosed on the Company's website. (4) Provided directors and managerial officers with periodic guidance materials on regulations applicable to insiders and conducted related training. | No deviation. |

| Evaluation item | Implementation status | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons |
|---|-----------------------|---|--|
| | Yes/No | Summary description | |
| | | <p>(5) Provided directors with information on continuing education opportunities or assisted with course arrangements and registration. 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>(6) 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>(7) Assisted independent directors and ordinary directors to perform their duties; provided required materials. Assisting in procedural compliance and resolutions of the Board of Directors, Audit Committee, Sustainable Development Committee, and shareholders' meetings.</p> <p>2. To assist in matters related to the legal compliance of meeting procedures and resolutions of the Board of Directors, Audit Committee, Sustainability Development Committee, and shareholders' meetings.</p> <p>(1) Reported the Company's 2024 corporate governance evaluation results at the Board meeting on August 5, 2025, and conducted a review and future planning accordingly.</p> <p>(2) Assisted relevant units in preparing Board proposals, formulating agendas for meetings of the Board, Audit Committee, and Sustainable Development Committee, issuing meeting notices within statutory deadlines, providing meeting materials, and distributing minutes.</p> <p>(3) Assisted the chairperson in ensuring the smooth conduct of meetings of the Board, Audit Committee, and Sustainable Development Committee, and reminded directors of applicable legal requirements 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 liability insurance for 2026 was reported to the Board on March 5, 2026.</p> <p>(6) Executed assignments from the Sustainable Development Committee, developed the work plan for the following year, and reported progress and plans to both the Sustainable Development Committee and the Board of Directors. The implementation status of sustainable development for 2024 was submitted to the Sustainable Development Committee and the Board of Directors on August 5, 2025. The 2026 work plan was submitted to the Sustainable Development Committee and the Board of Directors on November 5, 2025.</p> <p>(7) Sent reminders to directors and managerial officers not to trade Company shares during blackout periods – 30 days prior to the announcement of the annual financial report and 15 days prior to quarterly report announcements.</p> <p>3. Maintain investor relations: In 2025, the Company was invited to participate in four institutional investor conferences to report on its financial status, business operations, and performance, enabling investors to gain a deeper understanding of the Company's operations.</p> <p>4. Handle Company registration changes.</p> <p>5. Regularly report to the board of directors on communications with stakeholders.</p> <p>6. Regularly report to the Board of Directors on the implementation of ethical corporate management: The implementation of ethical management for 2024 was reported to the Board of Directors on February 21, 2025.</p> <p>7. Regularly review the eligibility criteria of independent directors and report the findings to the Board of Directors.</p> <p>8. For details of the Corporate Governance Officer's continuing education in 2025, please refer to Section (IX).</p> <p>The Company has established stakeholder communication channels tailored to different business characteristics and has set up a dedicated stakeholder section on its website to disclose key issues of concern, communication frequency, and contact points for relevant units, including contact details, in order to respond to and handle related matters. The Company reported key stakeholder concerns and corresponding responses to the Board of Directors on August 5, 2025. For details on stakeholder communication channels, please refer to the Company's website.</p> <p>In addition to disclosing the Company's operational status and relevant information on the Market Observation Post System in accordance with regulations, the Company simultaneously discloses such information on its corporate website to ensure stakeholders are fully informed.</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 | CAPITAL SECURITIES CORP., a professional stock agency, was commissioned to take care of the Company's stock affairs (including those related to the shareholders' meeting). | No deviation. |

| Evaluation item | Implementation status | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|-----------------------|----|---|
| | Yes | No | |
| <p>VII. Information Disclosure</p> <p>(I) Has the Company set up a website to disclose finance and business matters and corporate governance information?</p> <p>(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)?</p> <p>(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?</p> | V | | (I) The Company has established a dedicated section on its website to disclose information regarding its financial operations and corporate governance. Details are available on the Company's website(http://www.tshbiofarm.com). |
| | V | | (II) The Company has established an English website and a spokesperson system, including a spokesperson and a deputy spokesperson, and has designated a dedicated unit to collect and disclose Company information. In addition, information on institutional presentations and press conferences to which the Company was invited is available on the Company's website for investors. |
| | V | | (III) The Company announced and filed its 2025 financial statements in advance within the prescribed deadline in accordance with the schedule set forth in the "Checklist of Required Actions for TPEX-Listed Companies." Although the Company did not complete the announcement and filing within two months after the end of the fiscal year, it nevertheless fulfilled the requirement by completing such announcement and filing in advance within the prescribed deadline. In addition, the Company announced and filed its financial statements for the first, second, and third quarters of 2025, as well as its monthly operating results, in advance prior to the respective statutory deadlines. |
| <p>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)?</p> | V | | (I) Employee rights and welfare 1. The Company established the Employee Welfare Committee in 2011 (Republic of China Year 100), has implemented a pension system, provides equal employment opportunities, conducts various employee training programs, offers group insurance, and arranges regular health examinations and other welfare measures. The Company places great importance on harmonious labor relations. For the status of labor-management relations, please refer to p.84 under "IV. Operational Overview," subsection "V. Labor Relations" of this Annual Report. 2. To enhance employees' professional knowledge and skills, effectively achieve work objectives, stimulate employee potential, and improve learning motivation to meet both personal development and organizational needs, the Company implements pre-employment training, internal and external on-the-job training, and domestic and overseas training programs in accordance with its "Education and Training Management Regulations." For the implementation status, please refer to p.84 under "Four. Operational Overview," subsection "V. Labor Relations" of this Annual Report. 3. The Company emphasizes occupational health and safety, has implemented multiple environmental protection measures, and established the "Office Safety and Maintenance Regulations" and the "Occupational Safety and Health Code" to continuously enhance workplace safety and personal protection. For implementation status, please refer to p.84 under "Four. Operational Overview," subsection "V. Labor Relations" of this Annual Report. (II) Investor relations 1. The Company discloses information truthfully and in accordance with applicable laws and regulations to safeguard the rights and interests of investors and stakeholders and to fulfill its responsibilities to shareholders. 2. In addition to disclosures on the Market Observation Post System, the Company continuously maintains financial, operational, and non-financial information on its website to strengthen the completeness, timeliness, and accuracy of information disclosure. For details, please refer to the Company's website. 3. The Company has established a spokesperson system and a stakeholder section on its website to provide information and contact channels for the spokesperson and deputy spokesperson, actively responding to shareholder inquiries and maintaining good communication with shareholders. 4. In 2025, the Company was invited to participate in four investor conferences. 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 shareholders. (III) Customer and supplier relations: The Company maintains smooth communication channels and good relationships with customers and suppliers through regular and ad hoc meetings, activities, and issue discussion and resolution mechanisms. (IV) Stakeholders' rights: The Company focuses on developing its core business strategies and maintaining sound financial operations, while actively promoting corporate governance and establishing transparent information systems. It is committed to enhancing corporate value and achieving sustainable operations, thereby safeguarding the rights and interests of stakeholders, including employees, customers, shareholders, investors, and suppliers. |
| | | | No deviation. |

(V) Directors' education and training: Based on their professional background and the need for corporate governance, the directors participated in the following education and training programs:

| Title | Name | Organizer | Course name | Hours of continuing education courses |
|---|-----------------|---|--|---------------------------------------|
| Chairman Representative of TTY Biopharm Company Limited | Chuan Lin | Taiwan Corporate Governance Association | Governance Responsibilities of the Board of Directors in Sustainability Risks and Crisis Management | 2 |
| | | Taiwan Corporate Governance Association | Contract Risk Management under Trump's Reciprocal Tariff Impacts in 2025 | 3 |
| | | Taiwan Corporate Governance Association | Challenges and Perspectives under the New Global Tax Order | 3 |
| Director Representative of TTY Biopharm Company Limited | Carl Hsiao | Taiwan Corporate Governance Association | Sustainability Disclosure and Investment Value from an Investor Perspective: ESG Disclosure Framework and Risk Monitoring Linked to Capital Market Trust | 3 |
| | | Taiwan Corporate Governance Association | Latest Developments in Insider Trading Practices | 3 |
| | | Taiwan Corporate Governance Association | Case Studies on Corporate Control Contests | 3 |
| Director Representative of TTY Biopharm Company Limited | Kang-Chi Chou | Taiwan Corporate Governance Association | Board of Directors (Sustainable Development Committee): Annual Sustainability Governance Strategy Management | 3 |
| | | Taiwan Corporate Governance Association | Practical Operation of the Sustainable Development Committee (Chief Sustainability Officer, Working Group) | 3 |
| | | Taiwan Corporate Governance Association | Contract Risk Management under Trump's Reciprocal Tariff Impacts in 2025 | 3 |
| Director Representative of TTY Biopharm Company Limited | Yung-Liang Wu | Taiwan Corporate Governance Association | Corporate Governance Officer Professional Course: Corporate Governance and Sustainability | 3 |
| | | Taiwan Corporate Governance Association | From Operational Compliance to Reputation Management: Enterprise Readiness and Challenges under the Sustainability Trend | 3 |
| | | Taiwan Corporate Governance Association | 2025 Insider Equity Trading Legal Compliance Seminar | 3 |
| Independent director | Te-Yu Chou | Securities and Futures Institute | Sustainability Disclosure and Investment Value from an Investor Perspective: ESG Disclosure Framework and Risk Monitoring Linked to Capital Market Trust | 3 |
| | | Financial Supervisory Commission (FSC) | The 15th Taipei Corporate Governance Forum (15th TAICGOF) | 6 |
| | | Taiwan Corporate Governance Association | Contract Risk Management under Trump's Reciprocal Tariff Impacts in 2025 | 3 |
| Independent director | Chen Rueli-Syun | Taiwan Corporate Governance Association | Sustainability Disclosure and Investment Value from an Investor Perspective: ESG Disclosure Framework and Risk Monitoring Linked to Capital Market Trust | 3 |
| | | Taiwan Corporate Governance Association | Corporate Governance Forum – Advanced Seminar on Anti-Money Laundering and Fraud Prevention | 3 |
| | | Taiwan Corporate Governance Association | Corporate Governance Forum – ESG and Corporate Sustainability | 3 |
| Independent director | Huang Yao-Bin | Taiwan Corporate Governance Association | Sustainability Disclosure and Investment Value from an Investor Perspective: ESG Disclosure Framework and Risk Monitoring Linked to Capital Market Trust | 3 |
| | | Taiwan Corporate Governance Association | Contract Risk Management under Trump's Reciprocal Tariff Impacts in 2025 | 3 |
| | | Taiwan Corporate Governance Association | Sustainability Disclosure and Investment Value from an Investor Perspective: ESG Disclosure Framework and Risk Monitoring Linked to Capital Market Trust | 3 |
| Independent director | Wu Shou-Ming | Taiwan Corporate Governance Association | Sustainability Disclosure and Investment Value from an Investor Perspective: ESG Disclosure Framework and Risk Monitoring Linked to Capital Market Trust | 3 |
| | | Taiwan Corporate Governance Association | Contract Risk Management under Trump's Reciprocal Tariff Impacts in 2025 | 3 |
| | | Taiwan Corporate Governance Association | Sustainability Disclosure and Investment Value from an Investor Perspective: ESG Disclosure Framework and Risk Monitoring Linked to Capital Market Trust | 3 |
| Independent director | Lai Yun-Liang | Taiwan Corporate Governance Association | Sustainability Disclosure and Investment Value from an Investor Perspective: ESG Disclosure Framework and Risk Monitoring Linked to Capital Market Trust | 3 |
| | | Taiwan Corporate Governance Association | Contract Risk Management under Trump's Reciprocal Tariff Impacts in 2025 | 3 |
| | | Taiwan Corporate Governance Association | Sustainability Disclosure and Investment Value from an Investor Perspective: ESG Disclosure Framework and Risk Monitoring Linked to Capital Market Trust | 3 |

(VI) Implementation of risk management policies and evaluation standards: The Company established a risk management organization pursuant to a resolution of the Board of Directors on October 30, 2020, and adopted the "Risk Management Policy and Procedures" as the highest guiding principle for risk management, in order to effectively identify, measure, and control various risks. The Company conducts risk assessments at least once a year to keep risks within an acceptable range, and reported the status of risk management operations to the Board of Directors on November 5, 2025. The major risks identified by the Company in 2025 and their management measures are as follows (for details, please refer to the Company's website):

| Risk type | Description | Countermeasure |
|--|--|--|
| Operational risk (supply chain) | Price increases from API suppliers/OEMs | <ul style="list-style-type: none"> Strengthen management and communication mechanisms with API suppliers and manufacturing partners. Establish alternative production transfers and second sources of supply to reduce single-source risk. Regularly engage with partner manufacturers through exhibitions and other channels to enhance supply chain resilience. Enhance the negotiation capabilities of sales and procurement personnel. |
| Operational Risk (Licensed R&D Projects) | Underperformance of development partners | <ul style="list-style-type: none"> Strengthen evaluation of disease areas and clinical trial design prior to contract execution. Incorporate clinical trial success rates into valuation assessments. Adopt phased milestone payment structures to ensure payments are made only after risk is reduced. |
| Legal Risk (Cybersecurity) | Social engineering and phishing attacks | <ul style="list-style-type: none"> Provide regular training for information security personnel to enhance cybersecurity management and response capabilities. Continuously promote company-wide cybersecurity awareness and conduct social engineering drills to improve vigilance. Strengthen access control and employees' awareness of cloud access risks. |

(VII) Implementation of customer policy: In addition to establishing a customer service hotline and publishing it on the Company's website to provide channels for consumer inquiries and complaints, the Company has formulated the "Customer Complaint Handling Procedures" and "Product Recall Management Procedures," and established a customer complaint investigation and handling system. Upon receipt of any complaint, the system immediately notifies the responsible product manager to promptly address and respond to the issue. The Company has also established "Adverse Drug Reaction Reporting" procedures, with a drug safety team responsible for handling adverse reaction events. All cases are properly processed, recorded, and retained, and the Company strictly complies with the relevant provisions of the Personal Data Protection Act.

(VIII) Purchase of liability insurance for directors: The Company procures directors' liability insurance on an annual basis. The insured amount is US\$3 million, and the coverage period is from January 13, 2026 to January 13, 2027. The insurance coverage was reported to the Board of Directors on March 5, 2026.

(IX) Continuing education of the corporate governance officer in 2025:

| Title | Name | Course name | Organizer | Hours of continuing education courses |
|---|----------------|---|---|---------------------------------------|
| Senior Manager of Finance, Corporate Governance Officer | | Listed Company Directors' Continuing Education Course – Legal Framework and Case Studies on Corporate Trade Secret Protection | Taiwan Project Management Association | 3 |
| | | Investor Relations Management Sharing Session | Taipei Exchange (formerly GreTai Securities Market) | 3 |
| | | 2025 Briefing Session on Insider Shareholding for Emerging Stock Companies | Taipei Exchange (formerly GreTai Securities Market) | 3 |
| | Shu-Ping Huang | Contract Risk Management under Trump's Reciprocal Tariff Impacts in 2025 | Taiwan Corporate Governance Association | 3 |
| | | Sustainability Disclosure and Investment Value from an Investor Perspective: | Taiwan Corporate Governance Association | 3 |
| | | Elaboration on ESG Disclosure Framework and Risk Monitoring, Linking to Capital Market Trust | Financial Supervisory Commission (FSC) | 6 |

(X) Intellectual Property Management Plan

The Company has established its Intellectual Property Rights Management Regulations since 2015. The implementation status was reported to the Board of Directors on November 5, 2025. To ensure the management and protection of the Company's intellectual property rights and in support of the implementation of its dual-engine strategy, the Company has formulated the following Intellectual Property Management Plan:

1. Trade Secret Protection Measures

- (1) The Company has established an archive room and relevant usage regulations to control personnel access and the handling of R&D-related information. The Company also maintains various locked filing cabinets, safes, and encrypted information systems to strictly control confidential information and trade secret documents.
- (2) The Company's employment contracts include confidentiality provisions, which are implemented together with internal management policies.
- (3) The Company has established the "Information Security Management Regulations" to strengthen the security of confidential information, trade secrets, and information and communication systems.
- (4) In business cooperation relationships, the Company enters into non-disclosure agreements (NDAs) or includes relevant confidentiality clauses to ensure the protection of confidential information and trade secrets.
- (5) The Company has developed bilingual (Chinese and English) standard NDA templates, which are updated annually in response to operational needs and regulatory changes.
- (6) The Company conducts annual reviews and continuous improvements of its confidential information and trade secret protection measures.
- (7) The Company regularly provides employee training to enhance awareness of confidential information and trade secret protection.

2. Patent Management

- (1) For newly initiated projects, the Company engages external professional firms to conduct patent searches and infringement analyses to mitigate patent infringement risks.
- (2) Employees regularly monitor domestic and international patent law developments and participate in relevant seminars and training programs.
- (3) The Company annually reviews and improves its patent portfolio strategy and market entry strategy.
- (4) The Company regularly provides employee training to enhance awareness of patent protection.

3. Trademark Management

- (1) For newly initiated projects, the Company engages external professional firms to conduct trademark searches and registration filings to strengthen trademark portfolio management and expand market coverage.

(2) Employees regularly monitor domestic and international trademark law developments and participate in relevant seminars and training programs.

(3) The Company annually reviews and improves its trademark portfolio strategy and market entry strategy.

(4) The Company regularly provides employee training to enhance awareness of trademark protection.

4. Copyright Management

- (1) The Company clearly stipulates the ownership of copyright for works created in relation to potential intellectual property outputs. Contracts also require business partners not to infringe upon third-party copyrights or to ensure that proper licenses have been obtained.

(2) Internal regulations require employees, when creating works, to avoid infringing upon the copyrights of others.

(3) The Information Technology Department regularly conducts audits of computer software and databases to ensure that all usage is properly licensed.

(4) The Company conducts annual reviews and continuous improvements of copyright protection measures.

(5) The Company regularly provides employee training to enhance awareness of copyright protection.

Intellectual Property Status as of November 5, 2025

1. Trademarks: As of the end of 2025, the Company holds 58 registered trademarks in Taiwan and 5 registered trademarks overseas.
2. Patents: As of the end of 2025, the Company holds 0 invention patents in Taiwan.
3. Trade Secrets: A trade secret inventory of the R&D and supply chain management units was completed in November 2025.
4. Copyrights: A copyright inventory was completed in November 2025. All computer software currently in use is legally licensed through purchase or subscription models.

IX. Improvement status based on the most recent Corporate Governance Evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange

Improvements implemented in 2025 in accordance with the latest revised corporate governance evaluation indicators are as follows:

- Reported directors' remuneration at the 2025 annual shareholders' meeting, including remuneration policy, individual remuneration details, and amounts.
- Conducted an employee satisfaction survey in December 2025.

● Formulated specific measures to enhance corporate value, which were reported to the Board of Directors on November 5, 2025. Relevant information has been disclosed in the "Value Enhancement Plan" section of the Market Observation Post System (MOPS).

Improvement objectives established for 2026 in accordance with the latest revised corporate governance evaluation indicators are as follows:

- Obtain external verification of annual greenhouse gas emissions in 2026.
- Formulate specific measures to enhance corporate value, submit them to the Board of Directors, and disclose relevant information on the Market Observation Post System (MOPS) under the "Corporate Value Enhancement Plan" section.
- Disclose the status of investor engagement and key summaries of investor inquiries and company responses.
- Establish and disclose biodiversity policies and commitments.
- Amend the Human Rights Policy and establish human rights due diligence processes.

(IV) Composition, responsibilities, and operation of the Remuneration Committee

The Company has established a Remuneration Committee under the Board of Directors, comprising five independent directors as committee members, to assist the Board in fulfilling its supervisory responsibilities. The organization regulations of the Committee have been approved by the Board of Directors, and its resolutions are reported to the Board of Directors. For the professional qualifications and experience of the committee members, please refer to “(1) Director Information” on pages 8 to 10 of this Annual Report.

1. Powers and Duties

- (1) Periodically reviewing the Charter of the Remuneration Committee and making recommendations for amendments.
- (2) Establishing and periodically reviewing the performance evaluation policies, systems, standards, and structure for directors and managerial officers, as well as their remuneration.
- (3) Periodically evaluating the achievement of performance targets of directors and managerial officers, and reviewing the content and amount of individual compensation based on the results of performance evaluations conducted in accordance with the established standards.

2. Principles for Performing Duties

- (1) Ensuring that the Company’s remuneration arrangements comply with applicable laws and regulations and are sufficient to attract outstanding talent.
- (2) The performance evaluation and remuneration of directors and managerial officers shall take into account industry benchmark levels, individual performance, the Company’s operating performance, and the reasonableness of the relationship with future risks.
- (3) The remuneration mechanism shall not encourage directors or managerial officers to engage in activities exceeding the Company’s risk tolerance in pursuit of compensation.
- (4) The proportion of bonuses based on short-term performance for directors and senior managerial officers, as well as the timing of variable compensation payments, shall be determined with consideration of industry characteristics and the nature of the Company’s business.
- (5) The determination of remuneration for directors and managerial officers shall take into account reasonableness and shall not deviate significantly from financial performance. In the event of a material decline in profits or long-term losses, remuneration shall not exceed that of the previous year. If it still exceeds the previous year, the rationale shall be disclosed in the annual report and reported at the shareholders’ meeting.
- (6) Committee members shall not participate in discussion or voting on matters relating to their own remuneration and shall recuse themselves from such discussions and votes. They shall not act as proxies for other committee members in exercising voting rights on such matters.

3. Operation of the Remuneration Committee

The term of the current (fifth) Remuneration Committee is from May 25, 2023 to May 24, 2026.

The Committee convened two meetings in 2025. Attendance of committee members is as follows:

| Title | Name | Attendance in person (B) | Attendance by proxy | Attendance rate (%) (B/A) (Note) | Remark |
|----------|----------------|--------------------------|---------------------|----------------------------------|--------|
| Convener | Ruei-Syun Chen | 2 | 0 | 100% | |
| Member | De-Yu Chou | 2 | 0 | 100% | |

| | | | | | |
|---|---|---|--|--|--|
| Member | Yao-Bin Huang | 2 | 0 | 100% | |
| Member | Shou-Ming Wu | 2 | 0 | 100% | |
| Member | Yun-Liang Lai | 2 | 0 | 100% | |
| 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 | Content of proposals and follow-up actions | | Resolution result | Company's handling of the remuneration committee's opinions | |
| 7th meeting of the 5th term 2025/2/21 | <ol style="list-style-type: none"> The Company's 2024 employees' and directors' remuneration distribution proposal. The Company's 2024 directors' remuneration distribution list. The Company's 2024 employee bonus distribution proposal. Proposal for salary adjustments for the Company's managerial officers in 2025. Proposal for the 2025 bonus policy for the head of the Sales Division. Proposal for the 2025 bonus policy for the head of the Corporate Development and R&D Division. Proposal for the 2025 bonus policy for the head of the Marketing Division. | | Approved by all members in attendance. | Submitted to the Board of Directors and approved by all directors in attendance. | |
| 8th meeting of the 5th term 2025/11/5 | <ol style="list-style-type: none"> Proposed amendments to the Company's managerial remuneration regulations. Proposal for adjustment of the General Manager's transportation allowance. | | Approved by all members in attendance. | Submitted to the Board of Directors and approved by all directors in attendance. | |

(V) Composition, Duties, and Operation of the Sustainable Development Committee

To implement corporate social responsibility, establish a sound governance framework, align with international trends, and advance toward sustainable operations, the Company established the Sustainable Development Committee on August 4, 2022 in accordance with the Company's "Organizational Charter of the Sustainable Development Committee." The Committee consists of five independent directors and is subordinated to the Board of Directors.

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) Term of office of the current (second) committee: from May 25, 2023 to May 24, 2026. The Sustainable Development Committee held two (A) meetings in 2024, with the following attendance:

| Title | Name | Attendance in person (B) | Attendance by proxy | Attendance rate (%) (B/A) | Remark |
|----------|----------------|--------------------------|---------------------|---------------------------|--------|
| Convener | Yao-Bin Huang | 2 | 0 | 100 | |
| Member | Chou Te-Yu | 2 | 0 | 100 | |
| Member | Ruei-Syun Chen | 2 | 0 | 100 | |
| Member | Shou-Ming Wu | 2 | 0 | 100 | |
| Member | Yun-Liang Lai | 2 | 0 | 100 | |

(2) The training participation of the current (second) Remuneration Committee members in ESG-related courses in 2025 is as follows:

| Title | Name | Training Date | Organizer | Course Title | Training Hours |
|----------|----------------|---------------|---|--|----------------|
| Convener | Yao-Bin Huang | 2025.09.12 | Project Management Association of Taiwan (PMAT) | SDGs and ESG Sustainable Management | 3 |
| | | 2025.10.15 | Taiwan Corporate Governance Association (TCGA) | Sustainability Disclosure and Investment Value from the Investor Perspective: ESG disclosure frameworks and risk monitoring, and their linkage to capital market trust | 3 |
| Member | Chou Te-Yu | 2025.07.09 | Taiwan Corporate Governance Association (TCGA) | Corporate Governance Forum – ESG Corporate Sustainable Development | 3 |
| | | 2025.10.15 | Taiwan Corporate Governance Association (TCGA) | Sustainability Disclosure and Investment Value from the Investor Perspective: ESG disclosure frameworks and risk monitoring, and their linkage to capital market trust | 3 |
| Member | Ruei-Syun Chen | 2025.10.15 | Taiwan Corporate Governance Association (TCGA) | Sustainability Disclosure and Investment Value from the Investor Perspective: ESG disclosure frameworks and risk monitoring, and their linkage to capital market trust | 3 |
| Member | Shou-Ming Wu | 2025.10.15 | Taiwan Corporate Governance Association (TCGA) | Sustainability Disclosure and Investment Value from the Investor Perspective: ESG disclosure frameworks and risk monitoring, and their linkage to capital market trust | 3 |
| Member | Yun-Liang Lai | 2025.10.15 | Taiwan Corporate Governance Association (TCGA) | Sustainability Disclosure and Investment Value from the Investor Perspective: ESG disclosure frameworks and risk monitoring, and their linkage to capital market trust | 3 |

(3) 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 | Content of proposals and follow-up actions | Resolution result | The Company's Response to the Committee's Opinions |
|-------------------------------------|--|--|--|
| 2nd Term, 5th Meeting 2025/08/04 | The Company's 2024 CSR Report. | Approved by all members in attendance. | Submitted to the Board of Directors and approved by all directors in attendance. |
| 2nd Term, 6th Meeting 2025/11/05 | 1. Proposal for the Company's 2026 work plan of the Sustainable Development Committee. | Approved by all members in attendance. | Submitted to the Board of Directors and approved by all directors in attendance. |

| | | | |
|--|---|--|--|
| | 2. Proposed amendments to the Company's "Sustainable Development Best Practice Principles." | | |
|--|---|--|--|

(VI) Information on members of the Nomination Committee and its operation:

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

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

1. Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

| Item | implementation status | | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed 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 | | No deviation. |
| | | <p>Summary description</p> <p>The Company's Board of Directors resolved to establish the Sustainability Committee on August 4, 2022. The Committee, which reports directly to the Board, is composed of all independent directors, with the Chief Corporate Governance Officer serving as the Executive Secretary. The Finance Department has been designated as the department responsible for promoting sustainable development, leading the ESG Functional Task Force comprised of members from various departments. This task force is responsible for identifying sustainability issues of concern to stakeholders, formulating response plans, allocating budgets, and planning as well as executing annual work plans. It also tracks performance to ensure that sustainability activities are effectively implemented. The Board of Directors serves as the highest guiding body for sustainable development, overseeing the formulation of sustainability management strategies and goals while providing recommendations. Following the end of each fiscal year, a sustainability report is prepared and submitted to the Board on a regular basis in the following year. On December 9, 2024, the Finance Department presented a three-year Social Contribution and Sustainability Roadmap (2024-2026) to the Sustainability Committee. The Board regularly evaluates and reviews the effectiveness of sustainability initiatives and urges adjustments when necessary. The 2024 Sustainability Report and its implementation status were approved by the Board on August 4, 2025. The sustainability direction and work plan for 2025 were approved by the Sustainability Committee and the Board on December 9, 2024, while those for 2026 were approved on November 5, 2025.</p> | |

| Item | implementation status | | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|-----------------------|--|---|
| | Yes | No | |
| <p>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?</p> | V | <p>Summary description</p> <p>On October 30, 2020, the Company's Board of Directors approved the "Risk Management Policy and Procedures" and established a risk management organization as the unit responsible for executing risk management. The General Manager serves as the convener of the organization. The organization is primarily responsible for monitoring, measuring, and evaluating the Company's risks, assisting in the formulation of the Company's risk management policies, ensuring the implementation of risk management decisions approved by the Audit Committee, coordinating the overall operation of risk management, and planning relevant risk management training.</p> <p>Based on the relevance to the Company's core operations and the degree of impact on material topics, the Company integrates evaluation data and questionnaire results from each department and engages with internal and external stakeholders to identify, evaluate, and analyze risks in accordance with the principle of materiality. The Company also conducts risk monitoring and adopts appropriate risk response measures for potential risks to ensure that risks are maintained within an acceptable level and to prevent potential losses. The Company reported the status of significant risk management operations for the year to the Board of Directors on November 5, 2025. For details, please refer to pages 37 to 38, section (VI) "Implementation of Risk Management Policies and Evaluation Standards" of the Annual Report and the Company's website.</p> | No deviation. |
| <p>III. Environmental Issues</p> <p>(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?</p> | 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 outsourcing company 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. | (I) No deviation. |
| <p>(II) Does the Company strive to improve energy use efficiency and use renewable materials with low environmental impact?</p> | V | <p>The Company does not operate any factories but remains committed to promoting energy conservation and improving environmental protection measures. The office provides reusable cups and glasses for visitors to reduce environmental pollution from single-use bottled water, and uses PEFC-certified paper. The office buys coffee beans and tea bags that meet international fair trade standards for employees and guests, and chooses dishwashing liquid and hand lotion with green product certification for employee use.</p> | (II) No deviation. |

| Item | implementation status | | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|-----------------------|---|---|
| | Yes | No | |
| (III) Has the Company assessed the current and potential future risks and opportunities of climate change and adopted corresponding response measures? | V | <p>Issues such as climate change, global warming, and greenhouse gas emissions have received global attention in recent years. The Company has completed an assessment of the risks and opportunities climate change may pose, and has developed corresponding plans accordingly. Please refer to page 54 of the annual report for climate-related information and the Company's website.</p> | (III) No deviation. |

(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total waste volume over the past two years, and established policies for greenhouse gas reduction, water conservation, or other waste management?

(IV) No Deviation.

The Company conducts greenhouse gas inventories in accordance with the ISO 14064-1 standard. The scope of data coverage includes the Taipei, Taichung, and Kaohsiung offices. For the Company's greenhouse gas inventory results, assurance status, and reduction policies, please refer to page 54, section 2 "Climate-related Information" of the annual report and the Company's website.

The statistics for greenhouse gas emissions in 2024 and 2025 are as follows:

| Year | Greenhouse gas emissions(tons of CO2e) | | |
|------|--|---------|----------|
| | Scope 1 | Scope 2 | Scope 3 |
| 2024 | 1,1049 | 57,5578 | 99,7516 |
| 2025 | 0,6082 | 61,2420 | 119,8921 |

| Year | 2024 | 2025 |
|--|---------|---------|
| Scope 1 + Scope 2 GHG emissions (tons of CO2e) | 58,6627 | 61,8502 |
| Individual revenue (unit: NT\$ million) | 628.5 | 656.9 |
| GHG emissions intensity | 0.0933 | 0.0942 |

Note: As of the date of printing of this Annual Report, greenhouse gas emissions data are still under verification.

The Company's primary energy consumption is derived from electricity used in office buildings, with no stationary process emission sources from production activities. The Company mainly relies on purchased electricity. The energy consumption of the Taipei Office, Taichung Office, and Kaohsiung Office is summarized in the table below:

| | Year | |
|---------------------------------|---------------|--------------|
| | 2024 | 2025 |
| Electricity (thousand kWh/year) | 121,4299 | 126,4200 |
| Electricity (GJ/year) | 437,1476 | 455,1120 |
| Entity Revenue (NTD million) | 628.5 | 656.9 |
| Energy Intensity (GJ/Revenue) | 0.6955 | 0.6928 |
| Year-on-Year Comparison | reduce 15.37% | reduce 0.39% |
| Renewable Energy Usage Ratio | / | 0 |
| Consumption (kWh) | 0 | 0 |

The Company's water consumption in 2024 and 2025 amounted to 1,664.99 metric tons and 716.53 metric tons, respectively. The total greenhouse gas emissions from water usage were 0.1578 metric tons and 0.0679 metric tons, respectively. The average daily water consumption per capita was approximately 10.04 liters and 4.09 liters per person-day, respectively.

Water is primarily used for office domestic purposes. Water management measures include promoting awareness among employees regarding the importance of water resources, encouraging precise water usage habits, promptly reporting and repairing water leakage, regularly maintaining water dispensers to prevent leakage, and periodically reviewing shared utility water bills within the industrial park. In the event of any abnormalities, immediate feedback is provided to the park management. Through behavioral changes, the Company aims to reduce average daily water consumption per capita (L/p-d) by 0.5% compared to the previous year.

The Company's waste mainly consists of office domestic waste. To reduce environmental impact, the Company continues to promote waste recycling and reuse. Reusable materials are circulated where possible. For decommissioned laptops and monitors, the IT department evaluates whether components can be reused.

| Item | implementation status | | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|------|-----------------------|---|---|
| | Yes | No | |
| | | <p>Summary description</p> <p>Agreements have been made with printer suppliers to collect used toner cartridges to ensure 100% closed-loop recycling. Packaging materials used for delivering office supplies and documents are reused, and waste sorting and resource recycling are strictly implemented.</p> <p>Due to the nature of its industry, the Company is unable to recycle products for reuse; therefore, it places emphasis on pharmaceutical quality control and actively manages the quantity of pharmaceutical waste. The Company generated 1.34 metric tons of non-hazardous pharmaceutical waste in 2024 and 0.76 metric tons in 2025, representing a decrease of 0.58 metric tons compared to the previous year. All waste disposal is handled by professional waste clearance contractors with valid permits and in compliance with local health authority regulations to minimize environmental impact.</p> | |

| | | |
|--|----------|--|
| <p>IV. Social Issues</p> <p>(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?</p> | <p>V</p> | <p>The Company complies with labor laws and international human rights conventions, and has formulated its Human Rights Policy with reference to the “Universal Declaration of Human Rights,” the “Ten Principles of the United Nations Global Compact,” and the “United Nations Guiding Principles on Business and Human Rights.” The policy applies to all employees and suppliers of the Company. The ESG task force under the Sustainable Development Committee, together with the Human Resources Department, serves as the unit responsible for human rights matters. It is responsible for regularly reviewing human rights risks and reporting the implementation status to the Board of Directors.</p> <p>1. 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. • Protect the labor rights of disadvantaged or marginalized groups, and employ physically challenged persons and assign them a job that they are qualified to do so as to help them engage in the workforce. In 114, the Company employed one person with disabilities, accounting for 1.4% of all employees, in compliance with requirement of the People with Disabilities Rights Protection Act. • To prevent workplace violence and unlawful infringement, the Company has established the “Prevention Plan for Workplace Violence in the Performance of Duties.” A zero-tolerance policy toward all forms of workplace violence and unlawful infringement is communicated through internal systems or bulletin boards, and such behaviors are strictly prohibited. No incidents of workplace violence or unlawful infringement occurred in 2025. • Regularly review and evaluate relevant risks and review relevant systems and conduct. <p>2. Human Rights Due Diligence Mechanism and Implementation Status</p> <p>To implement human rights risk management, the Company has established a human rights due diligence mechanism covering human rights issues related to employees and operational activities. The key processes are as follows:</p> <ol style="list-style-type: none"> (1) Risk Identification and Assessment <ul style="list-style-type: none"> Identify potential human rights risks through regular reviews of internal systems, employee feedback, grievance channels, and human resources management mechanisms. (2) Risk Management and Mitigation Measures <ul style="list-style-type: none"> Promote management measures addressing human rights issues, including: <ul style="list-style-type: none"> • Conducting training on human rights and workplace equality. • Establishing a sexual harassment prevention system and grievance handling mechanisms. • Promoting occupational health and safety management and training. • Providing employee health check-ups and wellness support measures. • Establishing diversified communication and grievance channels. Tracking and Improvement (3) Continuously track the implementation of human rights-related measures through performance evaluations, training, and internal management mechanisms, while performing regular reviews and |
|--|----------|--|

| Item | implementation status | | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|------|-----------------------|--|---|
| | Yes | No | |
| | | <p>Summary description</p> <p>(4) refinements.</p> <p>2025 Implementation Status</p> <ul style="list-style-type: none"> • Conducted training related to human rights and occupational health and safety. • Continued promoting employee health check-ups and workplace health promotion initiatives. • Established and operated diversified communication and grievance channels. • No significant human rights violations occurred in 2025 <p>For the Company's human rights policy and management projects, see the Company's website.</p> | |

| Item | implementation status | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|-----------------------|---|
| | Summary description | (II) No deviation. |
| Yes | No | |
| (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 promotes workplace diversity and equality and has established an inclusive working environment free from discrimination based on differences in values, beliefs, race, age, gender, experience, and background. Accordingly, employees at the same entry-level position receive equal compensation. The Company also places importance on fairness in remuneration and promotion opportunities, determining compensation based on candidates' education, experience, expertise, and certifications, and ensuring that employees are not subject to discrimination, harassment, or unequal treatment due to race, gender, religion, age, political affiliation, or any other status protected under applicable laws and regulations.</p> <p>As of the end of 2025, the Company had a total of 70 full-time employees. By gender, there were 28 males (40%) and 42 females (60%).</p> <p>By age distribution, 8% were under 30 years old, 72% were between 31 and 50 years old, and 20% were over 51 years old. By ethnicity, the Company has no foreign or indigenous employees. The Company maintains a balanced gender structure, with female employees consistently accounting for more than 50% of the workforce. Among them, 20% of senior management positions are held by women, demonstrating the Company's commitment to a gender-equal workplace.</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: Salaries are adjusted annually based on market salary levels and the Company's operating performance. The average salary adjustment rate in 2025 was approximately 3.0%. • 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: <ul style="list-style-type: none"> 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) 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) Employees working for more than three years but less than five years are given 14 days of annual leave. Employees working for more than five years but less than ten years are given 15 days of annual leave. 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>Other employee benefits are detailed on page 84 of the Annual Report under "V. Labor Relations" and on the Company website.</p> |

| Item | implementation status | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|--|---|
| Yes/No | Summary description | |
| (III) Does the Company provide employees with a safe and healthy working environment, and related education? | <p>V</p> <ul style="list-style-type: none"> • Safe and healthy work environment: The Company is committed to providing employees with a safe and hygienic working environment. It has established the "Office Safety and Maintenance Regulations" and the "Occupational Safety and Health Code of Conduct" (implemented upon approval by the competent authority), appointed one occupational safety and health personnel, and engaged a professional cleaning company to maintain workplace safety and cleanliness. On September 16, 2025, the occupational safety and health personnel conducted a "Labor Safety and Health Education Training – No Mental Fatigue, No Overwork" session for all employees. In addition, the Company is located in Nangang Software Park, which is equipped with comprehensive fire protection, security, and sanitation systems, and participates annually in fire drills and earthquake preparedness exercises organized by the park's 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. • Personal insurance: In addition to enrolling all employees in labor insurance and national health insurance in accordance with the law, the Company also provides group insurance for enhanced protection. Coverage includes accident insurance ranging from NT\$1 million to NT\$5 million depending on job level, NT\$20,000 in accidental medical coverage per person, and hospitalization medical insurance. For employees assigned to overseas business trips, the human resources department arranges travel insurance and adjusts coverage as necessary to ensure travel safety. • Health checkups & education: The Company values employee health. In 2024, the Employee Welfare Committee arranged influenza vaccinations and health checkups for all employees, with participation also extended to employees' family members. In addition, the Company and the Group organize numerous disease-related training courses each year, which employees may freely attend. • Health promotion seminars: To safeguard employees' physical and mental well-being, the Company organized two health seminars—"Vision Care" and "Pitfalls of Eating Out and Weight Loss"—on June 20 and August 5, 2025, continuing efforts to build a healthy workplace. • Achievement of Talent in Taiwan recognition: The Company officially joined the "2025 TALENT, in Taiwan Sustainable Talent Action Alliance" and is committed to implementing six key dimensions through concrete actions: "Meaning and Value," "Diversity and Inclusion," "Rewards and Incentives," "Health and Well-being," "Development and Growth," and "Communication and Experience." The Company will continue to deepen talent development and implement sustainability commitments, enabling every employee to realize their potential. | (III) No deviation. |

| Item | implementation status | | Summary description | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|-----------------------|----|--|---|
| | Yes | No | | |
| (IV) Has the Company created an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills? | V | | <p>The Company aims to build a learning-oriented organization by continuously promoting professional and managerial training programs and actively implementing talent development initiatives to meet organizational needs and cultivate future leaders. Through the PDP (Performance Development Plan) system, employees are supported in effective personal learning and career development. Annual goals are set starting in March and reviewed at year-end. Supervisors and employees reach consensus through regular performance discussions and accordingly set or adjust goals for the following year.</p> <ul style="list-style-type: none"> • Education and training: The Company has a comprehensive internal training system, including onboarding training, general education courses, management training, and professional courses. In addition to helping new employees quickly adapt to the Company's culture and understand its vision and development direction, employees can plan courses based on job requirements and personal development plans. Furthermore, employees may apply for external training subsidies based on their professional needs to continuously enhance their competitiveness. • Internal recruitment and job rotation: To provide employees with broader career development opportunities and deeper experience, the Company has established a comprehensive internal recruitment and cross-group job rotation system. Through practical experience across different companies and roles, employees can broaden their perspectives, strengthen professional capabilities, and enhance overall organizational competitiveness. • Collaborative learning mechanism: The Company regularly organizes reading groups to promote the exchange of management knowledge and practical case sharing, fostering a cross-departmental learning environment and strengthening leadership and management capabilities. | (IV) No Deviation. |
| (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> | (V) No difference. |

| 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 essential partners and is committed to building a stable and sustainable supply chain. In accordance with our Human Rights Policy and Supplier Management Policy, we have integrated human rights risk management into our supplier evaluation and management mechanisms, progressively establishing a Human Rights Due Diligence (HRDD) process for our suppliers.</p> <p>(1) Management Policy</p> <p>The Company has established a supplier management system covering new supplier onboarding, regular evaluations, and continuous management. During the assessment and selection process, labor rights and occupational health and safety are included as key evaluation criteria. We encourage suppliers to adhere to fundamental human rights principles, including the prohibition of child labor, the elimination of forced labor, the prevention of discrimination, and the provision of a safe and healthy working environment.</p> <p>(2) Risk Identification and Assessment</p> <p>The Company manages risks through a supplier classification and evaluation system, which includes:</p> <ul style="list-style-type: none"> ● New Supplier Onboarding Evaluation: Suppliers must possess PIC/S GMP certification, pharmaceutical dealer licenses (manufacturing/wholesale), TDMF (Taiwan Drug Master File) documentation, or other government-approved certificates. Suppliers must pass on-site and document reviews covering manufacturing, quality, warehousing, and support systems. Only those scoring 60 or above are listed as qualified suppliers. ● Regular Evaluation Mechanism: Existing suppliers undergo a comprehensive re-evaluation every three years, supplemented by annual integrated assessments focused on quality, delivery, and service. ● Sustainability and Human Rights Assessment: Since 2021, the Company has introduced the "Supplier Sustainability Self-Assessment Questionnaire" to collect data on suppliers' performance in environmental, labor, and human rights practices. These factors are included as bonus items in evaluations to enhance the identification of human rights risks. <p>(3) Risk Management and Mitigation Measures</p> <p>The Company implements tiered management based on evaluation results:</p> <ul style="list-style-type: none"> ● Suspension of procurement for suppliers who fail to meet standards. ● Communication of improvement recommendations to suppliers based on specific circumstances. ● Continuous tracking of improvement progress. ● Mitigation of potential human rights and operational risks within the supply chain through the aforementioned mechanisms. <p>(4) Tracking and Performance Management</p> <p>The Company monitors supplier quality and sustainability performance through annual evaluations. By conducting regular and ad-hoc meetings, we maintain strong communication with suppliers, continuously strengthening management mechanisms and increasing the depth and coverage of human rights risk management.</p> <p>(5) 2025 Implementation Status</p> <p>In 2025, the Company completed its supplier evaluations. The results were primarily categorized as Grade A or B. No suppliers were required to suspend procurement or undergo major improvements, indicating that the overall supply chain remains stable.</p> <p>The 2024 Sustainability Report was prepared in accordance with the GRI Standards issued by the Global Reporting Initiative and was approved by the Board of Directors on August 4, 2025. The aforementioned report was verified by an independent third-party assurance provider, Afhor Asia, Ltd., in accordance with the AA1000 Assurance Standard (v3) at a Type 1 moderate assurance level, and an independent assurance statement was issued accordingly.</p> | <p>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> |
| 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 | <p>The 2024 Sustainability Report was prepared in accordance with the GRI Standards issued by the Global Reporting Initiative and was approved by the Board of Directors on August 4, 2025. The aforementioned report was verified by an independent third-party assurance provider, Afhor Asia, Ltd., in accordance with the AA1000 Assurance Standard (v3) at a Type 1 moderate assurance level, and an independent assurance statement was issued accordingly.</p> | 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. The corporate governance officer serves as the executive secretary, and the Finance Department leads the operating units to form an ESG functional team. The Board of Directors serves as the highest governing body for sustainable development, overseeing the formulation of the Company's sustainable management strategies and objectives and providing guidance. The Sustainable Development Committee is responsible for formulating sustainable development policies and strategic directions, while the ESG functional team plans and implements annual sustainable development plans, and reports the previous year's implementation status to the Sustainable Development Committee and the Board of Directors in the following year. The Board of Directors evaluates and reviews the effectiveness of sustainability initiatives and, where necessary, urges adjustments.

| | | |
|---|---------------------------------------|---|
| The three sustainable development aspects and task forces | | |
| Aspect | E: Sustainable environment | 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 |

ESG Initiatives in 2025

[Recipient of prestigious domestic and international ESG awards, with leading corporate governance performance]

While pursuing profit growth, TSH remains committed to sustainable operations and high standards of corporate governance, earning repeated recognition from authoritative domestic and international institutions, demonstrating corporate resilience and integrity.

- **Model of corporate governance: Ranked among the top 5% in the 11th TPEX Corporate Governance Evaluation, reflecting a strong commitment to integrity and transparent management.**
- **International recognition: Received dual honors at the 2025 AREA (Asia Responsible Enterprise Awards), including the "Social Empowerment Award" and the "Green Leadership Award," showcasing Taiwan's sustainability impact on the Asian stage.**
- **Sustainability report benchmark: Awarded the Silver Award in the Healthcare Category II of the Sustainability Report Award at the 18th TCSA (Taiwan Corporate Sustainability Awards) in 2025, recognizing TSH's excellence in information disclosure transparency and its solid execution of sustainability strategies.**

[2025 ESG Outcomes: From Protecting Leopard Cats to Caring for Seniors – A Sustainable Practice]

I. Ecological Footprint Quantification and Green Value Chain – Nature-Positive Practices from Source to Product [TNFD Metrics / TWSE E-14, E-15, E-16]

TSH recognizes that corporate resource investments must generate tangible ecological benefits. The Company has introduced an "eco-transformation coefficient" and "green procurement principles" to convert resource inputs into direct contributions to biodiversity, implementing environmental responsibility across the value chain from raw materials (upstream) to products (midstream).

(1) Biodiversity and Watershed Restoration [Corresponding indicators: TWSE E-14, E-15, E-16 | GRI 101-5, 101-6, 101-7 | SDG 15]

1. Strategic commitment: Advancing Nature Positive through "watershed restoration"

TSH acknowledges the close interdependence between the pharmaceutical industry and natural resources. In response to TNFD and GRI 101 concerns regarding nature-related risks, the Company goes beyond compliance by proactively adopting the "precautionary principle." Since 2024, the Company has collaborated with the social enterprise "Eight Hundred Gold" to promote the "Leopard Cat Rice Watershed Restoration Project." Through contract farming with upstream farmers, conventionally farmed paddy fields are transformed into eco-friendly agricultural practices, aiming to restore fragmented low-elevation habitats and enhance climate resilience.

2. Location and Driver Management (Location & Drivers) [GRI 101-5, 101-6]

In accordance with GRI 101: Biodiversity 2024, the Company precisely identifies and discloses project locations and implements source-level controls for the key driver of biodiversity loss—pollution:

- **Project location:** Located in the Xin Jilong watershed, Tongluo Township, Miaoli County (coordinates: 120.821230, 24.430463). This area is an important potential habitat for the leopard cat (a Category I protected species) and is classified as an ecologically sensitive area.
- **Driver control and quantified performance:** The Company has signed strict production agreements with contract farmers, completely prohibiting the use of chemical pesticides and herbicides, and ensuring farmer income through a 100% purchase commitment. For the contracted area of 0.24 hectares in the reporting year, the environmental benefits are as follows:
 1. **Preventing chemical pollution:** Approximately 288 kilograms of chemical fertilizer has been successfully reduced in soil and water.
 2. **Reducing the risk of eutrophication:** Approximately 57.6 kilograms of nitrogen fertilizer use was reduced, effectively lessening eutrophication pressure on downstream water bodies and protecting aquatic organism habitats.
 3. **Zero pesticide residue:** A third-party authority tested the rice grains and found no detection of 411 types of pesticides (N.D.), confirming our rigorous supply chain environmental management practices.
- **This initiative not only restored soil micro-ecosystems but also contributed directly to a reduction of 286 kgCO₂e in carbon emissions compared to conventional farming practices, aligning with national "natural carbon sink" strategies, including "enhancing soil organic matter" and "negative carbon agriculture". (TWSE E-15).**

3. Ecological monitoring performance (Ecological Performance) [GRI 101-7, 101-8]

To ensure the effectiveness of habitat restoration, a scientific monitoring system was implemented, covering the paddy fields and an additional 200-meter surrounding buffer zone. Monitoring results for 2025 indicate stable habitat health and the capacity to support diverse biological communities:

- **Species richness:** A total of 383 biodiversity observation records were documented, covering 195 species. Bird species were the most abundant (61 species), indicating that the paddy fields have become a key foraging and activity corridor for low-elevation bird populations.
- **Habitat health indicator (NDVI):** NDVI (Normalized Difference Vegetation Index) calculated using Google Earth Engine (GEE) ranged from 0.18 (fallow mudflat stage) to 0.85 (heading stage), forming a diverse microhabitat gradient that effectively supports seasonal ecological needs.
- **Leopard cat monitoring:** Although leopard cats were recorded in 2024, no sightings were recorded during 2025 monitoring. This indicates the need to further strengthen ecological corridor connectivity. Future actions include deploying infrared cameras and extending monitoring duration.

4. Social Impact

This project extends beyond environmental protection to create a circular value model integrating “production – ecology – public welfare.” In 2025, the Company procured 682 kg (approximately 1,137 catties) of eco-friendly rice. A portion was sold through charity events in collaboration with the Old Five Old Foundation, with all proceeds donated to support meal delivery services for elderly individuals living alone. Additionally, intergenerational exchange activities combined with food and agricultural education were conducted, transforming environmental values into tangible social care. Part of the eco-rice was also used as corporate gifts, serving as a medium to communicate TSH’s concrete ESG practices.

(2) Process Management: Green Procurement and Low-Carbon Manufacturing (Midstream: Green Procurement & Manufacturing)

For project-derived gifts (e.g., leopard cat hand towels), the Company extends its sustainability standards to manufacturers, implementing [TWSE E-16 Supplier Environmental Management]:

• Elimination of chemical pollution (Pollution Removal):

The manufacturing process adopts environmentally friendly water-based dyes (Pigment Ink) compliant with the [ZDHC MRS L Level 1] standard, replacing traditional oil-based printing and achieving 100% elimination of organic solvent usage. This approach eliminates chemical pollution risks to water resources at the source, effectively implementing the principles of [TNFD Avoidance and Reduction of Pollution Drivers] and [GRI 303-2 Water Discharge Impact Management].

• Local sourcing and decarbonization (Local Sourcing & Decarbonization):

The Company adheres to a “Local Sourcing” strategy in Taiwan, significantly shortening transportation distances and reducing Scope 3 product carbon footprints, thereby minimizing environmental impact. This approach aligns with the objectives of [GRI 204: Procurement Practices] and [GRI 305: Emissions].

II. Social Co-prosperity (Social): Deepening Senior Employment and Community Health

In accordance with [GRI 413-1 Local Community Engagement], TSH extends environmental outcomes (Leopard Cat Rice) into social care initiatives. By leveraging its “core competencies (pharmaceutical expertise)” and “resource integration (cross-sector collaboration),” the Company addresses challenges of an aging society and creates shared value aligned with [SDG 3 Good Health and Well-being] and [SDG 8 Decent Work and Economic Growth].

(1) Charity fundraising: Support for senior employment and economic inclusion.

Corresponding indicator: [GRI 203-1 Indirect Economic Impacts] [SDG 8.5 Decent Work] [TWSE S-3 Community Development]

Through procurement and charity sales, we support the operation of the “Old Five Old Foundation” and promote **economic inclusion** to help the elderly realize their self-worth and achieve economic independence.

• **Support silver industry production:** The purchase of handmade cookies paired with stone tiger rice supports local agricultural produce and directly affirms the labor value and craftsmanship of elderly artisans. This allows senior citizens to transition from being “recipients” to “producers.”

• **Public interest fund-raising performance:** Through three waves of promotion – sweet sake brewing, a Dragon Boat Festival collaboration, and Mid-Autumn charity gift boxes (Earth Gift Boxes/Blissful Companionship) – a total of over **620 sets** were sold.

• **Social Impact:** Charity sales raised a total of NTS **194,000**, **all of which was donated** to support the “Meals to Rural Areas Program. This initiative not only addresses the food insecurity of elderly people living alone but also builds a social safety net for rural seniors through visits from meal delivery staff.

(2) Volunteer care: community engagement and intergenerational integration

Corresponding indicator: [GRI 413-1 Local Community Engagement] [SDG 2 Zero Hunger] [TWSE S-3 Community Volunteers]

The General Manager is leading the establishment of a volunteer culture from the top down and implementing **community engagement** through hands-on participation:

• **Blossom All Over - Caring Action:** 4 senior care activities were carried out during the year (Shiding, Beitou, Taichung, and Hsinchu), extending service locations throughout Taiwan. The Hsinchu facility has collaborated with physicians to bring “hypertension education” to the community and promote preventative medicine.

• **Response to World Food Day [SDG 2]:** General Manager Yang, S. Y. led volunteers to the Shiding Fengzilin Day Care Center for the Elderly to support the spirit of “World Food Day”. Approximately **1,800 seniors** at around 1,800 senior centers across Taiwan shared a leopard cat rice lunch, promoting food security and the use of local ingredients.

• **Interaction and inheritance between generations:** Through the “Leopard Cat Rice Soap DIY” event, volunteers and seniors shared stories about “friendly farming x ecological conservation” as they interacted. This is not only a provision of materials, but also fosters warm cross-generational dialogue and companionship, enhancing the social engagement and mental well-being of older adults.

(3) Professional health education: integrating core competencies with charitable work (Core Competency CSR)
Corresponding indicator: [GRI 413-1 Health promotion] [SDG 3.4 Prevention and treatment of non-communicable diseases] [SASB HC-BP-240b Medication access and education]
 Exert the core competence of the biotech pharmaceutical industry and strive to improve public health literacy to lower the social burden of medical care.

- **Cardiovascular Health Initiative:** A public health forum titled “Cardiovascular Health Care - Protecting the Ones We Love” was held to address the three most common risk factors for cardiovascular disease among Taiwanese people. A total of **181 people** attended the forum.
- **Expert engagement and knowledge diffusion:** Three experts – Dr. Chiu Yu-Cheng from Far Eastern Memorial Hospital, Director Ma Wen-Ya from Keelung Hospital, and Director Chen Chao-Shun from Taipei Medical University Attached Hospital – were invited to provide in-depth analyses of “Multiple Complications of Hypertension,” “Stratified Treatment of Hyperlipidemia,” and “Angina and Microvascular Lesions.”
- **Preventive medicine effectiveness:** Through clear and accessible health education, we help the public develop accurate understandings of disease prevention and medication use, contributing to the **United Nations SDG 3.4** goal of reducing mortality from non-communicable diseases and fulfilling the pharmaceutical company’s social responsibility to protect community health.


III. Brand Communication and Influence Diffusion (Stakeholder Engagement & Communication)
 Following the stakeholder engagement principles of **GRI 2-29**, we materialized ESG concepts through corporate gifts with sustainability connotations and high-standard information disclosure. This extended our sustainability impact from within the Company to our value chain partners (healthcare workers and customers), supporting **SDG 12: Responsible Consumption and Production**.




(1) Comprehensive sustainability promotion: Implement green procurement and low-carbon lifestyles
Corresponding indicator: [GRI 204 Procurement Practices] [SDG 12.8 Sustainable lifestyles]
 Incorporate ESG elements into corporate gifting practices and support sustainable products through purchasing decisions. For Mid-Autumn Festival and the annual seminar gifts, we selected “Formosan Badger Rice Handmade Soap,” “300g Formosan Badger Rice,” and “Low-Carbon Formosan Badger Hand Towel” (the seminar also included a low-carbon 15th-anniversary tote bag). By purchasing environmentally friendly gifts, we not only reduced the carbon footprint of our marketing activities but also directly supported local manufacturers and eco-friendly farming practices.




(2) Expanding influence: Value chain engagement and philosophical alignment
Corresponding indicator: [GRI 2-29 Stakeholder Engagement] [TWSE S-6 Stakeholder Communication]
 Through gifts that tell a “sustainability story”, we engage in in-depth conversations with our key stakeholders (physicians and customers). This is not only a gift-giving occasion, but also a way to share TSH’s practical ESG initiatives. We hope to leverage our brand influence to engage medical professionals in learning about leopard cat conservation, and subsequently support sustainable lifestyles together, building a collaborative partnership founded on shared values.



(3) Information transparency disclosure: A report in line with international standards.
Corresponding indicator: [GRI 2-3 Reporting Period and Frequency] [TWSE G-33, G-34, G-35, G-36 Information Disclosure]
 Uphold high standards of information transparency and expect publication in 2025:

- **13th Chinese Sustainability Report:** Prepared in accordance with the **GRI 2021, SASB, and TCFD** standards and obtained **[AA1000 Type 1 medium assurance]** verification from an independent third-party organization to ensure the information’s credibility **[TWSE G-35]**.
- **The 5th English Sustainability Report:** Actively responding to the expectations of foreign institutional investors, the company published an English version of its report to strengthen international communication and ensure information equality **[TWSE G-36]**.
- All reports are reviewed by the **Sustainable Development Committee** and submitted to the **Board of Directors** for approval before publication, demonstrating the importance attached to sustainability information disclosure at all levels of governance **[TWSE G-34]**.

| | |
|--|--|
| E: Sustainable environment | |
| Sustainable Development Goals (SDGs) of the United Nations | Implementation content |
|  3 應海標乳 12 責任採購與生產 | <ul style="list-style-type: none"> • Expand sustainable farming and protect habitats: The Company supported the “watershed recovery” program for the second consecutive year. In 2024, 226,150 grams (about 377 catty) were contracted, increasing to 682,000 grams (about 1,137 catty) in 2025. A total of 908,150 grams (approximately 1,514 catties) of rice had been grown over a two-year period to protect leopard cat habitats and farmland ecosystems through concrete actions. • For the contracted area of 0.24 hectares in the reporting year, the environmental benefits are as follows: <ol style="list-style-type: none"> 1. Preventing chemical pollution: Approximately 288 kilograms of chemical fertilizer has been successfully reduced in soil and water. 2. Reducing the risk of eutrophication: Approximately 57.6 kilograms of nitrogen fertilizer use was reduced, effectively lessening eutrophication pressure on downstream water bodies and protecting aquatic organism habitats. |

| Item | implementation status | | Summary description | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|--|----|---------------------|---|
| | Yes | No | | |
|  | <p>3. Zero pesticide residue: A third-party authority tested the rice grains and found no detection of 411 types of pesticides (N.D.), confirming our rigorous supply chain environmental management practices.</p> <p>This initiative not only restored soil micro-ecosystems but also contributed directly to a reduction of 286 kgCO₂e in carbon emissions compared to conventional farming practices, aligning with national “natural carbon sink” strategies, including “enhancing soil organic matter” and “negative carbon agriculture” (TWSE E-15).</p> <ul style="list-style-type: none"> Implement green purchasing, reduce carbon and protect water: The production of gifts adheres to the principle of “green purchasing. Environmentally friendly water-based dyes are used for the customized clouded leopard hand towels, replacing traditional oil-based offset printing. This eliminates the use of organic solvents in the production process and reduces water resource pollution. We also prioritize local Taiwanese printing to shorten transportation distances and effectively reduce the product carbon footprint, fulfilling our commitment to energy saving and carbon reduction. Teacups 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 forest photocopy paper. The 2015 calendar was produced in 2016 using FSC-certified paper. A total of 3,500 copies were printed. <p>*Note: FSC “forest management certificate”: A certificate granted to forest management institution confirming that the forest is being managed in a way that preserves the environment and benefits society, while ensuring it sustains economic viability.</p> <ul style="list-style-type: none"> Continued work on the 2024 greenhouse gas inventory report for TSH, and completed the first greenhouse gas inventory for the Chuang Yi Biotech subsidiary. 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 2025. 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 2025. 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, 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 has a fair trade certification label, it means that the source of the raw materials has been audited by an international fair trade certification organization. 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> | | | |
|  | | | | |
|  | | | | |

| Item | implementation status | | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|---|----|---|
| | Yes | No | |
| S: Social responsibility | | | |
| Implementation content | | | |
|  Sustainable Development Goals (SDGs) of the United Nations | <p>Public fundraising: Supporting senior employment and economic independence: Through procurement and charity sales, the Company directly supports the operations of the Old Five Old Foundation and enables seniors to realize their self-worth:</p> <ul style="list-style-type: none"> Sweet fermented rice gift box (early year): Launched the "Leopard Cat Rice Amazake Gift Box," with all 110 sets sold out. Total proceeds of NT\$44,000 were fully donated to the foundation. Dragon Boat Festival co-branded gift box: Procured 110 sets of handmade cookies produced by seniors, paired with Leopard Cat Rice crackers, supporting elderly craftsmanship and production. <p>Mid-Autumn Festival charity gift boxes (third wave): Launched the "Leopard Cat Rice Earth Gift Box" and "Blessings Companion Gift Box," with a total of 400 sets sold out. Charity proceeds of NT\$150,000 were donated in full to support the "Meals Delivery to Rural Areas Program," caring for elderly individuals living alone.</p> <p>Professional health education: Integration of core competencies with public welfare</p> <ul style="list-style-type: none"> Leveraging its pharmaceutical expertise, the Company organized the public health seminar "Cardiovascular Care – Protecting Every Heartbeat," attracting 181 participants. The seminar featured three experts—Dr. Chu Yu-Cheng from Far Eastern Memorial Hospital, Director Ma Wen-Ya from Cardinal Tien Hospital, and Director Chan Chao-Shun from Taipei Medical University Hospital—who provided accessible and in-depth education on "Multiple Complications of Hypertension," "Stratified Treatment of Hypertipidemia," and "Angina and Microvascular Disease." This initiative supports preventive medicine and promotes community health awareness. The Company places strong emphasis on employee health and provides benefits exceeding regulatory requirements. The Employee Welfare Committee arranges annual health checkups for employees. In 2025, agreements were signed with health check centers in northern, central, and southern Taiwan, allowing employees to undergo checkups at designated institutions within a specified period, with all costs covered by the Company. Employees' family members are also eligible to participate at preferential rates under the same program. Additionally, the Company and its Group organize numerous disease prevention training programs each year, which employees may freely attend. Participation rates increased from 58% in 2024 to 74% in 2025, representing a 16% improvement. The Company provides one free influenza vaccination for employees and subsidizes vaccinations for their family members. In 2025, a total of 100 cell-based vaccines and 13 adjuvanted vaccines were administered. | | |
|  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 ration (men to women) is 2 to 3. <p>The Company continues to foster a friendly workplace environment and strictly prevents workplace bullying and sexual harassment. There were no sexual harassment complaints in 2025.</p> | | |
|  8 誠實與 經濟發展 | <ul style="list-style-type: none"> In 2025, the Company commissioned a third-party professional organization to conduct an employee satisfaction survey. 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 | | Summary description | Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|---|----|---------------------|---|
| | Yes | No | | |
| 2024 Status of Sustainable Development Promotion | | | | |
| G: Corporate governance | | | | |
| Implementation content | | | | |
| Sustainable Development Goals (SDGs) of the United Nations  | I. Strategic Alliances and New Drug Portfolio Development to Build a Diversified Growth Engine <ul style="list-style-type: none"> Through targeted strategic partnerships and precise pipeline selection, the Company has successfully introduced multiple innovative therapies with strong market potential, spanning ophthalmology, rare diseases, and orthopedics. New blue ocean in ophthalmology: Entered into a strategic collaboration with Zhaoke Ophthalmology and successfully obtained the Taiwan market authorization for the innovative presbyopia treatment BCSA25, formally entering the ophthalmology therapeutic field. Commitment to rare diseases: Formed a partnership with Meta Yi Biotechnology to obtain Taiwan commercialization rights for ZTALMY®, an innovative treatment for CDKL5 deficiency disorder (CDD), continuing its commitment to rare disease patient care. | | | |
| | II. Advancing Precision Medicine and Elevating Research to the Global Stage TSH Biopharm achieved a major breakthrough in liquid biopsy technology, reinforcing its leadership in precision medicine. <ul style="list-style-type: none"> Technological breakthrough and international recognition: The “Cancer Liquid Biopsy-100 (body fluid)” technology overcame the limitations of conventional testing methods, increasing gene mutation detection rates from 73.7% to 85.3%. This innovation provides patients with a low-invasive, high-accuracy diagnostic solution and was published in the internationally recognized journal ESMO Open, highlighting Taiwan’s strong biotechnology R&D capabilities. Quality Seal Recognition: “Cancer Fluid Level-100 Liquid Section” immediately received the 2025 SNQ National Quality Seal (Medical Peripheral Services and Products/Precision Testing Kit category), demonstrating that our testing services met national standards for quality and clinical application. | | | |
|  | III. Expanding Global Footprint: Success in ASEAN and Macau Markets TSH Biopharm continues to expand internationally, with key products achieving strong results across Asian markets and advancing global commercialization. <ul style="list-style-type: none"> Expansion into Malaysia: Distribution rights for the antihypertensive drug “Amltrei” were officially granted in Malaysia, strengthening the Company’s ASEAN market presence. Deepening Macau market presence: Rheumatology and immunology drugs “LONINE” and “Lacoxa” successfully entered the Macau market in April and May, respectively. LONINE has commenced commercial shipment, while Lacoxa has obtained regulatory approval, further enhancing brand presence in the Greater China region. | | | |
| | IV. Recognition through Domestic and International ESG Awards and Leading Corporate Governance Performance While pursuing profitability, TSH Biopharm remains committed to sustainable development and high standards of corporate governance, receiving strong recognition both domestically and internationally. <ul style="list-style-type: none"> Corporate governance excellence: Ranked among the top 5% in the 11th TPEX Corporate Governance Evaluation, demonstrating integrity and transparency in management. Sustainability achievements: <ul style="list-style-type: none"> Received dual honors at the 2025 AREA (Asia Responsible Enterprise Awards), including the “Social Empowerment Award” and the “Green Leadership Award,” elevating Taiwan’s sustainability impact across Asia. Awarded the Silver Award in the Healthcare Category II of the Sustainability Report Award at the 18th TCSA (Taiwan Corporate Sustainability Awards) in 2025, recognizing excellence in information disclosure and sustainability strategy. The 2024 Sustainability Report obtained third-party assurance from Afhor Asia, Ltd. in 2025. In 2025, a total of 52 employees completed training and assessments on ethical business conduct, code of ethics, insider trading prevention, and personal data protection. The Company officially joined the “2025 TALENT, in Taiwan Sustainable Talent Action Alliance” and obtained the Talent in Taiwan certification mark. In 2025, the Company strengthened information security awareness by conducting: <ol style="list-style-type: none"> Vulnerability scanning and validation; and Social engineering simulation exercises. | | | |

2. Implementation of Climate-Related Information

| Item | implementation status | | |
|---|---|---|--|
| <p>1. Explain the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.</p> | <p>The Company established the Sustainable Development Committee on August 4, 2022. The corporate governance officer serves as the executive secretary, and the Finance Department leads operating units to form an ESG functional team. The Board of Directors serves as the highest governing body for sustainable development, supervising the formulation of the Company's sustainable management strategies and objectives and providing guidance. The Sustainable Development Committee is responsible for formulating sustainable development policies and strategic directions, and the ESG functional team plans and implements annual sustainable development plans. Members of the Sustainable Development Committee report progress to the Board of Directors on a regular basis, while tracking and managing various sustainability performance indicators. This enables the Board of Directors to effectively oversee the Company's climate risk management and implementation effectiveness. The Board of Directors may also provide improvement or implementation recommendations at any time to guide and supervise the Company's climate risk management.</p> | | |
| <p>2. Explain how identified climate risks and opportunities affect the enterprise's operations, strategy, and finances (short, medium, and long term).</p> | <p>The Company assesses the potential operational and financial impacts arising from climate-related risks and opportunities in order to plan appropriate actions in response to such risks and opportunities. The Company categorizes climate risks and opportunities into short-, medium-, and long-term horizons, defined as within 3 years for short-term, 5 years for medium-term, and over 10 years for long-term. Upon identifying climate risks, the Company actively formulates corresponding strategies, with the aim of reducing the operational and financial impacts of climate change and enhancing business opportunities.</p> | | |
| (1) Climate Change Risk Identification and Response Measures | | | |
| Risk Identification and Response Measures | | | |
| Risk Category | | Risk Impacts | |
| Policy and Regulatory Risks | | 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. | |
| Market Risks | | 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. | |
| Transition risks | | | |
| Policy and Regulatory Risks | | To reduce carbon fee costs and respond to total emissions control, the Company has established greenhouse gas reduction targets and adjusts operational strategies on a rolling basis in accordance with performance results. | |
| Market Risks | | <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. <ul style="list-style-type: none"> ● Inventory Management <ol style="list-style-type: none"> 1. Appropriately increase inventory of critical raw materials to address risks of unstable supply. An increase in safety stock levels leads to a corresponding rise in carrying costs. Based on the year-end inventory of approximately NT\$99,540 thousand in 2025, every 1% increase in inventory volume will result in an additional inventory cost of approximately NT\$995.4 thousand. 2. Establish a supply chain risk early warning mechanism to respond promptly to unexpected situations such as supply chain disruptions. | |
| Goodwill Risks | | <ol style="list-style-type: none"> 1. Climate change is closely linked to how customers and the community perceive the Company's commitment to a low-carbon transition. | |
| <ol style="list-style-type: none"> 1. Develop eco-friendly products and services, continuously improve internal waste recycling and reuse rates, and organize environmental sustainability outreach activities for the public. | | | |

| Item | implementation status | | |
|---|--|--|--|
| Risk Category | Risk Impacts | Response Measures | |
| Immediate Risks Physical risks | Climate change may lead to the following 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. | <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. ● Supply Chain Diversification 1. Seek API manufacturing cooperation from neighboring countries or Taiwanese companies to reduce the risk of supply chain disruption. 2. Establish multiple supply sources to diversify supply chain risks. ● Inventory Strategy Adjustments Appropriately increase inventory of critical raw materials to cope with unexpected situations such as supply chain disruptions. | |
| Long-term Risks | Long-term shifts in global climate patterns, such as persistent high temperatures, may lead to rising sea levels or prolonged heatwaves, resulting in increased operating costs. | <ul style="list-style-type: none"> 1. Strengthening Cold Chain Monitoring Long-term high temperatures increase the risks associated with pharmaceutical transportation. Response measures include the deployment of high-performance constant-temperature equipment and advanced temperature control systems. 2. Logistics Center Site Selection When selecting locations for logistics centers, the Company avoids low-lying areas prone to flooding from sea-level rise or regions highly susceptible to windstorms and natural disasters. 3. Energy Conservation and Low-Carbon Operations The Company introduces energy-saving and high-efficiency lighting equipment to mitigate the risk of skyrocketing office air-conditioning costs caused by external high temperatures. Furthermore, we drive digital transformation by utilizing cloud collaboration to reduce business travel and paper-based processes, thereby decreasing the overall operational demand for physical energy. | |
| (2) Climate Change Opportunities and Response Measures | | | |
| <ul style="list-style-type: none"> ● Increased market demand: As consumer demand for eco-friendly and low-carbon products increases, enterprises can switch to using green packaging materials. ● Industrial Upgrade: Climate change prompts enterprises to upgrade, such as introducing energy-saving equipment, 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. | Opportunity description | Response Measures <ul style="list-style-type: none"> ● Product greening 1. Gradually adopt renewable or recycled packaging materials to reduce carbon emissions throughout the product life cycle. 2. Develop low-carbon packaging to meet customers' environmental needs. ● Supply chain greening 1. Advocate for green procurement, requiring suppliers to adopt environmentally friendly, low-carbon production methods. 2. Collaborate with suppliers to jointly 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. | |

| Item | implementation status |
|--|--|
| 3. Explain the financial impacts of extreme climate events and transition 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 supplier production or transportation, thereby affecting product manufacturing processes, shipment schedules, and supply stability; it may also result in increased raw material prices and higher production costs.</p> <p>The Company's transition actions primarily focus on supplier and inventory management. These include establishing second-source suppliers for specific key raw materials to diversify supply risks; evaluating suppliers' carbon emissions management performance and requiring suppliers to implement carbon reduction measures; incorporating suppliers' climate change risks into evaluation criteria, such as drainage and emergency power supply, and regularly assessing their climate risk management performance; appropriately increasing inventory of key raw materials to address supply instability risks.</p> <p>The Board of Directors serves as the highest decision-making body for risk management, responsible for approving the Company's risk management policies and framework, ensuring alignment between operational strategies and risk management policies, ensuring the effective operation of risk management mechanisms, and allocating and assigning adequate and appropriate resources. To enhance risk assessment and strengthen management functions, the Board of Directors resolved on October 30, 2020 to establish a risk management organization, which serves as the responsible unit for executing risk management. The General Manager serves as the convener and reports annually to the Audit Committee and the Board of Directors. Each unit is responsible for risk identification and risk measurement, assessing the likelihood and impact of risks, and proposing response measures upon identifying risks within their respective operations. Relevant information is submitted to the risk management organization, and the ESG Functional Task Force is responsible for identifying climate-related risks and opportunities material to the Company's operations. The risk management organization reviews whether the Company has adopted appropriate response measures for the risks it faces, to ensure that risks are controlled within acceptable levels.</p> <p>The Company has not yet used scenario analysis to assess its resilience to climate change risks.</p> |
| 4. Explain how the identification, assessment, and management of climate risks are integrated into the overall risk management system. | <p>Based on transition risk identification, the Company will formulate a transition plan and set specific metrics and targets for managing physical and transition risks. Detailed information, including the established metrics, is provided on pages 62–63 of this annual report.</p> |
| 5. If scenario analysis is used to assess resilience to climate risks, explain the scenarios used, parameters, assumptions, analytical factors, and major financial impacts. | <p>The Company has not yet used internal carbon pricing as a planning tool.</p> |
| 6. If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and targets used to identify and manage physical and transition risks. | <p>The Company is committed to promoting energy conservation and environmental protection measures and supporting government policies on energy conservation and carbon reduction. The scope of greenhouse gas emissions covers Scope 1 and Scope 2 emissions of the Company's offices in Taipei, Taichung, and Kaohsiung. Based on 2023 as the baseline year, The greenhouse gas emission reduction target is to reduce per capita carbon emissions (Total of Scope 1 and Scope 2) by 0.5% annually. The Company will continue to assess climate-related threats and plan proactively, with the ultimate goal of achieving carbon neutrality by 2050 in accordance with national policies. (The greenhouse gas inventory data for 2025 will be disclosed in the Company's sustainability report.)</p> <p>The Company has not used carbon offsets or Renewable Energy Certificates (RECs) to achieve the relevant targets.</p> |
| 7. If internal carbon pricing is used as a planning tool, disclose the basis for pricing. | |
| 8. If climate-related targets are set, disclose the activities covered, GHG emissions scopes, planned timeline, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used, disclose the source and quantity of carbon offsets or number of RECs. | |

| Item | implementation status | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------------|------|-------------|---|--------|--------|---|---------|---------|--|---------|---------|---|---------|----------|---|---------|---------|---|-------|-------|--|--------|--------|
| <p>9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans.</p> | <p>Greenhouse gas inventory and assurance of the Company for the most recent two years</p> <ul style="list-style-type: none"> Greenhouse gas inventory information <p>The Company is a TPEX-listed company with paid-in capital of less than NT\$5 billion. In accordance with the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies,” it falls under the third-stage implementation schedule and is required to disclose greenhouse gas inventory information in 2026 and assurance status in 2028. However, in response to international trends, the Company conducted its first greenhouse gas inventory and quantification in 2023 in accordance with ISO 14064-1:2018 and disclosed the results in its sustainability report. The Company does not have manufacturing plants or R&D laboratories, and all products are outsourced for manufacturing. Its operating locations are primarily office-based activities. The greenhouse gas emissions for the most recent two years are as follows:</p> <table border="1" data-bbox="389 344 635 1218"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025 (Note)</th> </tr> </thead> <tbody> <tr> <td>Category 1 (metric tons CO₂e/year)</td> <td>1,1049</td> <td>0,6082</td> </tr> <tr> <td>Category 2 (metric tons CO₂e/year)</td> <td>57,5578</td> <td>61,2420</td> </tr> <tr> <td>Category 1 + Category 2 (metric tons CO₂e/year)</td> <td>58,6627</td> <td>61,8502</td> </tr> <tr> <td>Category 3 (metric tons CO₂e/year)</td> <td>87,7344</td> <td>105,3873</td> </tr> <tr> <td>Category 4 (metric tons CO₂e/year)</td> <td>12,0172</td> <td>14,5048</td> </tr> <tr> <td>Individual operating revenue (unit: NT\$ million)</td> <td>628.5</td> <td>656.9</td> </tr> <tr> <td>Total greenhouse gas emission intensity for categories 1 and 2 (tons of CO₂e per unit of revenue)</td> <td>0.0933</td> <td>0.0942</td> </tr> </tbody> </table> <p>Note: As of the date of printing of this Annual Report, greenhouse gas emissions data are still under verification.</p> <p>Greenhouse gas reduction targets, strategies, and specific action plans</p> <ul style="list-style-type: none"> Reduction Target: <ul style="list-style-type: none"> Using 2023 as the base year, the target is to reduce per capita greenhouse gas (GHG) emissions by 0.5% annually. We will continuously review and adjust our targets based on climate threats and align with national policies to ultimately achieve the 2050 carbon neutrality goal. (2025 GHG inventory data will be disclosed in the TSH Sustainability Report.) Strategy: <ol style="list-style-type: none"> Use energy-efficient office equipment with "Energy Label" certification to save electricity and reduce carbon dioxide emissions. Drive digital transformation to decrease energy demand from physical operations. Conduct GHG inventories for Scope 3 in stages to ensure comprehensive coverage. Evaluate the feasibility of renewable energy (green power) procurement. Specific Actions: <p>Due to our business model, the Company only operates offices and has no self-owned manufacturing plants or laboratories. Direct emissions (Scope 1) primarily result from fugitive refrigerant emissions from equipment such as refrigerators. Indirect energy emissions (Scope 2) consist mainly of purchased electricity. Other indirect emissions (Scope 3) primarily stem from upstream and downstream transportation, employee commuting, and business travel. Key specific actions include:</p> <ol style="list-style-type: none"> Replacing old equipment with energy-saving models. Launching a core system upgrade project to migrate the ERP system to a cloud-based platform. This is expected to go live by the end of 2026, reducing power consumption and carbon emissions from IT hardware. The 2025 GHG inventory results are scheduled for their first external verification in April 2026. | Year | 2024 | 2025 (Note) | Category 1 (metric tons CO ₂ e/year) | 1,1049 | 0,6082 | Category 2 (metric tons CO ₂ e/year) | 57,5578 | 61,2420 | Category 1 + Category 2 (metric tons CO ₂ e/year) | 58,6627 | 61,8502 | Category 3 (metric tons CO ₂ e/year) | 87,7344 | 105,3873 | Category 4 (metric tons CO ₂ e/year) | 12,0172 | 14,5048 | Individual operating revenue (unit: NT\$ million) | 628.5 | 656.9 | Total greenhouse gas emission intensity for categories 1 and 2 (tons of CO ₂ e per unit of revenue) | 0.0933 | 0.0942 |
| Year | 2024 | 2025 (Note) | | | | | | | | | | | | | | | | | | | | | | | |
| Category 1 (metric tons CO ₂ e/year) | 1,1049 | 0,6082 | | | | | | | | | | | | | | | | | | | | | | | |
| Category 2 (metric tons CO ₂ e/year) | 57,5578 | 61,2420 | | | | | | | | | | | | | | | | | | | | | | | |
| Category 1 + Category 2 (metric tons CO ₂ e/year) | 58,6627 | 61,8502 | | | | | | | | | | | | | | | | | | | | | | | |
| Category 3 (metric tons CO ₂ e/year) | 87,7344 | 105,3873 | | | | | | | | | | | | | | | | | | | | | | | |
| Category 4 (metric tons CO ₂ e/year) | 12,0172 | 14,5048 | | | | | | | | | | | | | | | | | | | | | | | |
| Individual operating revenue (unit: NT\$ million) | 628.5 | 656.9 | | | | | | | | | | | | | | | | | | | | | | | |
| Total greenhouse gas emission intensity for categories 1 and 2 (tons of CO ₂ e per unit of revenue) | 0.0933 | 0.0942 | | | | | | | | | | | | | | | | | | | | | | | |

(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 | |
| <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 | | (I) No deviation. |
| <p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities 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?</p> | V | | (II) No deviation. |
| <p>(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?</p> | V | | (III) No deviation. |
| <p>II. The implementation of ethical corporate management</p> <p>(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?</p> | V | | (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) 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 | | (II) No deviation. 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 Reported on the implementation of 2025 to the Board on March 5, 2026: 1. Awareness session In December 2026, the legal unit conducted a 40-minute session on "Integrity Management, Insider Trading Prevention, and Personal Information Protection" for all employees. The session aimed to ensure employees understood the importance of integrity management and insider trading prevention, as well as compliance with the Personal Information Protection Act. All 52 participants completed an online test after the session. In addition, directors are reminded by letter not to trade the Company's shares 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report. 2. Report on the state of whistleblowing No complaints were received in 2025. 3. Prevention of conflicts of interest The Company requires directors, managerial officers, and their related parties to exercise a high degree of self-discipline and proactively disclose any potential conflicts of interest with the Company via meetings, written documents, email, or telephone. In all proposals discussed or put to vote at the Board of Directors meetings in 2025, directors voluntarily disclosed their related interests when matters involved their personal interests and recused themselves from voting. Such processes were recorded in the minutes of the Board of Directors meetings by the meeting affairs unit. The Company has established its "Ethical Corporate Management Operating Procedures and Code of Conduct" and "Whistleblowing System," which specify policies for preventing conflicts of interest and the channels for reporting such conflicts. In addition, to prevent conflicts of interest, directors, managerial officers, and their related parties are required to exercise a high degree of self-discipline and disclose, through meetings, written documents, email, or telephone, whether their interests conflict with those of the Company. For all proposals discussed or submitted for resolution at Board of Directors meetings in 2025, directors voluntarily disclosed their related interests in matters involving their personal interests and recused themselves from voting. Such processes were recorded in the minutes of the Board of Directors meetings by the meeting affairs unit. |
| (III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly? | V | | (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 | |
| (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. The Company has established effective accounting and internal control systems to ensure ethical management is practiced. Based on assessments of the risks of dishonest conduct, the audit department develops an annual audit plan and related procedures to verify compliance with these systems and reports the results to the Board of Directors. In addition, the Accounting Department and the Audit Office communicate with external auditors yearly regarding the accounting system and internal control system, and their implementation. In addition, through the annual internal control system self-assessment process, each unit within the Company must review the effectiveness of the design and implementation of its internal controls. |
| (V) Does the Company provide internal and external ethical conduct training programs on a regular basis? | V | | (V) No difference. Each year, the Company arranges internal education and awareness programs on ethical corporate management through the "Ethical Corporate Management Promotion Task Force." In December 2025, the legal unit conducted a 40-minute session on "Ethical Corporate Management, Prevention of Insider Trading, and Personal Data Protection Act Awareness" for all employees, to ensure that employees understand the importance of ethical corporate management, insider trading prevention, and compliance with personal data protection regulations. All participants completed an online assessment after the session, with a total of 52 participants. In addition, directors are arranged to attend external related courses. For details of directors' continuing education, please refer to page 34 of this annual report. |
| 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 | | (I) No deviation. The Company has established a "Whistleblowing System" (please refer to the Company's website). Depending on the subject of the report, the Internal Audit Office and the Ethical Corporate Management Promotion Task Force serve as the dedicated units responsible for handling whistleblowing matters. The Company provides reporting contact channels on its website, and ensures strict confidentiality of the whistleblower's identity and the content of the report. For personnel who violate ethical conduct, disciplinary actions, removal from office, or termination of employment shall be imposed in accordance with relevant laws and regulations or the Company's internal policies, depending on the severity of the circumstances; judicial procedures may also be pursued. <ul style="list-style-type: none"> Whistleblowing channel: <ul style="list-style-type: none"> Ethical Corporate Management Task Force Email: ethical@tshbiopharm.com Internal whistleblowing channel: <ul style="list-style-type: none"> Audit Officer Ying-Ju Wu Tel: 02-2655-8525 (ext. 5523) Email: Wallice_Wu@tshbiopharm.com Acceptance unit: <ul style="list-style-type: none"> The unit exclusively responsible for accepting the case includes the Ethical Corporate Management Task Force and the Head of the Audit Office. Reward rules: <ul style="list-style-type: none"> If a report is verified as true, the whistleblower will be rewarded in accordance with the Company's "Work Rules". |

| 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 | | (II) No deviation. 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): <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. Whistleblower file storage. |
| (III) Does the Company adopt proper measures to shield a whistleblower from retaliation for filing grievances? | V | | (III) No deviation. 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: <ul style="list-style-type: none"> • The Company undertakes to keep the identity of the informant confidential and not to take any improper or adverse action against the informant for reporting. • In the event of a whistleblower identity breach, the responsible unit shall investigate the circumstances of the exposure and take disciplinary action against the perpetrator in accordance with the Company's Work Rules. • Whistleblowing letters, transcripts, and other relevant documents shall be securely sealed and stored in the confidential archive designated to the accepting unit. Any breach of confidentiality shall be subject to disciplinary measures in accordance with 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. 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. | V | | No deviation. The Company has disclosed its Ethical Corporate Management Best-Practice Principles and the implementation results thereof on its website and the Market Observation Post System. |
| 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 material information sufficient to enhance understanding of the company's corporate governance operations. None.

(X) Implementation Status of the Internal Control System

1. Please refer to the MOPS (Corporate Governance -> Corporate Regulations/Internal Control -> Internal Control System Statement) for the Company's statement of internal control system. ◦
<https://mopsov.twse.com.tw/nas/cont06/c8432114011150310.pdf>
2. If a CPA is engaged to conduct a special review of the internal control system, the CPA's review report shall be disclosed: None.

(XI) Key resolutions of the Shareholders' Meeting and the Board of Directors in 2025 and up to the date of publication of the annual report, and their implementation status:

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

| Meeting title/date | Key resolutions | implementation status |
|--|---|---|
| Annual Shareholders' Meeting 2025/05/28 | 1. The Company's 2024 Business Report and Financial Statements. | Resolved and approved. |
| | 2. The Company's 2024 earnings distribution proposal. | Resolved and approved, and has been implemented in accordance with the resolution of the Shareholders' Meeting. June 22, 2025 was set as the ex-dividend record date, and July 11, 2025 as the distribution date (cash dividend of NT\$2.12 per share). |
| | 3. Proposal for amendment to the Company's "Articles of Incorporation." | Resolved and approved, and approved by the Taipei City Government on June 11, 2025 under official letter No. Fu Chan Shang Zi Di No. 11449970900. |

2. Important resolutions of the Board of Directors:

| Meeting title/date | Summary of important resolutions |
|----------------------------------|--|
| Board of Directors 2025/02/21 | <ol style="list-style-type: none"> 1. The Company's 2024 employees' and directors' remuneration distribution proposal. 2. The Company's 2024 Business Report and financial statements. 3. The Company's 2024 earnings distribution proposal. 4. Proposal for amendment to the Company's "Articles of Incorporation." 5. Proposal for the agenda, date, time, and venue of the Company's 2025 Annual General Meeting of Shareholders. 6. The Company's 2024 "Statement of Internal Control System." 7. Proposal for the Company to enter into an exclusive pharmaceutical licensing agreement with Company T. 8. Proposal for the Company to enter into a "Pharmaceutical Exclusive Distribution Agreement" with a related party. 9. Proposal for the Company to enter into a "Pharmaceutical Contract Manufacturing Agreement" with Company S. 10. Proposal for the Company to enter into a "Contract Manufacturing Agreement" with Company W. 11. Proposal for the Company to enter into a "Pharmaceutical Distribution Agreement" with a subsidiary. 12. Proposal for the Company to enter into an "Annual Commission Regional Distribution Agreement" with a subsidiary. 13. The Company's 2024 directors' remuneration distribution list. 14. The Company's 2024 employee bonus distribution proposal. 15. Proposal for salary adjustments for the Company's managerial officers in 2025. 16. Proposal for the 2025 bonus policy for the head of the Sales Division. 17. Proposal for the 2025 bonus policy for the head of the Corporate Development and R&D Division. 18. Proposal for the 2025 bonus policy for the head of the Marketing Division. |
| Board of Directors 2025/05/08 | <ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the first quarter of 2025. 2. Proposal for the Company to apply for a NT\$200 million credit facility from Cathay United Bank. |
| Board of Directors 2025/08/04 | <ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the second quarter of 2025. 2. The Company's 2024 CSR Report. 3. Proposal to amend the Company's "Operating Procedures for Handling Material Information and Prevention of Insider Trading." 4. Proposal for amendment to the Company's "Articles of Incorporation." 5. Proposal for the appointment of a new head of internal audit of the Company. |
| Board of Directors | <ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the third quarter of 2025. |

| Meeting title/date | Summary of important resolutions |
|---------------------------------|---|
| 2025/11/05 | <ol style="list-style-type: none"> 2. The Company's 2026 budget and operating plan. 3. Proposal to appoint KPMG as the Company's certifying CPA firm for 2026 and to approve related audit service fees. 4. Proposal regarding the pre-approved list of non-assurance services for 2026 and the related independence evaluation. 5. The Company's 2026 audit plan. 6. Proposed amendments to the Company's "Internal Control System – Other Management Systems," "Internal Control System – New Employee Cycle System," and "Internal Audit System." 7. Proposal to amend the Company's "Table of Internal Approval Authority." 8. Proposed amendments to the Company's "Sustainable Development Best Practice Principles." 9. Proposal for the Company to enter into a "Logistics Service Cooperation Agreement" with Company F. 10. Proposal for the disposal of the Company's pharmaceutical license. 11. Proposal for the Company to enter into an exclusive pharmaceutical licensing agreement with Company C. 12. Proposal for the Company to enter into an exclusive pharmaceutical licensing agreement with Company Z. 13. Proposal to amend the Company's "Managerial Officer Compensation Regulations." 14. Proposal for adjustment of the General Manager's transportation allowance. |
| Board of Directors 2026/03/5 | <ol style="list-style-type: none"> 1. The Company's 2025 employees' and directors' remuneration distribution proposal. 2. The Company's 2025 Business Report and financial statements. 3. The Company's 2025 earnings distribution proposal. 4. Comprehensive re-election of the Company's directors. 5. Proposal for the agenda, date, time, and venue of the Company's 2026 Annual General Meeting of Shareholders. 6. Proposal for the nomination of director (including independent director) candidates for the 2026 election. 7. Proposal to lift the non-competition restrictions on newly elected directors and their representatives. 8. Proposal for extension of the NT\$200 million credit facility with Cathay United Bank. 9. The Company's 2025 Internal Control System Statement. 10. Proposal for the Company to enter into a consulting services agreement with Company V. 11. Proposal for the Company to enter into a supplemental agreement to the exclusive pharmaceutical licensing agreement with Company S and to execute a separate supply agreement. 12. The Company's 2025 directors' remuneration distribution list. 13. The Company's 2025 employee bonus distribution proposal. 14. Proposal to report managerial officer promotions in accordance with the Company's "Performance Management Regulations" and "Table of Internal Approval Authority." 15. Proposal for salary adjustments for the Company's managerial officers in 2026. 16. Proposal for the 2026 bonus policy for the head of the Sales Division. 17. Proposal for the 2026 bonus policy for the head of the Corporate Development and R&D Division. 18. Proposal for the 2026 bonus policy for the head of the Marketing Division. |

(XII) During 2025 and up to the date of publication of the annual report, there were no instances where directors expressed dissenting opinions on material resolutions passed by the Board of Directors that were recorded or issued in writing.

IV. Information on CPA Fees

(I) Information on CPA Fees

Unit: NTD in thousands

| Name of accounting firm | Names of CPAs | Period covered by the CPA audit | Audit fees | Non audit fees | Total | Remarks |
|-------------------------|-----------------|---------------------------------|------------|----------------|-------|---------|
| KPMG Taiwan | Yi-Lien Han | 2025/01/01~2025/12/31 | 1,510 | 450 | 1,960 | — |
| | Hsin-Ting Huang | | | | | |

Note: The Company's non-audit fees include tax certification fees and a review of full-time employee salary information for non-managerial positions, totaling approximately NT\$450,000.

(II) Where the accounting firm has been changed and the audit fees paid in the year of change

are lower than those paid in the preceding year, the audit fee amounts before and after the change and the reasons shall be disclosed: Not applicable.

(III) Where audit fees have decreased by more than 10 percent compared to the preceding year, the amount, percentage, and reasons for the decrease shall be disclosed: Not applicable.

V. Information on the Replacement of CPAs: No CPAs were replaced in the last fiscal year.

VI. Where the company's Chairman, 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. Changes in share transfers and share pledges by directors, managerial officers, and shareholders holding more than 10% of the Company's shares during 2025 and up to the date of publication of this Annual Report. If the counterparty to any share transfer or share pledge is a related party, the name of such related party, its relationship with the Company, its directors, managerial officers, and shareholders holding more than 10% of the shares, as well as the number of shares acquired or pledged, shall be disclosed.

For the Company's 2025 and up to the date of this annual report's publication, please refer to the MOPS (Summary Report > Changes in Shareholding > Securities Issuance > Directors' and Supervisors' Shareholding Changes > Summary of Shareholding Changes by Directors, Supervisors, Managers, and Major Shareholders with Shareholding of 10% or More) for details regarding share transfers or pledges by directors, managers, and shareholders with more than 10% ownership.

VIII. Information on Whether the Top Ten Shareholders Are Related Parties, or Are Spouses or Relatives Within the Second Degree of Kinship

| Name | Shares held by the shareholder | | Shares held by spouse and minor children | | Shares held in aggregate under others' names | | For the top ten shareholders, where there exist relationships as defined under Statement of Financial Accounting Standards No. 6 for related parties, or relationships as spouses or relatives within the second degree of kinship, the names of such parties and the nature of the relationships shall be disclosed. | | 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: Ying-Chun Hsiao | 805,941 | 2.10 | 0 | 0 | 0 | 0 | None | None | - |

| | | | | | | | | | |
|---|---------|------|---|---|---|---|------|------|---|
| Ying-Chun Hsiao | 154,227 | 0.40 | 0 | 0 | 0 | 0 | None | None | - |
| Cheng, Hung-Lin | 430,000 | 1.12 | 0 | 0 | 0 | 0 | None | None | |
| Chang, Chao-Hsuan | 400,000 | 1.04 | 0 | 0 | 0 | 0 | None | None | |
| Microbio Co., Ltd. Representative: Hsian-Shou Kuo | 386,240 | 1.01 | 0 | 0 | 0 | 0 | None | None | - |
| Hsian-Shou Kuo | 0 | 0 | 0 | 0 | 0 | 0 | None | None | - |
| Jung-Chin Lin | 350,194 | 0.91 | 0 | 0 | 0 | 0 | None | None | - |
| Wen-Hsing Li | 306,000 | 0.80 | 0 | 0 | 0 | 0 | None | None | - |
| Shui-Tan Liu | 280,000 | 0.73 | 0 | 0 | 0 | 0 | None | None | - |
| Ying-Chang Liu | 279,300 | 0.73 | 0 | 0 | 0 | 0 | None | None | - |
| Ya-Chi Pan | 246,000 | 0.64 | 0 | 0 | 0 | 0 | None | None | - |

IX. The Number of Shares Held by the Company, Its Directors and Managers, and Enterprises Directly or Indirectly Controlled by the Company in the Same Investee Enterprise, and the Combined Shareholding Ratio.

Unit: Shares; %

| Reinvested business | The Company's investment | | Investment by the Directors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company | | Comprehensive 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 Pharm Co., Ltd. (Note) | 3,793,635 | 51.00 | 0 | 0 | 3,793,635 | 51.00 |
| TOP Biological Technology Company Limited (Note) | 0 | 0 | 0 | 0 | 0 | 0 |

Note: Effective January 1, 2025, Top Pharm Co., Ltd. absorbed and merged with TOP Biological Technology Company Limited, which was dissolved as a result of the merger. A total of 729,000 new shares were issued for the merger, of which the Company received 371,790 shares. In addition, Top Pharm Co., Ltd. distributed stock dividends, from which the Company received 1,264,545 shares.

Three. Status of Fundraising

I. Capital and shares

(I) Sources 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: Shares started to be traded on the OTC market on April 30, 2012.

Information on Shelf Registration: None.

(II) List of major shareholders

March 29, 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 |
| Cheng, Hung-Lin | | 430,000 | 1.12 |
| Chang, Chao-Hsuan | | 400,000 | 1.04 |
| Microbio Co., Ltd. | | 386,240 | 1.01 |
| Jung-Chin Lin | | 350,194 | 0.91 |
| Wen-Hsing Li | | 306,000 | 0.80 |
| Shui-Tan Liu | | 280,000 | 0.73 |
| Ying-Chang Liu | | 279,300 | 0.73 |
| Ya-Chi Pan | | 246,000 | 0.64 |

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

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

The Company's dividend policy is handled in accordance with the Company Act and the Company's Articles of Incorporation to ensure the normal operation of the Company and protect 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 has profits for the year, 2% to 8% shall be appropriated as employee remuneration, to be distributed in shares or cash as resolved by the Board of Directors. The recipients may include employees of controlled or subordinate companies meeting certain conditions. The Company may appropriate not more than 2% of the aforesaid profits as directors' remuneration, which shall be paid only in cash. The proposal for distribution of employee remuneration and directors' remuneration shall be reported to the shareholders' meeting. However, where the Company still has accumulated losses, an amount shall first be reserved for offsetting such losses, and then employee remuneration and directors' remuneration shall be appropriated in accordance with the ratio set forth in the preceding paragraph. Of the employee remuneration referred to in Paragraph 1, not less than 0.05% shall be appropriated to non-managerial employees.
- (2) If there is a surplus in the Company's annual final accounts, taxes shall be paid in accordance with the law and accumulated losses shall be offset. Thereafter, 10% shall be appropriated as legal reserve; however, when the legal reserve has reached the Company's paid-in capital, no further appropriation is required. The remaining amount shall then be appropriated or reversed as special reserve in accordance with laws and regulations. If there is any remaining balance, it shall be combined with accumulated undistributed earnings, and the Board of Directors shall prepare an earnings distribution proposal to be submitted to the shareholders' meeting for resolution on the distribution of remuneration.
- (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. 2025 Dividend Distribution (distribution of 2024 earnings):

| Type of dividend | Dividend per share determined by the Shareholders' Meeting (NT\$) | Amount actually distributed | Source |
|------------------|---|-----------------------------|------------------------|
| Cash dividends | 2.12 | 81,404,057 | Distributable earnings |
| Total | 2.12 | 81,404,057 | — |

3. Dividend distribution proposed at the 2026 annual shareholder meeting (distribution of 2025 profits):

The Company's proposed dividend distribution for 2026 (reviewed and approved by the Audit Committee on March 5, 2026, and proposed by the Board of Directors)

| Type of dividend | Amount distributed to each share (NT\$) | Amount | Source |
|------------------|---|-------------|------------------------|
| Cash dividends | 2.61 | 100,219,145 | Distributable earnings |
| Total | 2.61 | 100,219,145 | — |

(IV) Impact of the proposed bonus share distribution for the current year on the Company's 2026 operating performance and earnings per share: Not applicable.

(V) Employee and director remuneration:

- 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 proposal for distribution of employee remuneration and directors' remuneration shall be reported to the shareholders' meeting. Of the employee remuneration mentioned above, no less than 0.05% shall be allocated to non-managerial employees.
- 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 Company's Board of Directors approved the distribution of employee and director remuneration for 2025 on March 5, 2026. The aforesaid remuneration is calculated based on the Company's profit before tax for the year, prior to deduction of employee and director remuneration, at appropriation rates of 2.00% (including 0.05% for non-managerial employees) and 1.10% in accordance with the Company's Articles of Incorporation, and has been recognized as operating expenses for 2025.
 - (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) Where the amount of employee remuneration and director remuneration distributed in cash or shares as resolved by the Board of Directors differs from the estimated amount recognized for the expense year, the difference, reasons, and treatment shall be disclosed: On March 5, 2026, the Board of Directors resolved to distribute employee remuneration in cash of NT\$3,609 thousand, employee remuneration in shares of NT\$0, and director remuneration of NT\$1,985 thousand. There was no difference between the distributed amounts and the estimated amounts recognized for the expense year.
 - (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. Actual distribution of employee and director remuneration for 2025 (including number of shares, amount, and share price), and explanation of any differences from the recognized employee and director remuneration: No difference.

(VI) Status of Repurchase of the Company's Shares: None.

II. Issuance of corporate bonds, preferred shares, overseas depository receipts, employee stock options, and restricted stock options

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

(II) Issuance of preferred shares: None.

(III) Status of participation in the issuance of global depository receipts: None.

(IV) Employee stock option certificates issued:

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) Status of Restricted Shares Issued to Employees:

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. Status of Issuance of New Shares in Connection with Mergers and Acquisitions or Transfer of Shares of Other Companies

(I) Evaluation opinions issued by the lead securities underwriter regarding the issuance of new shares in connection with mergers or acquisitions, or acquisition of shares of another company, for the most recent quarter: None.

(II) Except for the circumstances described in the preceding subparagraph, the implementation status for the most recent quarter shall be disclosed. Where the execution progress or benefits have not achieved the expected targets, a specific explanation of the impact on shareholders' equity and corresponding improvement plans shall be provided: None.

(III) Where the Board of Directors has, during the most recent fiscal year and up to the date of publication of the annual report, resolved to conduct a merger or acquisition, or to acquire shares of another company through the issuance of new shares, the implementation status and basic information of the merged or acquired company shall be disclosed. For mergers or acquisitions, or acquisition of shares of another company through the issuance of new shares that are in progress, the implementation status and the impact on shareholders' equity shall be disclosed: None.

IV. Status of Implementation of Capital Utilization 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. Operation overview

I. Scope of business

(I) Business Scope

1. The Company's main business activities
 - (1) C199990 Manufacture of Other Food Products Not Elsewhere Classified
 - (2) C802060 Veterinary Drug Manufacturing
 - (3) F102170 Wholesale of Foods and Groceries
 - (4) F108021 Wholesale of Western Pharmaceutical
 - (5) F108031 Wholesale of Medical Devices
 - (6) F108021 Retail Sale of Western Pharmaceutical
 - (7) F208031 Retail of Medical Devices
 - (8) F401010 International Trade
 - (9) F601010 Intellectual Property Rights
 - (10) IC01010 Medicine Inspection
 - (11) IG01010 Biotechnology Services
 - (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

| Item \ Year | 2024 | | 2025 | |
|----------------------------------|-----------|-----------------------|-----------|-----------------------|
| | Amount | Revenue Breakdown (%) | Amount | Revenue Breakdown (%) |
| Pharmaceuticals and health foods | 838,211 | 75.13 | 986,225 | 73.79 |
| Vaccines | 180,220 | 16.15 | 277,940 | 20.80 |
| Testing | 44,734 | 4.01 | 59,522 | 4.45 |
| Service revenue | 52,551 | 4.71 | 12,836 | 0.96 |
| Total | 1,115,716 | 100.00 | 1,336,523 | 100.00 |

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

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

Drugs – main products and their important uses

| Item | Key usages | Representative product |
|------------------------------|--|------------------------|
| Cardiovascular drugs | Hypertension | Amtrel |
| Cardiovascular drugs | Arrhythmia | Rhynorm |
| Cardiovascular drugs | To reduce blood lipids | Linicor, Cretrol |
| Cardiovascular drugs | Angina pectoris | Rancad, Isormol |
| Cardiovascular drugs | Platelet aggregation inhibitor | Licodin |
| Cardiovascular drugs | Improvement in symptoms of peripheral arterial occlusive disease | Alprosm |
| Gastrointestinal drugs | Discomfort caused by abnormal peristaltic function of digestive organs | Mopride |
| Central nervous system drugs | Epilepsy | Aleviatin |

| | | |
|------------------|----------------------|-----------|
| Ophthalmologist | Dry eye syndrome | Tyrvaya |
| Orthopedic drugs | Osteoporosis | Kauliv |
| Orthopedic drugs | Osteoarthritis | Lonine |
| Orthopedic drugs | Rheumatoid arthritis | Lacoxa SR |

Precision Medical Testing – Main Products and Their Key Applications

| Testing technology | Testing subject and target | Test item (Chinese/English name) | |
|-----------------------------|---|--|-----------------------------|
| ddPCR | 11 genes are analyzed to determine suitable medication for lung cancer patients. | Lung diagnostics (tissue) | Lung Cancer Panel |
| CtDNA (NGS sequencing) | Patients with solid tumors; analysis of 192 genes + MSI to identify appropriate targeted or immunotherapies, enable early treatment intervention, and expand clinical trial options. | Precise Cancer Testing (blood) | Alphaliquid 100 (blood) |
| DNA (NGS sequencing) | Patients with solid tumors; analysis of 192 genes + MSI to identify appropriate targeted or immunotherapies, enable early treatment intervention, and expand clinical trial options. | Cancer Checkup (tissue) | Alphasolid 100 |
| CtDNA (NGS sequencing) | Patients with solid tumors; analysis of 192 genes + MSI to identify appropriate targeted or immunotherapies, enable early treatment intervention, and expand clinical trial options. | Precise Cancer Testing (body fluid) | Alphaliquid 100(body fluid) |
| CtDNA (NGS sequencing) | Patients with solid tumors; analysis of 19 genes to identify appropriate targets, obtain early treatment opportunities, and increase options for clinical trial medications. | Precise Cancer Testing (HRR) | Alphaliquid HRR |
| CtDNA (NGS sequencing) | Patients with solid tumors; analysis of cancer-related genes in patients who have completed or are undergoing treatment to track or monitor disease progression. | Cancer Tracking | Cancer Detect |
| DNA (NGS sequencing) | Patients with solid tumors; whole genome sequencing of cancer in patients who have completed or are undergoing treatment, serving as a baseline for tracking or monitoring disease progression. | Cancer Precision WES | Cancer profiler |
| CtDNA (NGS sequencing) | Patients with solid tumors; analysis of 25 genes to identify appropriate targets, obtain early treatment opportunities, and increase options for clinical trial medications. | Precise Cancer Testing – Breast Cancer | Alphaliquid Breast Cancer |
| RNA (NGS sequencing) | Early-stage breast cancer patients; analysis of 179 genes to assess the 10-year recurrence risk. | Ankangfu | OncoFREE |
| Multiomics (NGS sequencing) | Screening for the risk of 12 types of cancers by detecting multiple tumor cell mutation signals in blood | Cancer Liquid Screening | CancerFind |

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) In the first quarter of 2024, approval was obtained for an osteoporosis drug, and an application for National Health Insurance reimbursement pricing was submitted.
- (3) In the fourth quarter of 2024, TSH obtained marketing authorization for the ophthalmic dry eye disease drug Tyrvaya.

- (4) In 2025, a licensing agreement was executed to obtain a new drug for presbyopia, and regulatory submission for marketing authorization in Taiwan was initiated.
- (5) In alignment with new drug research and development and the expansion of marketing channels, the team actively initiated the global marketing of the Company's products that have been launched and are to be launched in Taiwan. Following Amtrel obtaining approvals in Thailand and Myanmar, Amtrel obtained marketing authorization in Malaysia in June 2024. In addition to Amtrel obtaining approvals in the aforementioned three countries and Rhynorm obtaining approval in Hong Kong, multiple pharmaceutical approvals in Macau, including Linicor and Lacoza, were also obtained in 2025. TSH will continue to pursue overseas regulatory submissions and approvals in the future to expand its presence in the Southeast Asian market.
- (6) TSH is committed to pharmaceutical development, focusing on fields such as cardiovascular and autoimmune diseases, and developing high-barrier, patentable new drugs. In 2023, development in the new specialty area of ophthalmic diseases was initiated. In the future, the Company will continue to develop international partnerships and therapeutic solutions across various specialties, providing physicians with a portfolio of medical products to enhance patients' quality of life.

(II) Industry overview

1. Current state and development of the pharmaceutical industry

The pharmaceutical industry is an industry characterized by high technology, high value-added, low pollution, low energy consumption, and long development and life cycles. 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 accelerated technological research and development and cross-disciplinary integration in the biotechnology and pharmaceutical industry, including promoting nucleic acid vaccine manufacturing and mass production technologies, the development and adoption of digital healthcare technologies such as artificial intelligence, big data analytics, and the Internet of Things in digital medicine and geotechnology, as well as the advancement of precision medicine from disease treatment toward prevention and prediction, thereby establishing a new generation of personalized healthcare.

As global healthcare systems gradually returned to balance following the COVID-19 pandemic, the biopharmaceutical industry reached a record high level of new drug approvals in 2023, and investment amounts and the number of new drug approvals have returned to pre-COVID-19 levels. According to research reports, research and development expenditures in 2023 increased by more than 20% compared to the previous year. In addition, the extreme conditions during the pandemic accelerated technological and innovative progress, and these developments are being reflected in new drug pipelines across global companies.

The influence of artificial intelligence on the pharmaceutical industry has continued to expand in recent years. As artificial intelligence enables rapid processing and analysis of large-scale data, accelerates compound screening, and assists in the design of drug candidate molecules, the drug research and development process is expected to be significantly shortened, and the time and

cost structure of the preclinical stage will also be optimized. Pharmaceutical and biotechnology companies with mature artificial intelligence capabilities are expected to gain structural advantages in research and development efficiency and competitiveness compared to peers adopting traditional methods.

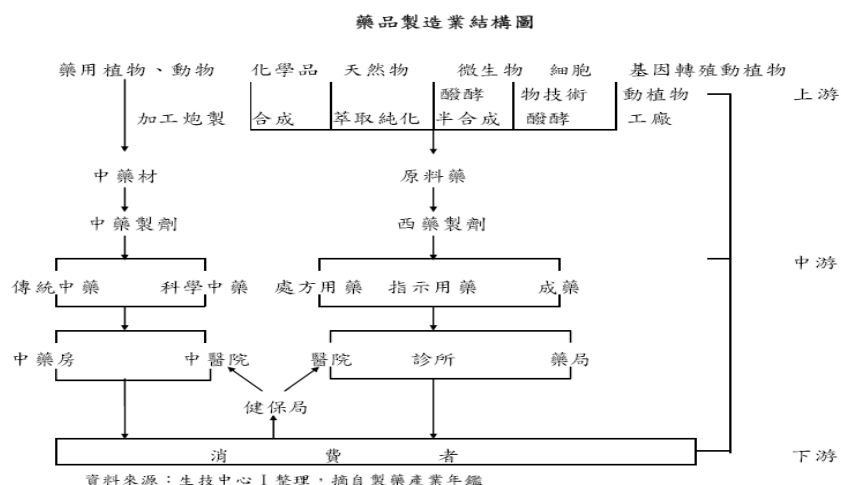
Below are the prospects for global pharmaceutical industry:

- (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. At the same time, international regulations regarding drug safety have been enhanced concurrently; for example, ICH Q3D evaluates and manages the risks of elemental impurities in pharmaceutical products, and countries have proposed corresponding risk management and assessment measures for risks arising from active pharmaceutical ingredients, such as the carcinogenic risk of nitrosamines (Nitrosamine). Corresponding investments in the pharmaceutical industry, both prior to and following drug commercialization, have increased significantly to meet global ESG and sustainable development objectives across industries.
- (2) Europe and the United States have both enacted legislations to encourage the development of innovative drugs; under competitive pressure, more pharmaceutical companies are adopting niche drug development strategies, marketing niche products in different markets or focusing research and development on specific disease areas to enhance drug value. In recent years, the proportion of orphan drugs among newly approved drugs in the United States has reached a certain level, which serves as evidence of this trend. According to third-party reports, nearly 2,000 projects are under development for non-oncological rare diseases, among which central nervous system rare diseases account for the highest proportion. However, compared to other types of diseases, although the number of patients considered in rare disease treatment development is smaller and the requirements for clinical trial data are relatively lower, the success rate of bringing such treatments to market after statistical analysis is lower than that of general therapies.
- (3) China's pharmaceutical regulations are actively aligning with international standards and are gradually becoming a global center for new drug development. In 2025, multiple new drug projects developed in China were licensed to international pharmaceutical companies. The global competitive trend in the pharmaceutical industry has gradually formed a global pharmaceutical network encompassing regulations, markets, supply chains, and marketing. However, under the highly uncertain circumstances of U.S. tariff policies in 2025, the global pharmaceutical industry has been significantly affected in both research and development and sales. How companies utilize global resources and differentiate their roles within the industrial supply chain will contribute to their future development.

2. Relevance of the pharmaceutical industry and recent risks

The structure of the pharmaceutical manufacturing industry can be divided into upstream, midstream, and downstream segments; the upstream and midstream involve the sourcing and manufacturing of raw materials (active pharmaceutical ingredients), while the downstream

involves the manufacturing of pharmaceutical formulations and various sales channels. 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 is shown in the diagram below:



| 中文 | 英文 |
|-------------------------|---|
| 藥品製造業結構圖 | Structure of the Pharmaceutical Manufacturing Industry |
| 藥用植物、動物 | Medicinal plants and animals |
| 加工炮製 | Processing |
| 化學品合成 | Chemical synthesis |
| 天然物萃取純化 | Extraction and purification of natural products |
| 微生物發酵半合成 | Microbial fermentation and semi-synthesis |
| 細胞技術發酵 | Cell technology fermentation |
| 基因轉殖動植物 | Gene transplanted animals and plants |
| 動植物工廠 | Plant and animal factories |
| 原料藥 | APIs |
| 西藥製劑 | Finished dosage form of western medicine |
| 中藥材 | Chinese herbal medicines |
| 中藥製劑 | Finished dosage form of Chinese herbal medicine |
| 傳統中藥 | Traditional Chinese herbal medicine |
| 科學中藥 | Scientific Chinese herbal medicine |
| 處方用藥 | Prescription drugs |
| 指示用藥 | Over-the-counter drugs requiring instructions from doctors or pharmacists |
| 成藥 | OTC drugs |
| 中藥房 | Chinese herbal medicine pharmacy |
| 中醫院 | Chinese herbal medicine hospital |
| 醫院 | Hospital |
| 診所 | Clinic |
| 藥局 | Pharmacy |
| 健保局 | Bureau of National Health Insurance |
| 消費者 | Consumer |
| 資料來源：生技中心 I 整理，摘自製藥產業年鑑 | Source: Compiled by the Biotechnology Center I, excerpted from the Pharmaceutical Industry Yearbook |
| 上游 | Upstream |
| 中游 | Midstream |
| 下游 | Downstream |

Upstream: A stage in which raw materials are prepared for pharmaceutical processing. Pharmaceutical raw materials include general chemicals, natural plants, animals, minerals, microbial strains, and related tissue cells, among which general chemicals

account for the majority. The upstream of traditional Chinese medicine is mainly Chinese medicines, which are composed of raw materials, mainly plants and a small part of animals and minerals. Thanks to advancing biotechnology, scientists have successfully created some transgenic animals and plants by means of gene transfer. Therefore, in the future, plants can be cultivated and animals raised to produce drugs. This is a major 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: Drug shortages caused by COVID-19 have created the risk of supply chain disruption across the upstream, midstream, and downstream segments of the pharmaceutical industry. In the future, supply chain management and risk control will inevitably become critical components of the pharmaceutical industry, thereby affecting the Company's operations within the supply chain. In addition, recent U.S. tariff and pharmaceutical pricing policies will also affect the planning of supply chain production bases, as well as investment in and development of research and development.

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 recent years, GLP-1 drugs originally used for the treatment of diabetes have also been applied to the treatment of obesity, generating both revenue and market attention.
- (2) In terms of research and development, oncology and central nervous system diseases remain the most active disease areas. According to a third-party industry research report, the numbers of research and development projects in these two areas accounted for 38% and 11%, respectively, of total projects. In addition, ophthalmic and otologic diseases are the disease areas with the fastest growth in the number of research and development projects. Vaccine projects are also developing vigorously, especially those focusing on COVID-19 and influenza, which have increased at an annual growth rate of 14% over the past few years.

- (3) 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 clinical value of this type of combination drug was primarily focused on improving patient compliance; however, in recent years, due to the slowing pace of development of new active ingredients, such products have also become a key focus for the development of new indications. In addition, lipid-lowering drugs are also a key segment of cardiovascular pharmaceuticals, and an increasing number of new drugs are focusing on this related indication. How to alleviate the burden on the National Health Insurance system and thereby create further reimbursement capacity for new drugs will also be a trend to which the National Health Insurance market must respond.
- (4) In recent years, GLP-1 drugs originally used for the treatment of diabetes have triggered a global wave of interest after the addition of obesity treatment indications. In addition to intense competition among drugs with the same mechanism of action, there is also competition between different dosage forms, including oral and injectable formulations. This type of drug is fundamentally reshaping the cardiovascular pharmaceutical market landscape. It is not only an expansion of the weight-loss drug market, but also a shift from “symptomatic treatment” to “multiple metabolic and risk management.” GLP-1 drugs do not unidirectionally replace existing treatments, but rather create a complex combination of competition and concomitant use. In the short term, the impact on sales of cardiovascular drugs may cause a slowdown in demand growth for some older drugs that rely on symptom control, but in the long term, it may create a cardiovascular prevention market based on “metabolic improvement.”
- (5) Many other autoimmune medications, such as those for lupus erythematosus and Alzheimer’s disease, can only treat symptoms and are unable to effectively treat the diseases themselves; therefore, substantial unmet medical needs remain. This is also a key area of related market development.

4. Drug competition

According to statistics from the Taiwan Pharmaceutical Manufacturers Association, due to the small domestic market, the large number of pharmaceutical manufacturers, and the fact that most are small-scale manufacturers, it is difficult for individual manufacturers to compete with large international pharmaceutical companies. There were 142 Western pharmaceutical preparation manufacturers that had passed PIC/S GMP standards (statistics as of the end of April 2023).

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. TSH also successfully launched Cretrol in 2021 and officially obtained National Health Insurance reimbursement in November 2022, achieving excellent results 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 cooperates with multiple domestic and foreign companies to promote testing services using various liquid biopsy technologies, including circulating tumor DNA (Circulating Tumor DNA, ctDNA) next-generation sequencing (next generation sequencing, NGS) testing, for comprehensive analysis to evaluate drug efficacy, assist physicians in treatment selection, and, since 2022, provide clinical physicians with additional testing options for treatment in specific cancers using body fluid samples from different sources such as pleural effusion. In addition, mitochondrial DNA analysis applies different technologies for non-invasive cancer risk assessment in specific cancer types. TSH uses different liquid biopsy technologies to provide cancer detection services needed by different groups including healthy people, sub-healthy people, and patients.

Unlike many cancer testing companies currently on the market, which rely on a single technology or sell traditional testing reagent kits, TSH's strategy focuses on technology and clinical efficacy. Whether commercializing technologies developed by domestic teams or introducing products based on leading overseas technologies into the Taiwan market through licensing, the purpose is to provide physicians and patients with more sufficient 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) Technology and R&D overview

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

The Company's primary research and development focus is on new chemical entity drugs and improved new drugs in Taiwan, such as controlled-release formulations, combination dosage forms, and biopharmaceutical research and development.

● New chemical entity drugs in Taiwan

Since its establishment, TSH has actively invested in the development of new chemical entity drugs in Taiwan, including Mopride film-coated tablets and Rancad, to meet unmet patient needs. In addition, in response to the announcement Wei-Shou-Shi-Zi No. 1111407703 in 2022, the Company will continue to actively invest in the development of new chemical entity drugs to expand both domestic and overseas markets.

● Controlled release and compound dosage form products

The Company has achieved considerable results in the development of improved new drugs. Taiwan's first long-acting antitussive, Regrow, and the long-acting drug for rheumatoid arthritis, Lacoza SR, have been launched; combination dosage forms, such as Amtrel and Linicor, have also been launched, and marketing authorization for the new lipid-lowering combination drug Cretrol was obtained in 2021. In the future, TSH will continue to invest in the development of specialized dosage forms and combination dosage form drugs for the treatment of chronic diseases, as well as therapeutic solutions for specific patient populations.

● Investment in ophthalmic pharmaceuticals

In 2024, TSH obtained marketing authorization in Taiwan for an innovative formulation of a dry eye disease drug, and in the fourth quarter of 2025, completed the execution of a licensing agreement to obtain exclusive rights for the development of a new drug for presbyopia in Taiwan.

● Research of biopharmaceuticals manufacturing

Biopharmaceuticals 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. Research and development expenditure status for 2025 and up to the first quarter of 2026

Unit: NT\$1,000

| Item | 2025 | 2026 Q1 |
|--|---------|-----------------------|
| R&D expenditure | 24615 | Not applicable (Note) |
| Net operating revenue | 1336523 | |
| As a percentage of net operating revenue | 1.84% | |

Note: The Company's financial data for the first quarter of 2026 has not yet been reviewed by accountants and is therefore not final.

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 obtained marketing authorization upon approval by the Ministry of Health and Welfare. |
| October 2020 | Became the exclusive licensee of IMBDx's NGS products for cancer diagnostics in Taiwan and turned the license into a business. |
| 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 | Obtained additional exclusive licensing rights in Taiwan for new IMBDx cancer NGS testing products and commenced commercialization. |
| November 2024 | The dry eye disease drug Tyrvaya obtained marketing authorization in Taiwan upon approval by the Ministry of Health and Welfare. |
| December 2024 | Obtained additional exclusive licensing rights in Taiwan for IMBDx cancer NGS cancer risk testing products and commenced commercialization. |
| July 2025 | Obtained marketing authorization in Taiwan for the soft tissue health product Tendoactive. |
| December 2025 | Added two new IMBDx cancer NGS breast cancer testing products. |

4. Unfinished research and development plan and implementation progress

| R&D Project | R&D Progress | R&D Expenditure Still Required (NT\$ Thousand) | Estimated Launch Time | Key Future Factors Affecting R&D Success |
|-------------|--|--|-----------------------|--|
| LBCA19 | Based on the progress of international partners in obtaining marketing authorization in Japan, regulatory submission for marketing authorization in the Taiwan market will be initiated. | 1,500 | Q2 2027 | Inspection and registration results from Japan |
| ACTA20 | In Q2 2026, clinical trial strategies will be evaluated, and development of target markets will be initiated based on the results. | 30,000 | Q4 2027 | Bioequivalence study results |
| EDIA20 | In Q4 2025, long-term stability studies were initiated, and regulatory submission for marketing authorization was conducted in Q4 2025. | 1,000 | Q4 2026 | Results of regulatory approval |
| GASA25 | It is planned to submit an application for rare disease designation in Q4 2026, and regulatory submission for marketing authorization is expected in Q2 2027. | 1,500 | Q2 2028 | Rare disease designation |
| BCSA25 | Preparation for regulatory submission for marketing authorization was initiated in Q4 2025, and regulatory submission is expected in Q1 2026. | 1,000 | Q3 2027 | Results of registration review |

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

1. Short-term plan development direction

- (1) Marketing strategy: Formulate product marketing strategies based on the current status of the domestic target market and National Health Insurance policies, and implement operational plans in established hospital and clinic channels through TSH's sales team and the Group's

channel synergies. Establish and strengthen professional marketing capabilities for National Health Insurance and self-funded sales, and gradually expand into related fields and markets to enhance operating performance through the development of diversified specialties and sales models.

- (2) Production strategy: Through outsourced manufacturing, commission professional pharmaceutical manufacturers that comply with PIC/S GMP certification, focus on the production of pharmaceuticals with high drug economic value, and concentrate on enhancing core formulation and clinical research and development capabilities.
- (3) Research and development strategy: Focus on the development of new chemical entity drugs and special dosage form pharmaceuticals in Taiwan and ensure quality in compliance with international standards to prepare for internationalization. In terms of disease areas, in addition to the original focus on cardiovascular and gastrointestinal fields, new areas including ophthalmology and rare diseases have been added.
- (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 in target markets, possessing internationally compliant CMC/CTD formats and ICH data, and collaborate with manufacturers that comply with PIC/S GMP standards to establish long-term cooperative relationships and implement international operational plans.

2. Long-term plan development direction

- (1) Marketing strategy: Use core disease areas as the primary focus of marketing, enhance channel competitiveness, and become the best pharmaceutical development and marketing partner for innovative biotechnology companies in the Asian market.
- (2) Production strategy: In alignment with new drug research and development and the expansion of international marketing channels, establish strategic alliances with manufacturers that meet international market entry standards and obtain pharmaceuticals that comply with 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 Taiwan and overseas markets through marketing, and rapid, efficient, and precise 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: Enhance patients' quality of life and become the best strategic partner for international innovative biotechnology companies in Asia for development and marketing.

Corporate mission:

1. "To become the best partner for international innovative biotechnology companies in Asia

in new drug development and marketing.”

2. “To provide a portfolio of medical products for patients with unmet needs.”
3. “To be dedicated to the collaborative development of new chemical entities, special dosage forms, 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 98% 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 statistics from the Ministry of the Interior, due to declining fertility rates and increasing life expectancy in recent years, the proportion of the population aged 65 and above in Taiwan has exceeded 20.6% (based on statistics announced by the Ministry of the Interior Statistical Inquiry Network in January 2026), and Taiwan has entered a super-aged society (the United Nations defines an aging society as one in which the elderly population accounts for more than 7% of the total population). Taiwan officially entered a super-aged society in 2025, indicating that the pace of population aging in Taiwan is accelerating. Therefore, with the continued increase in the elderly population, demand for medications for cardiovascular diseases, autoimmune diseases, and ophthalmic diseases is expected to rise.

According to the BCC Research report “Cardiovascular Drugs: Global Markets to 2024,” the global cardiovascular therapeutic drug market reached US\$153.7 billion in 2024. It is projected that the market will maintain a compound annual growth rate of approximately 3.5% through 2034, reaching US\$214.9 billion. 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. 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%. According to the latest data, due to technological advancements, increased awareness of disease prevention, and reduced medical service costs, demand for precision diagnostics has increased year by year, reaching US\$151.6 billion by 2024, with a compound annual growth rate of 11.96%, exceeding expectations.

In recent years, governments around the world have actively invested in precision medicine. Since January 2015, former U.S. President Barack Obama promoted the “Precision Medicine Initiative” to actively advance precision medicine, with the aim of overcoming cancer in the shortest possible time. The rapid adoption of precision medicine in recent years has mainly benefited from the expansion of multi-omics research; multi-omics integrates genomics, proteomics, metabolomics, and other molecular-level data to enable a more comprehensive understanding of the mechanisms of health and disease. This innovative research approach has demonstrated significant potential across multiple therapeutic areas, including oncology, pharmacogenomics, and genetic diseases.

With continuous advancements in sequencing technologies, declining sequencing costs, and a growing trend toward personalized healthcare, the precision medicine market is experiencing rapid growth. In addition, breakthroughs in gene sequencing and gene editing technologies, particularly CRISPR and next-generation sequencing (NGS), are accelerating the development of precision medicine, making treatments more targeted and personalized.

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 launch of pharmaceuticals covered by National Health Insurance, companion targeted gene testing has also become a key focus of future development. The government implemented regulations for Laboratory Developed Tests (LDTs) laboratory and testing certification in 2021, and in 2024, the National Health Insurance Administration began providing partial reimbursement for next-generation sequencing of tissue samples related to pharmaceuticals. This demonstrates that the government and the medical community are gradually recognizing the clinical application of next-generation sequencing, which will create a new niche market for precision medicine in Taiwan. Furthermore, as the scope of clinical applications continues to expand, in response to the difficulty and risks associated with obtaining tissue samples, the application of liquid biopsy in oncology has become a key area of development for various companies. Body fluids (including pleural fluid, cerebrospinal fluid, bile, ascitic fluid, etc.) require only fluid sampling for analysis and are minimally invasive. In addition to being applied to cancer screening, they can also be used for early detection and diagnosis of other major diseases. Therefore, liquid biopsy demonstrates significant market development potential.

3. Competitive niche

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

- A. The Company has a clear positioning. Focusing on medical institution channels.
- B. Mastery of key customers in relevant fields and establishment of strong brand advantages.
- C. Continuous development of core competitive prescription drugs for chronic diseases.
- D. Expansion of prescription drugs with potential related to population aging.

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

- A. The Group has deeply engaged in the oncology field and is familiar with key customer groups.
- B. Possesses a comprehensive product portfolio covering tissue/liquid biopsy and risk assessment.
- C. Continuously introduces distinctive related testing products from domestic and international sources.

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

(1) Positive factors

A. Increasing medical expenditures arising from population aging

(a). Pharmaceutical product market

In December 2025, the total pharmaceutical market in Taiwan reached NT\$227.6 billion, representing an increase of 1.5% compared to the same period of the previous year. Although substantial reductions in National Health Insurance drug prices resulting from increased pandemic expenditures have significantly affected the overall growth rate of the pharmaceutical market, particularly impacting chronic disease medications. With the aging of society, overall medical expenditures continue to increase by approximately 6% annually, and the pharmaceutical market continues to exhibit gradual growth. At the same time, as the National Health Insurance market remains the primary channel for pharmaceutical sales in Taiwan, continued emphasis on this segment remains necessary.

(b). Precision medicine market

Analyzed by disease categories, global pharmaceutical development continues to focus primarily on oncology; therefore, the precision medicine industry also focuses on oncology as the principal area of research and development. From 2017 to 2026, the compound annual growth rate of precision medicine applications in oncology is 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 pricing reimbursement system on pharmaceutical prices

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:

In addition to establishing a comprehensive sales network throughout Taiwan and providing timely services to medical institutions to expand sales coverage, the Company increases sales channels and customer bases for pharmaceutical products with significant market scale and value, and continuously enhances the confidence of medical institutions and physicians in prescription drugs. Furthermore, the Company strengthens research and development of new drugs and the introduction of new products, launches competitive self-funded pharmaceutical products, and enhances the marketing and sales team's experience and capabilities in self-funded sales. At the same time, the Company continues to introduce gene testing-related products and expand into the precision medicine market, gradually increasing sales revenue to mitigate the financial impact of National Health Insurance price reductions and alleviate pressure on the Company's profitability resulting from annual drug price adjustments.

B. Competition in the precision testing market from hospital-developed items and international manufacturers

The implementation of LDTs regulations and National Health Insurance reimbursement policies has created a new precision testing market, while also attracting large hospitals to invest in development. In particular, Taiwan has a large number of medical centers, whose pathology departments possess relevant testing capabilities and can easily develop in-house testing items to compete in relatively simple tissue-based testing. On the other hand, precision testing items with competitive scale in the Taiwan market are currently dominated by international manufacturers, which possess advantages in both pricing and clinical validation and are more readily trusted by clinical physicians.

Countermeasures:

1. The Company continues to develop, introduce, and sell international new drugs and innovative generic drugs, and further deepens its presence in disease areas related to aging to maintain its new product development capabilities. At the same time, it focuses on specialty pharmaceuticals with strong pharmacoeconomic value, including the development of high-barrier or patentable drugs, and establishes a comprehensive product development portfolio in the fields of cardiovascular, gastrointestinal, orthopedic, and ophthalmic diseases, striving to become an internationalized pharmaceutical developer and a biotechnology pharmaceutical company for marketing in the Taiwan market, and to serve as a partner for international

collaborators in drug development and marketing in these fields. The Company's involvement in the above fields also enables its partners to focus on drug development, thereby creating higher value-added benefits.

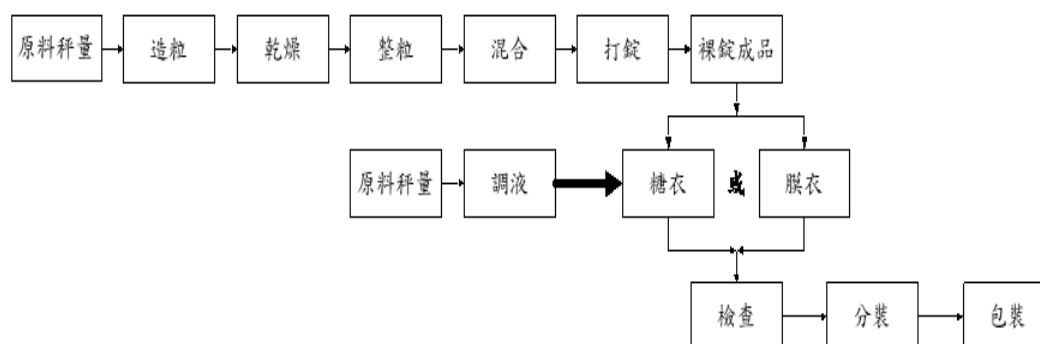
2. With respect to precision testing, by establishing differentiated product offerings and accelerating new product launches, the Company gains the trust of clinical physicians; at the same time, through continuously optimized operational processes, reporting turnaround time is shortened to improve efficiency and establish clinical indispensability. In addition, through continuous optimization of existing products and the launch of new products in collaboration with partner laboratories, the Company introduces new services ahead of international manufacturers, rapidly enters the market, and establishes cooperative relationships with physicians at medical centers through clinical research, thereby obtaining clinical usage experience from physicians in Taiwan, building clinical data, and expanding the market.

(II) Important Uses and Production Processes of Major 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.
 - D. Ophthalmic drugs: dry eye disease.
 - E. Orthopedic drugs: Osteoarthritis, rheumatoid arthritis, osteoporosis.
2. Manufacturing process:

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



Weighing of raw materials → granulation → drying → sizing → mixing → tableting → finished uncoated tablets

Weighing of raw materials → solution preparation → sugar coating **or** film coating

Inspection → packaging into units → packaging

3. Testing items by category are as follows:
 - A. Next-generation sequencing tests: liquid biopsy gene sequencing and tissue biopsy gene sequencing.

B. Pharmacogenomic testing for oncology therapeutics.

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) Availability of the main raw materials:

The Company currently does not have its own manufacturing facilities. Since 2020, the Company has adopted a consigned manufacturing model with certain suppliers using customer-supplied materials to control the supply and cost of certain raw materials. 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 that accounted for more than 10% of total purchases (sales) in either of the two most recent years, together with their purchase (sales) amounts and percentages, and an explanation of the reasons for any changes.

1. Major suppliers

Information on Main Suppliers in the Two Most Recent Years

Unit: NT\$ thousand

| Item | 2024 | | | | 2025 | | | | 2026 Q1 | | | |
|------|--------------|---------|--|------------------------------|--------------|---------|--|------------------------------|-----------------------|--------|--|------------------------------|
| | Name | Amount | Proportion of Annual Net Purchase Amount (%) | Relationship with the issuer | Name | Amount | Proportion of Annual Net Purchase Amount (%) | Relationship with the issuer | Name | Amount | Proportion of Annual Net Purchase Amount (%) | Relationship with the issuer |
| 1 | TTY | 256,782 | 45.47 | Parent | TTY | 333,374 | 54.24 | Parent | Not applicable (Note) | | | |
| 2 | Company A | 102,929 | 18.22 | None | Company A | 64,881 | 10.56 | None | | | | |
| 3 | Others | 205,062 | 36.31 | None | Others | 216,395 | 35.2 | None | | | | |
| | Net purchase | 564,773 | 100.00 | | Net purchase | 614,650 | 100.00 | | | | | |

Note: The Company's financial data for the first quarter of 2026 has not yet been reviewed by accountants and is therefore not final.

2. Major Customers

Information on major sales customers in the last two years

Unit: NT\$1,000

| Item | 2024 | | | | 2025 | | | | 2026 Q1 | | | |
|------|--------------------|-----------|---|------------------------------|-------------------------|-----------|---|------------------------------|-------------------------|--------|---|------------------------------|
| | Name | Amount | As a percentage of net annual sales (%) | Relationship with the issuer | Name | Amount | As a percentage of net annual sales (%) | Relationship with the issuer | Name | Amount | As a percentage of net annual sales (%) | Relationship with the issuer |
| 1 | Top Pharm (Note 2) | 22,124 | 1.98 | Subsidiary | Not applicable (Note 3) | - | - | - | Not applicable (Note 1) | | | |
| 2 | Others | 1,093,592 | 98.02 | None | Others | 1,336,523 | 100.00 | None | | | | |
| 3 | Net Sales | 1,115,716 | 100.00 | - | Net Sales | 1,336,523 | 100.00 | - | | | | |

Note 1: The Company's financial information for the first quarter of 2026 has not yet been reviewed by the independent auditors and is therefore not applicable.

Note 2: The major sales customer is Top Pharm Co., Ltd.; as the Company's new cardiovascular drug, Cretrol, was launched, sales revenue increased. The Company acquired more than 50% of the equity of the aforementioned company in April 2024, and it has become a subsidiary included in the Company's consolidated financial statements.

Note 3: In the most recent two fiscal years, the Company did not have any single customer whose sales amount accounted for more than 10% of net operating revenue.

III. Employees

| Year | | 2024 | 2025 | As of March 31, 2026 |
|---|--------------------------|------|------|----------------------|
| Number of employees | Managerial officers | 15 | 17 | 17 |
| | R&D technicians | 7 | 7 | 8 |
| | Other employees | 50 | 46 | 47 |
| | Total | 72 | 70 | 72 |
| Average age | | 41.3 | 43.5 | 42.4 |
| Average length of service | | 7.5 | 7.2 | 7.2 |
| Distribution of education level in percentage | Doctoral degree | 1% | 3% | 3% |
| | Master's degree | 35% | 36% | 38% |
| | University | 54% | 51% | 53% |
| | College | 10% | 10% | 10% |
| | 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 employee benefit plans, continuing education, training, retirement systems, and their implementation status, as well as the status of labor-management agreements and measures to protect 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: In the event of an employee experiencing a disaster, relief funds ranging from NT\$ 5,000 to NT\$ 30,000 will be granted based on the situation.
- H. Condolence money:
 - a. 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.
 - b. 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 strengthen human capital and drive organizational growth, the Company has established a comprehensive on-the-job training system in accordance with the "Education and Training Management Regulations." In 2025, the Company continued to deepen professional competencies and leadership training, and stimulated employees' potential through diversified training models:

Enhancement of core competencies: Conducted the "Competency Workshop," facilitated by professional consultants, to embed team collaboration and self-leadership capabilities. In addition, the seminar "Reframing Mindset: Changing Perspectives, Restarting Life" was organized to guide employees to view themselves and challenges from a renewed perspective through mindset transformation.

Enhancement of managerial competencies: Provided competency enhancement courses for newly appointed managers, and through a "co-reading mechanism," promoted the exchange of management knowledge and sharing of practical cases to strengthen managerial capabilities.

Digital transformation empowerment: Promoted the "Power BI Data Application Course," utilizing intelligent tools to assist employees in improving work efficiency and decision-making accuracy, thereby demonstrating innovative value.

The state of implementation in the year was as follows:

| Item | Number of classes | Total number of trainees | Total hours | Total cost (yuan) |
|--|-------------------|--------------------------|-------------|-------------------|
| New employee orientation | 2 | 40 | 40 | 0 |
| Professional and occupational training | 4 | 47 | 149 | 0 |
| Talent training for officers | 7 | 82 | 328.5 | 72,880 |
| Liberal education and training | 7 | 150 | 287.5 | 63,000 |
| External training | 27 | 27 | 137.5 | 68,955 |
| Total | 47 | 346 | 942.5 | 204,835 |

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:

| 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: | An amount of NT\$4,731 thousand was appropriated in 2025. |
| Application for retirement | No employees retired in 2025. |

(2) Eligibility for retirement:

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 new or revised measures by the Company relating to labor-management relations are finalized only after full communication and consultation between labor and management through labor-management meetings. In addition, diversified communication channels have been established, including Xiao Hua Newsletter, Xiao Hua TV, and Xiao Hua Talk (employee mailbox), to ensure effective communication between both parties. Furthermore, the Company has established an "Employee Handbook" and various management regulations, which clearly

set forth the rights and obligations of employees, and the Company spares no effort in safeguarding employees' rights.

The Company values employee feedback and is committed to enhancing organizational effectiveness. A regular employee satisfaction survey is conducted by an independent third-party professional organization to ensure confidentiality and impartiality.

In December 2025, the Company commissioned 104 Corporation to conduct the survey. The survey covered nine dimensions, including engagement, work capability, leadership, collaboration, development, culture, compensation, advocacy, and sustainability. The survey targeted all current employees, achieving a response completion rate of 93% and a valid response rate of 78%.

The overall results indicated an employee satisfaction rate of 62%, including 69% for value alignment, 67% for commitment, and 53% for retention intention.

The improvement plan based on the results of the employee satisfaction survey is as follows:

| Areas for Improvement | Improvement Measures |
|---|---|
| Strengthen retention and talent development mechanisms | For the "retention intention" dimension, the Company reviews its existing career development system and internal promotion channels, and formulates mid- to long-term talent development and key competency cultivation programs to enhance employees' clarity regarding future career development. |
| Enhance managerial leadership and communication management | Based on the survey results for "leadership" and "collaboration," the Company continues to promote managerial training programs, strengthen cross-departmental communication mechanisms and feedback channels, and improve organizational operational efficiency. |
| Improve employee engagement and organizational identification | Building on the positive results of "value alignment" and "commitment," the Company deepens the connection between corporate core values and performance management and incentive systems through internal communication and activities, thereby enhancing employees' sense of participation in the Company's long-term development. |
| Continuously monitor and conduct rolling reviews | The results of the employee satisfaction survey are incorporated into the annual review mechanism of human resources policies and organizational development strategies, serving as a basis for subsequent system optimization and improvement tracking. The Company will continue to conduct employee satisfaction surveys on a regular basis. |

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 content of the "Ethical Corporate Management Best Practice Principles" and the "Operational Procedures and Guidelines for Ethical

Management”, please refer to the company’s website.

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 are 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) Losses incurred due to labor disputes in the most recent fiscal year and up to the date of publication of the annual report shall be listed, and the estimated amounts of current and potential future occurrences and corresponding countermeasures shall be disclosed. If a reasonable estimate cannot be made, the reasons why such estimate cannot be reasonably made shall be explained.

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. Information Security Management

- (I) Information Security Risk Management Framework, Policies, Specific Management Measures, and Resources Invested

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 Information and Communication Security Risk Management Team is composed of the head of the administrative department, the information security officer, and information security personnel, with one information security officer and one information security staff member assigned. The status of information security operations for 2025 was reported to the Board of Directors on November 5, 2025.

The primary responsibilities of this team include formulating and revising information and communication security operating procedures; assisting in the promotion, coordination, and review of information and communication security management matters; regularly reviewing information and communication security policies and objectives; conducting quarterly information security inspections; and reporting the status of information security operations to the Board of Directors annually.

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 information security standards are guided by ISO 27001:2022 and are implemented with reference to the “Security Control Measures Reference Guidelines” issued by the National Institute of Cyber Security. However, the Company is not classified as an entity required to obtain international certification for information security policies and specific management programs. Currently, based on the information security risk appetite identified by the Company’s Information and Communication Security Risk Management Team, it is not necessary to procure insurance for information security risks. Nevertheless, in adherence to information security governance, the Company continues to strengthen information security protection and establish joint defense mechanisms.

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

| Aspect | Activity | Implementation status |
|---|--|---|
| Core business system management | <ul style="list-style-type: none"> • Core business system control • Confidential and sensitive data control | <ol style="list-style-type: none"> 1. Identified the Company’s core business and confidential and sensitive information, and inventoried the information assets of the core business system. 2. Formulated the recovery time objective (RTOs) and recovery point objectives (RPOs) for core business. 3. The core system undergoes regular vulnerability scans and penetration testing, and vulnerabilities identified as medium or high risk in the test reports are fixed and tracked. 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 | <ol style="list-style-type: none"> 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 | <ol style="list-style-type: none"> 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. Application firewalls are set up for application systems open to the 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 | <ol style="list-style-type: none"> 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 | <ul style="list-style-type: none"> • Information security risk | <ol style="list-style-type: none"> 1. The Company assesses information security risk, identifies |

| Aspect | Activity | Implementation status |
|---|--|---|
| security risk management, and response and reporting procedures | <ul style="list-style-type: none"> assessment • Procedures for responding to and reporting information security incidents • Material information announcement | <p>information security risks for core business and core information systems, and implements corresponding control measures every year.</p> <p>2. The Company has established information security incident response and reporting procedures.</p> <p>3. The Company has gathered threat information and reported information security incidents, and has joined Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC).</p> |
| Continuous advancement of cybersecurity | <ul style="list-style-type: none"> • Periodical audits • Information security operation annual report • Information security awareness session • Disaster recovery drill | <p>1. Auditors conduct inspections periodically; if any event is spotted, they propose improvement measures and suggestions and periodically track the progress of improvement.</p> <p>2. The Board of Directors is periodically briefed on the implementation of cybersecurity measures.</p> <p>3. An information security awareness session is regularly held every year to enhance employees' information security awareness.</p> <p>4. Disaster recovery drills are regularly held every year to ensure the ability to respond to information security incidents and reduce system operation risks.</p> |

3. Resources invested in information and communication security management

In 2025, the Company invested approximately NT\$1,553 thousand in updating information software and hardware, improving system availability, implementing information security governance assessment services, and performing updates and maintenance of the endpoint security protection center and antivirus software.

The Company conducted two social engineering attack simulations on September 3 and November 24, 2025, involving a total of 72 participants. Between the two simulations, the Company held an information security awareness training course and assessment on September 30. This initiative aimed to enhance employees' information security awareness and evaluate training effectiveness by comparing the results of phishing attack simulations conducted before and after the training.

In addition, relevant personnel continue to participate annually in information security management training courses to enhance professional competencies and stay informed of emerging issues.

The Company's core systems were previously shared with the Group, and business continuity plans and disaster recovery exercises were regularly conducted by the Group's IT team to validate Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO). As the Company's core systems have gradually been independently established in recent years, the original Group-level exercises are no longer applicable. During the transition period, the Company adopted a disaster recovery tabletop exercise approach for core systems to review relevant risks and plan RTO and RPO, serving as the foundation for future implementation of full-scale drills and continuous enhancement of business continuity management capabilities.

In November 2025, the Company conducted a disaster recovery tabletop exercise for core business systems, which was successfully completed to confirm its effectiveness. A vulnerability scan was also performed on selected core business systems. Based on the results, all medium-

and high-risk vulnerabilities were remediated, while low-risk vulnerabilities were documented and placed under tracking management.

In addition, the Company conducts quarterly internal information security self-assessments to ensure the effective operation of its information security management system.

(II) List the losses incurred from material cybersecurity incidents and their potential impacts, along with the countermeasures taken, over the past year up to the annual report publication date. If the amount cannot be reasonably estimated, state the fact that a reasonable estimate is not possible.

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 |
|------------------------------------|---|-------------------------------------|---|------------------------------------|
| Transfer of pharmaceutical license | Mycenax Biotech Inc. | 2018.01.04 – Completed | Transfer of pharmaceutical license | According to the contractual terms |
| Authorization contract | Ji Xing Pharmaceuticals Hong Kong Limited was transferred to Grand Rise (HK) Trading Limited. | From 2023.05.31 | Drug inspection and registration | According to the contractual terms |
| Authorization contract | Ji Xing Pharmaceuticals Hong Kong Limited was transferred to Grand Rise (HK) Trading Limited. | From 2025.04.25 | Medicine distribution | According to the contractual terms |
| Authorization contract | Lupin Limited | 2011.07.01-2027.06.30 | Pharmaceutical licensing and distribution | According to the contractual terms |
| Authorization contract | Aju Pharm Co., Ltd. | 2019.10.01-2025.09.30 | Pharmaceutical licensing and distribution | According to the contractual terms |
| Authorization contract | American Taiwan Biopharm | From 2013.08.20 | Pharmaceutical licensing and distribution | According to the contractual terms |
| Authorization contract | InnoPharmax Inc. | From 2019.02.20 | Drug licensing | According to the contractual terms |
| Testing contract | IMB dx,INC. | 2024.01.01-2029.12.31 | Exclusive testing and distribution | According to the contractual terms |
| Authorization contract | LABORATORIO REIG JOFRE, S.A. | From 2024.12.16 | Pharmaceutical licensing and distribution | According to the contractual terms |
| Authorization contract | Tenacia Biotechnology (Hongkong) Co., Ltd. | From 2025.04.30 | Pharmaceutical licensing and distribution | According to the contractual terms |
| Authorization contract | Zhaoke (Hong Kong) Ophthalmology Pharmaceutical Ltd. | From 2025.12.03 | Pharmaceutical licensing and distribution | According to the contractual terms |

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

I. Financial position: The principal reasons for any material changes in the Company’s assets, liabilities, and equity during the most recent two fiscal years, and their impacts. If such impacts are material, the corresponding future response plans shall also be disclosed.

Unit: In NT\$1,000

| Year (item) | 2024 | 2025 | Differences | |
|--------------------------------|-----------|-----------|-------------|---------|
| | | | Amount | % |
| Current assets | 1,304,702 | 1,423,020 | 118,318 | 9.07 |
| Property, plant, and equipment | 19,989 | 17,218 | (2,771) | (13.86) |
| Intangible assets | 287,652 | 289,477 | 1,825 | 0.63 |
| Other assets | 229,850 | 221,739 | (8,111) | (3.53) |
| Total assets | 1,842,193 | 1,951,454 | 109,261 | 5.93 |
| Current liabilities | 208,895 | 227,091 | 18,196 | 8.71 |
| Non-current liabilities | 10,330 | 6,695 | (3,635) | (35.19) |
| Total liabilities | 219,225 | 233,786 | 14,561 | 6.64 |
| Share capital | 383,981 | 383,981 | 0 | 0.00 |
| Capital reserves | 459,554 | 459,613 | 59 | 0.01 |
| Retained earnings | 480,678 | 581,200 | 100,522 | 20.91 |
| Other equity | 67,579 | 17,815 | (49,764) | (73.64) |
| Non-controlling interests | 231,176 | 275,059 | 43,883 | 18.98 |
| Total shareholders' equity | 1,622,968 | 1,717,668 | 94,700 | 5.83 |

1. Reason for material changes
 - (1) Decrease in non-current liabilities: Lease liabilities are amortized over the lease term, resulting in a periodic decrease in their carrying amounts.
 - (2) Increase in retained earnings: In 2025, operating revenue and net income increased, and the disposal of “financial assets at fair value through other comprehensive income” resulted in an overall increase in retained earnings.
 - (3) Decrease in other equity: Decrease in other equity: The Company disposed of a portion of its holdings of “financial assets at fair value through other comprehensive income” in 2025, and the remaining holdings were measured at fair value based on market prices at the end of the period.
2. There are no material changes requiring disclosure of their effects or corresponding response plans: None

II. Financial Performance: The principal reasons for significant changes in operating revenue, operating income, and profit before tax over the most recent two years, the expected sales volume and its basis, and the potential impact on the Company's future financial and business operations, together with corresponding response plans.

| Item | 2024 | 2025 | Increase (or decrease) | Change in percentage terms (%) |
|--|-----------|-----------|------------------------|--------------------------------|
| Operating revenue | 1,115,716 | 1,336,523 | 220,807 | 19.79 |
| Operating Cost | 532,954 | 655,785 | 122,831 | 23.05 |
| Gross profit | 582,762 | 680,738 | 97,976 | 16.81 |
| Operating cost | 412,906 | 462,368 | 49,462 | 11.98 |
| Operating profit | 169,856 | 218,370 | 48,514 | 28.56 |
| Non-operating income and expenses | 3,577 | 16,417 | 12,840 | 358.96 |
| Net income before tax from continuing operations | 173,433 | 234,787 | 61,354 | 35.38 |
| Net income after tax from continuing operations | 134,148 | 187,818 | 53,670 | 40.01 |
| Total other comprehensive income for the period (Net Amount after Tax) | 220,230 | (6,913) | (227,143) | (103.14) |
| Total comprehensive income for the period | 354,378 | 180,905 | (173,473) | (48.95) |

(I) Main reasons for significant changes:

- (1) Increase in operating revenue, operating costs, operating profit, net profit before tax from continuing operations, and net profit after tax from continuing operations: In 2025, sales of the Group's cardiovascular drugs, influenza vaccines, and various testing products increased significantly, resulting in the variance compared to the same period.
- (2) Increase in non-operating income and expenses: In 2024, due to the termination of a research and development project, impairment losses were recognized for related plants and drug licenses, resulting in a lower amount of non-operating income and expenses for that year.
- (3) Decrease in other comprehensive income, net of tax, and total comprehensive income for the current period: Mainly attributable to financial assets at fair value through other comprehensive income held by the Company. The changes were affected by fluctuations in share prices and changes in the number of shares held. In fiscal year 2025, the Company disposed of part of its holdings. The remaining unsold investments at the end of the period were measured at fair value based on prevailing market prices.

(II) Expected sales volume and basis thereof:

The Company expects to sell 197,467 thousand oral solid dosage units and 53 thousand injections in 2026. The expected sales volume is determined based on IQVIA statistical reports, while also taking into account possible future changes in market supply and demand, the pace of new product development, and National Health Insurance policies.

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

The Company will accelerate the export of self-developed products and the overseas licensing of early-stage research and development products. In addition to maintaining the progress of obtaining international approvals for existing research and development products, it will also introduce early-

stage international innovative drugs for co-development and value enhancement, leveraging a “Double Engine” strategy to expand into international pharmaceutical development and international market marketing to enhance operating performance. In addition, testing items incorporating precision medicine (personalized medicine) will be introduced. In addition to existing products for cancer treatment selection recommendations and recurrence monitoring, cancer screening products have also been added and positioned as key items in health examination services. TSH Biopharm will continue to launch related testing products in the future to meet more clinical needs. Furthermore, through strategic investments and mergers and acquisitions, the Company will continue to create synergies in products and distribution channels through the integration of resources and products, and will explore strategic investment opportunities to achieve sustained growth through inorganic development. These measures are expected to have a positive impact on the Company’s future financial and business performance.

III. Cash flows: Analysis and explanation of changes in cash flows for the most recent fiscal year, plans for improvement of insufficient liquidity, and analysis of cash liquidity for the coming year.

(I) Analysis of changes in cash flows for 2025:

Unit: NT\$ thousand

| Cash balance – beginning of year | Net cash flow from operating activities throughout the year | Cash outflow for the year | Remaining cash balance | Remedy for cash deficiency | |
|----------------------------------|---|---------------------------|------------------------|----------------------------|------------------------|
| | | | | Investment plan | Wealth management plan |
| 588,342 | 139,520 | (263,323) | 464,539 | – | – |

1. Operating activities: Net cash inflow of NT\$139,520 thousand, mainly derived from operating profits.
2. Investing activities: Net cash outflow of NT\$164,817 thousand. Mainly includes cash inflows from the disposal of financial assets at fair value through other comprehensive income and cash outflows resulting from an increase in time deposits with maturities exceeding three months.
3. Financing activities: Net cash outflow of NT\$98,506 thousand. Mainly due to the distribution of NT\$81,404 thousand in cash dividends for 2025.

(II) Improvement plan for insufficient liquidity in 2025:

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

(III) Cash flow analysis for the next year:

Unit: NT\$ thousand

| Cash balance – beginning of year | Net cash flow expected of operating activities throughout the year | Projected cash outflow for the year | Expected remaining cash balance | Remedy for expected cash deficiency | |
|----------------------------------|--|-------------------------------------|---------------------------------|-------------------------------------|------------------------|
| | | | | Investment plan | Wealth management plan |
| 464,539 | 185,000 | (177,137) | 472,402 | – | – |

1. Cash inflow from operating activities: NT\$185,000 thousand, mainly based on the expected revenue performance for 2025, resulting in a positive net cash inflow from operating activities.
2. Estimated total cash outflows for the year: NT\$(177,137) thousand, mainly attributable to expected cash dividends to be distributed during the year, dividends received from financial assets, and increases in time deposits with maturities exceeding three months.

3. Remedial measures for cash deficiency and liquidity analysis: Not applicable.

IV. Impact of significant capital expenditures in 2025 on financial and business operations: The Company had no significant capital expenditures in 2025.

V. Reinvestment policy in 2025, main reasons for profit or loss, improvement plans, and investment plans for the coming year:

1. Reinvestment 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) Deepening Taiwan Distribution Channels:

- i. At the end of 2023, through equity investment, the Company acquired its first subsidiary, Chuangyi Biotech, extending its professional healthcare channel services to preventive medicine fields such as medicinal probiotics, health food certification, and cell influenza vaccines, with a sales team covering more than 3,000 clinics and pharmacies.
- ii. In 2024, the Company further acquired two subsidiaries, TOP Pharma Medical-wares and TOP Biological Technology (a health food factory), to strengthen its offerings in bone health products for the aging market and diabetic medical supplies.
- iii. At present, the TSH Biopharm Group covers more than 5,000 clinics and pharmacies across Taiwan, achieving 100% coverage of large hospitals and 60% coverage of clinics and pharmacies, thereby creating more opportunities and synergies.

- (2) Investment in new drug development companies: Participation in the early-stage research and development of biotechnology companies to share in the global patent outcomes of new drugs. For example: LUMOSA THERAPEUTICS CO. LTD. (“LUMOSA THERAPEUTICS” hereinafter).

- (3) Activation of funds and enhancement of non-operating income: For example: Union Bank of Taiwan Class A preferred shares (stock code: 2838A), Fubon Financial Holding Co., Ltd. Class B preferred shares (stock code: 2881B), and Fubon Financial Holding Co., Ltd. Class C preferred shares (stock code: 2881C).

2. Main reasons for profits or losses from reinvestments and improvement plans:

- (1) New drug development company:

Current research and development progress of Lumosa: LT3001, a novel small-molecule drug, with the indication for the treatment of acute ischemic stroke. The results of the Phase II clinical trial of LT3001 completed in November 2024 were presented at the World Stroke Congress (WSC 2025) in 2025. The trial results demonstrated that LT3001 maintained good safety beyond the current treatment time window (within 24 hours after onset); more pronounced efficacy signals were observed in patients with moderate and disabling stroke, supporting the advancement of LT3001 to Phase III clinical trials.

As of December 31, 2025, the Company held 158 shares, representing a shareholding ratio of 0.09%.

- (2) Activation of funds and enhancement of non-operating income: Investments are made within authorized limits approved by the Board of Directors, and the above-mentioned preferred shares are selected on the basis of returns superior to time deposits while balancing safety and profitability, with the primary purpose of participating in dividend distributions.

- (3) Investment plans for the coming year: Long-term strategic investment will be adopted as the guiding principle. Strategic investment will be a key focus of organizational growth, and the Company will continue to identify strategic partners and investment targets and conduct prudent evaluations to serve as the Company's second growth engine.

VI. Analysis and Assessment of Risk Factors for the Most Recent Fiscal Year up to 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

(NT\$ thousand; %)

| Item | Interest income (expense) for 2025 | 2025 foreign exchange gain (loss) |
|-------------------------------------|------------------------------------|-----------------------------------|
| Net amount | 7,477 | (60) |
| Proportion of net operating revenue | 0.56% | 0.00% |
| Proportion of net profit before tax | 3.18% | -0.03% |

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

A. Interest rates: Overall, fluctuations in interest rates have no material impact on the Company's profit or loss. The Company continues to actively establish and maintain sound relationships with banks, monitor interest rate trends, and strive to obtain the most favorable deposit interest rates.

B. Exchange rates: Due to imports of products and increased inventory reserves, demand for U.S. dollars has increased. The Company closely monitors trends in exchange rate movements and estimates foreign currency requirements for the coming year to mitigate the impact of exchange rate fluctuations. In 2025, the net foreign exchange gain or loss accounted for 0.00% of net operating revenue, indicating an insignificant 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:

The Company has not engaged in any derivative trading in the most recent fiscal year up to the date of the annual report's publication.

- (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 research and development plans will focus on the development of new drugs, including those in the fields of cardiovascular, gastrointestinal, autoimmune, ophthalmic, and orthopedic diseases. The Company will actively invest in clinical research and pharmacological treatment of diseases, with the aim of becoming a provider of medications for specific chronic diseases with high economic value, and will continue to develop international partners and business operations. It is expected that annual research and development expenditures will exceed NT\$40,000 thousand in each of the next two years.

(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 changes: Due to the long drug development timeline, high R&D costs, and low success rate. Therefore, industry changes in the short term will not have an immediate and significant impact on the Company's financials, but the Company is actively keeping abreast of new scientific and technological developments and investing in the research and development of innovative pharmaceutical products to address these 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, Potential Risks, and Countermeasures for Mergers and Acquisitions: None.

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

The Company did not have any plans to expand the facility in the most recent fiscal year and as of the publication date of the 2026 annual report, so it is not applicable.

(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's main supplier is TTY.

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. As the Company has not established its own pharmaceutical manufacturing plant, in addition to procuring certain pharmaceuticals from original overseas manufacturers, the production of related pharmaceuticals is commissioned to domestic pharmaceutical manufacturers in Taiwan that have obtained PIC/S certification. In order to effectively control product costs, product quality, and production timelines, all products are manufactured under a customer-supplied material model, whereby the Company is responsible for procuring active pharmaceutical ingredients (APIs) and subsequently entrusting contract manufacturers to process and produce the products. The principal outsourced products, such as Norpress Tablets, Mopride, and Rhynorm film-coated tablets, are manufactured by the Liudu Plant of the parent company, TTY Biopharm Company Limited, which has obtained PIC/S certification. In addition, in June 2020, the Company obtained distribution rights for three pharmaceutical products of TTY Biopharm Company Limited, namely Aiweini Chewable Tablets, Weinisol Oral Suspension, and Weinisol Cool Chewable Tablets, as well as the Fluad influenza vaccine. As a result, in 2025, purchases from TTY Biopharm Company Limited accounted for 54.24% of total purchases.

The Company has actively planned to identify strategic partners and will engage in discussions with domestic and international pharmaceutical manufacturers for cooperation in

product distribution to meet future market demand. It is expected that the proportion of purchases from the parent company will gradually decrease, and the number of suppliers will increase progressively to reduce the risk of 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 sales concentration: In 2025, no single customer accounted for 10% or more of the Company's annual net sales, and there was no sales concentration risk.

(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.

For 2026 and as of the date of this annual report, there has been no large-scale transfer or change in the shareholding of directors or shareholders holding more than 10% of the Company's shares.

(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 Regarding the "Risperidone Pharmaceutical Development Agreement" entered into between Standard Chemical & Pharmaceutical Co., Ltd. (hereinafter referred to as "Standard Chemical") and TTY Biopharm Company Limited (hereinafter referred to as "TTY"), TTY considers that the execution of such agreement did not comply with procedural requirements and applicable laws and regulations and therefore should be deemed invalid. On July 1, 2016, Standard Chemical filed a civil action with the Taipei District Court against TTY seeking confirmation of the contractual relationship. After multiple levels of trial and remand for retrial, on December 24, 2024, the Taiwan High Court rendered a judgment dismissing TTY's appeal and affirmed the existence of the contractual relationship between the parties. TTY has filed an appeal with the Supreme Court within the statutory period to safeguard its legitimate rights and interests.

2. On May 14, 2021, TTY received a disposition from the Fair Trade Commission, which determined that the "Fuyou Capsules" exclusive agency distribution agreement entered into between TTY and Lotus Pharmaceutical Co., Ltd. on February 4, 2009 constituted concerted action and imposed a penalty accordingly. TTY filed an administrative action with the Taipei

High Administrative Court on July 12, 2021 seeking revocation of such disposition, and the case is currently under trial before the Taipei High Administrative Court.

3. On May 31, 2016, TTY filed a lawsuit with the District Court of Zug, Switzerland against Inopha AG of Switzerland, seeking a declaration that thirteen licensing agreements between the parties are invalid and requesting the return of unjust enrichment obtained by Inopha AG. Janssen Pharmaceutica NV (hereinafter referred to as the “Applicant”) also, on May 30 of the same year and at the request of TTY, initiated a tripartite arbitration with the WIPO Arbitration and Mediation Center against Inopha AG and TTY to confirm the allocation of contractual amounts. In addition, on February 28, 2020, TTY filed a civil damages action against Mr. Denis Opitz, the former ultimate beneficial owner of Inopha AG, with the Dresden Labor Court in Germany. Subsequently, on January 21, 2025, TTY reached an out-of-court settlement with Inopha AG and its ultimate beneficial owner, Mr. Denis Opitz. On January 22 of the same year, TTY obtained a ruling from the District Court of Zug, Switzerland dismissing the case; in February of the same year, it obtained a ruling from the Dresden Labor Court in Germany dismissing the case; on August 28 of the same year, the WIPO Arbitration and Mediation Center, based on the Applicant’s request and the aforementioned settlement agreement, ordered the termination of the arbitration; and finally, on September 23 of the same year, TTY executed a supplemental agreement to the settlement agreement with Inopha AG and Mr. Denis Opitz, confirming that all of the aforementioned disputes have been fully resolved. Regarding the contractual amounts deposited in a trust account in connection with the aforementioned disputes, distribution was made in accordance with the agreement, under which TTY’s allocated share was approximately 65%. More than half of the settlement proceeds will be retained for litigation costs and other anticipated expenditures. TTY received the full amount of its allocated proceeds on September 25, 2025.
4. In connection with the Huanlei case, which was voluntarily referred to the Criminal Investigation Bureau of the National Police Agency following an internal investigation triggered by a report, the Taiwan Shilin District Prosecutors Office indicted Mr. Shih Chun-Liang and other individuals on April 18, 2024, and the case has been transferred to the Taiwan Shilin District Court for trial. In addition, on December 25, 2023, the Taiwan Shilin District Prosecutors Office issued a letter requesting TTY to return NT\$53,900 thousand in donations recorded as collections and payments on behalf of others. After consultation with external legal counsel, it was indicated that the dispute remains to be clarified. Following an assessment of the potential parties for claims and available remedies, TTY has recognized a partial provision for losses.
5. On May 8, 2017, Taiwan Biotech Co., Ltd. entered into a joint venture agreement with 2 BBB MEDICINES BV (hereinafter, the “2 BBB Company”), a company incorporated in the Netherlands, to jointly establish EnhanceX Biotech Co., Ltd.
Subsequently, disputes arose between the parties regarding the performance of the joint venture agreement. The 2 BBB Company alleged that the Company had breached the agreement and filed an arbitration claim seeking compensation.
The case was settled on May 28, 2025, with the Company agreeing to pay compensation of NT\$18,000 thousand to the 2 BBB Company in accordance with the settlement agreement.
The related matters were subsequently executed in accordance with the terms of the agreement.

(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 114, see “Corporate Governance/Corporate Governance Operation” on the Company’s website.

VII. Other important matters: None.

Six. Special notes and matters

I. Information on Affiliated Enterprises

Please refer to MOPS (Single Company > Download of Electronic Files > Area for Affiliated Company Tables).

https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=8432&year=&mtype=K&isnew=true

II. Disclosure shall include the date and amount of private placement of securities in the most recent fiscal year and up to the date of annual report publication. This disclosure must also cover the basis for and reasonableness of the price determination, the method for selecting specific investors, the necessity of the private placement, the identity of the private placement investors, their qualification requirements, the number of shares subscribed, their relationship with the Company, their involvement in the Company's operations, the actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the impact of the private placement on shareholder rights, and the use of funds raised from the private placement from the date of full payment until completion of the capital utilization plan, including the plan's implementation progress and the realization of its benefits.

None.

III. Other supplementary notes

None.

IV. Any event specified in Article 36, paragraph 3, subparagraph 2 of the Act that had a material impact on shareholders' equity or securities prices during the most recent fiscal year and up to the date of publication of the annual report shall also be listed item by item.

None.

TSH Biopharm Corporation Ltd.

Chairman : Chuan Lin

To Be Committed To Improving The Quality Of Life Of
Patients With Chronic Diseases

