



Stock Code: 4105

台灣東洋藥品工業股份有限公司
TTY BIOPHARM COMPANY LIMITED

2024
Annual Report

Website for the Company's disclosure of annual report information : <http://www.tty.com.tw>

Website designated by the FSC for information disclosure : <http://mops.twse.com.tw>

Printing Date : April 30, 2025

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VIII. Certified Public Accountants for the Most Recent Fiscal Year

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IX. Name of the Trading Venue for Overseas Listed Securities and Method for Accessing Related Information: None.

X. Company website: <http://www.tty.com.tw>

Table of Contents

One.	Message to Shareholders	1
Two.	Corporate Governance Report	6
	I. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches	6
	II. Remuneration to directors, President, and Vice Presidents in the most recent year	17
	III. Corporate Governance Operations	22
	IV. Audit Fees Paid to Certified Public Accountants	124
	V. Information on Change of Accountants	124
	VI. Information on Whether the Chairman, President, or Manager Responsible for Finance or Accounting Served at the CPA Firm or its Affiliates within the Past Year	124
	VII. Changes in Shareholding and Pledged Shares of Directors, Managers, and Shareholders Holding More than 10% ownership interest in the most recent year and up to the date of publication of the annual report	125
	VIII. Information on relationships among the top ten shareholders, including affiliated persons or spouses and relatives within the second degree	127
	IX. Shareholdings in the same investee by the Company, its directors, managers, and controlled entities, including consolidated shareholding ratios	128
Three.	Capital Raising Activities	129
	I. Capital and Shares	129
	II. Issuance of Corporate Bonds, Preferred shares, Global Depository Receipts, Employee Stock Warrants, and Restricted Employee Shares	134
	III. Issuance of New Shares for Mergers or Acquisitions of Other Companies' Equity	134
	IV. Implementation Status of Capital Utilization Plans	134
Four.	Operating overview	135
	I. Scope of business	135
	II. Market and Production/Sales Overview	144
	III. Number of employees, Average years of service, Average age, and Educational Background Distribution for the Past Two Years and as of the date of publication of the annual report	151
	IV. Environmental Protection Expenditures	151
	V. Labor Relations	151
	VI. Information Security Management	158

	VII. Major Contracts	162
Five.	Analysis of Financial Position, Financial Performance, and Risk Factors.....	163
	I. Financial Position Analysis	163
	II. Financial Performance Analysis of financial performance.....	164
	III. Cash Flow Analysis of cash flow	165
	IV. Impact of major capital expenditures on financial and business operations in the most recent fiscal year	166
	V. Policy on Investments in Subsidiaries, Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year.....	166
	VI. Risk Factor Assessment and Analysis for the Most Recent Fiscal Year and up to the Annual Report Publication Date	167
	VII. Other Material Matters	172
Six.	Special Disclosure	173
	I. Information on Affiliated Enterprises	173
	II. Private Placements of Securities for the Most Recent Fiscal year and up to the Date of the Annual report Publication	182
	III. Other supplementary information.....	182
	IV. Material Events Occurring in the Most Recent Fiscal Year and up to the Annual Report Publication Date That May Significantly Impact Shareholder Equity or the Price of the Company’s Securities, as Defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act	183

One. Message to Shareholders

Dear Shareholders,

Since its establishment in 1960, TTY Biopharm has continuously adapted to changes in Taiwan's pharmaceutical environment, deepening its roots in the biotechnology and pharmaceutical sectors. The Company is committed to developing complex generic drugs, enhancing new drug R&D capabilities, and actively introducing innovative pharmaceuticals. TTY Biopharm has not only established a solid foundation for its own development but also demonstrated the determination of a domestic enterprise to transform into a global company.

Under the leadership of President Ching-Lan Hou, TTY Biopharm has formulated a clear blueprint for internationalization and strengthened its core values of "Integrity," "Team Accountability," "Professional Excellence," and "Regulatory Compliance," establishing the cultural foundation for sustainable business operations. The Chairman, together with the team, has navigated through the transition period, supporting professional managers in expanding their international perspective and inspiring a sense of mission and responsibility.

Operating Results for 2024

(I) Implementation Results of Business Plan

The company's consolidated net operating revenue for 2024 was NT\$ 5,893,847 thousand, an increase of NT\$388,305 thousand or 7.05% compared to NT\$5,505,542 thousand in 2023. This growth was primarily attributable to a significant increase in overseas business performance during 2024. Net profit attributable to the parent company in 2024 was NT\$1,449,622 thousand, an increase of NT\$321,113 thousand or 28.45% compared to NT\$1,128,509 thousand in 2023. This increase was mainly due to higher operating revenues driving overall operating profit and net income growth. Additionally, our associated enterprises recognized milestone licensing revenue, which positively impacted our investment gains recognized under the equity method.

(II) Budget Implementation

The company's 2024 individual net operating revenue was NT\$4,984,797 thousand, with pre-tax net profit of NT\$1,449,622 thousand, achieving 117.16% of the annual budget target.

(III) Financial Receipts, Expenditures, and Profitability Analysis

Item \ Year		2024	2023
Financial Receipts and Expenditures	Interest Income (thousand NT\$)	10,121	2,671
	Interest Expense (thousand NT\$)	38,337	34,801
Profitability Analysis	Return on Assets (%)	15.48	12.79
	Return on Equity (%)	22.84	19.46
	Net Profit Margin (%)	29.08	23.04
	Earnings Per Share (NT\$)	5.83	4.54

(IV) R&D Status

TTY Biopharm possesses professional pharmaceutical development and manufacturing capabilities, offering comprehensive solutions that encompass drug delivery systems and complete Contract Development and Manufacturing Organization (CDMO) services. From formulation development, analytical method development, process development, animal testing, and functional excipient synthesis to human clinical trials, GMP production, and CMC documentation preparation, all processes comply with international standards. This ensures research and development outcomes can be effectively translated into clinical applications, focusing on meeting patient needs and enhancing healthcare accessibility.

The company will continue to drive research and innovation, focusing on enhancing global market competitiveness by developing high-barrier specialized dosage forms, biologics, and innovative drugs to ensure product portfolio diversity and competitive advantage. Through comprehensive disease product lines covering anti-cancer drugs, critical care medicines, and vaccines, TTY Biopharm provides diverse solutions while actively investing in therapeutic areas with high market growth potential, ensuring research achievements can be rapidly converted into commercial value.

Looking ahead, TTY Biopharm will continue to innovate and focus on developing specialized drug delivery technology platforms. By strengthening technological advantages, international collaboration, and market expansion, the company will continuously enhance its competitive edge.

Summary of Business Plan for 2025

(I) Management Policy

TTY Biopharm upholds the vision of “Enhancing Human Life Quality Through Scientific Technology” and continues to pursue excellence and stable growth, successfully positioning itself as “an innovative international biotech pharmaceutical company focused on specialized dosage form development and new drug research.” The company’s strategy will focus on research, development, and manufacturing of high value-added pharmaceuticals, expanding into international markets, and strengthening competitive advantages in high-barrier specialized dosage forms and biologics to secure its global market position. To accelerate internationalization, TTY Biopharm is actively deploying resources in the United States, Europe, and emerging markets through direct operations and strategic alliances, while optimizing pharmaceutical product lines through proprietary research and technology licensing to meet diverse market demands. In the future, the company will pursue its mission of “Providing Diverse Medical Solutions for Patients Worldwide,” focusing on cancer treatment and critical anti-infection fields, striving to become an international-level biotech pharmaceutical company that creates greater value for the global healthcare industry.

(II) Expected Sales Volume and Its Basis

For 2025, the company forecasts sales of 422,410 thousand oral dosage units and 6,030 thousand injectable units. The company’s expected sales volume is based on IQVIA statistical reports, while also considering potential future market supply and demand changes, new product development speed, and national health insurance policies.

(III) Important Production and Sales Policies

In the new year, TTY Biopharm will follow three major strategies: “Export of Difficult-to-Manufacture Generic Drugs,” “In-Licensing of International New Drugs,” and “Self-Manufactured Domestic New Drugs,” continuing to create new growth patterns on the existing foundation. The company continues to optimize its production and sales policies to meet market demands and enhance competitive advantages, expanding market share and strengthening brand influence.

TTY Biopharm continues to deepen its international market deployment. While steadily operating in the Taiwan market, the company is actively expanding into Asian, European, American, and other emerging markets through direct operations and strategic partnerships to enhance brand competitiveness and revenue momentum. The company will strengthen product competitiveness in core areas such as oncology, critical care, vaccines, and anesthetic drugs, while actively introducing innovative international pharmaceuticals to meet the needs of various regional markets. Simultaneously, manufacturing facilities will be optimized according to market and regulatory requirements to ensure compliance with international quality standards while improving

production efficiency and supply chain stability. Additionally, by strengthening supply chain management to reduce costs and ensure market competitive advantage, TTY Biopharm will continue to solidify its competitiveness in the global market.

Future Company Development Strategy

Corporate Vision: “Enhancing Human Life Quality Through Scientific Technology.”

Corporate Mission and Strategies: “Dedicated to developing and manufacturing specialized dosage form drugs (patentable or with high-barrier characteristics), biologics, new medical technologies, and new drugs to perfect TTY’s product portfolio; continuously strengthening the R&D platform for high-barrier dosage form drugs and extending their benefits to various disease domains”; “Specializing in and deepening international development in the areas of anti-cancer, critical care, anti-infection, and specialized dosage form drug development and manufacturing”; “Becoming one of the world’s most innovative biotech pharmaceutical companies”; “Being the best partner for international biotech pharmaceutical companies in drug development and international market marketing.”

In future development, TTY Biopharm will not only bring current R&D results to market through certification to maximize benefits but will also continue to expand international market channels and actively seek international cooperation opportunities. The company will achieve development goals through the following key strategies:

1. Optimizing product portfolios and target selection to ensure coverage of diverse disease treatment areas and balancing early, middle, and late-stage drug development to ensure continuous enhancement of enterprise competitiveness, generate revenue growth, and integrate the value chain.
2. Deepening international cooperation, promoting innovative R&D, and accelerating the development of high technical threshold drugs that meet unmet medical needs, including specialized dosage form generics, new drugs, and drug delivery platforms. This will strengthen technical and manufacturing advantages, enhance international market competitiveness and brand visibility, and expand global business territory.
3. Keeping abreast of international regulatory dynamics and optimizing and upgrading manufacturing facilities to maintain competitive advantages. Simultaneously strengthening the CDMO (Contract Development and Manufacturing Organization) business model to enhance service capabilities in international markets and expand global business territory.
4. Enhancing manufacturing capacity and supply chain management through acquisitions, strategic alliances, and joint ventures; strengthening the integration of R&D and production; optimizing end-to-end management from drug development to manufacturing; and ensuring production efficiency and market competitiveness.

5. Continuously optimizing production processes to ensure the supply chain has international mass production capabilities. Simultaneously expanding production capacity scale through precise resource investment and profit/loss assessment to improve cost-effectiveness, ensure market competitive advantages, and strengthen international market supply capabilities and competitiveness.
6. Introducing international talent to enhance global competitiveness, and integrating cross-disciplinary expertise through organizational revitalization and management innovation. With "science, regulations, business operations, and supply chain management" as the core areas of development, we cultivate professionals with a global perspective and drive the company toward a new stage of internationalization.
7. Continuously optimizing internal organizational structure based on operational strategy and synergy considerations to improve operational efficiency and overall competitiveness. Simultaneously promoting standardization of licensing agreements to accelerate international business partnerships, expand domestic and overseas markets, strengthen global business deployment, and ensure maximization of company interests.

Impact of External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

In the face of increasingly intense global market competition and supply chain uncertainties in the post-pandemic era, TTY Biopharm is actively responding to changes in the external environment. The company will continue to optimize production and operational management to ensure stable supply and meet market demands. TTY Biopharm will also continue to adjust and respond to regulatory changes in the US and European markets, while simultaneously strengthening product compliance strategies to ensure conformity with regulatory standards in various countries and maintain competitive advantages in international markets.

To reduce operational risks and enhance corporate resilience, the company will deepen capital operations and cost control, optimize market response mechanisms, and diversify market risks through strategic cooperation and licensing agreements. These efforts will expand business deployment, improve profitability, ensure long-term stable development, and continuously strengthen global market competitiveness.

TTY Biopharm Company Limited

Chairman: Chuan Lin

President: Ching-Lan Hou

Two. Corporate Governance Report

I. Information on directors, President, Vice Presidents, assistant vice president, department heads, and branch heads

(I) Information on Directors

1. Information on Directors

Unit: shares; %; April 30, 2025

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (Appointment)	Term of Office	Date of First Election (Appointment)	Shares Held at Time of Election		Current Shareholding (Note 1)		Current Shareholding of Spouse and Minor Children (Note 1)		Shares Held in the Name of Others (Note 1)		Major Experience and Academic Qualifications	Current Positions at the Company and Other Companies	Managers or Directors who are Spouses or within Two Degrees of Kinship			Notes	
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Chairman	Republic of China	Chuan Lin	Male 71-80 years old	May 30, 2024	3 years	November 22, 2018	120,000	0.05	120,000	0.05	90,000	0.04	0	0	Ph.D. in Economics, University of Illinois at Urbana-Champaign	TSH Biopharm Corporation Limited Taiwan Semiconductor Manufacturing Company, Ltd. (TSMC) Pegatron Corporation	Chairman Independent Director Independent Director	None	None	None	None
Vice Chairman	Republic of China	Wen-Hua Chang	Female 61-70 years old	May 30, 2024	3 years	July 24, 1995	4,409,800	1.77	4,409,800	1.77	0	0	0	0	MBA, Monmouth University, USA Bachelor of Accounting, Soochow University	ARICH ENTERPRISE CO., LTD. TTY Biopharm Korea Co., Ltd.	Director Director	None	None	None	None
Director	Republic of China	Dawan Technology Co., Ltd.	-	May 30, 2024	3 years	July 24, 1995	23,526,732	9.09	22,559,732	9.46	0	0	0	0	PharmD, Pacific University School of Pharmacy, USA MBA, Pacific University School of Business, USA	TSH Biopharm Corporation Limited Xudong Haipu International Co., Ltd. Rong Gang International Co., Ltd. American Taiwan Biopharm Co., Ltd. Chuang Yi Biotech Co., Ltd. Dawan Technology Co., Ltd.	Director Director Director Director Director Director	None	None	None	None
	USA	Representative: Carl Hsiao	Male 31-40 years old			March 26, 2019	881,712	0.35	881,712	0.35	0	0	0	0							
Director	Republic of China	Tze- Kaing Yang	Male 61-70 years old	May 30, 2024	3 years	June 24, 2016	0	0	0	0	0	0	260,000	0.10	MBA, University of Illinois at Urbana-Champaign, USA Ph.D. in Business Administration, National Chengchi University	Hui Hong Consulting Co., Ltd. Huiyang Venture Capital Co., Ltd. Airiti Co., Ltd. HON YANG HEALTHCARE CO., LTD. Pegatron Corporation ASUSTEK COMPUTER INC. CSVI VENTURES,L.P HWEY CHERN CO., LTD. Xudong Haipu International Co., Ltd. Rong Gang International Co., Ltd. Happy Read Publication Company Limited	Chairman Director and President Director Director Director Director Director Director Director Supervisor	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (Appointment)	Term of Office	Date of First Election (Appointment)	Shares Held at Time of Election		Current Shareholding (Note 1)		Current Shareholding of Spouse and Minor Children (Note 1)		Shares Held in the Name of Others (Note 1)		Major Experience and Academic Qualifications	Current Positions at the Company and Other Companies	Managers or Directors who are Spouses or within Two Degrees of Kinship			Notes	
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Director	Republic of China	Shih-Chang Hsu	Male 61-70 years old	May 30, 2024	3 years	May 30, 2024	0	0	0	0	0	0	0	0	Executive Master of Business Administration (EMBA), National Chiao Tung University	ASUSTEK COMPUTER INC. Vice Chairman ASUS GLOBAL PTE. LTD. Chairman ASUS TECHNOLOGY PTE. LIMITED Chairman ASMedia Technology Inc. Chairman eBizprise Inc. Chairman Pegatron Corporation Director EUSOL BIOTECH CO.LTD. Director IMOZEN GROUP INC. Director HUASYN BIOMEDICAL CO., LTD. Director Xiangyong Biotechnology Management Consulting Co., Ltd. Director Hong Wei Investment Co., Ltd. Director Buddhist Tzu Chi Medical Foundation Director	None	None	None	None	
Director	Republic of China	Ying-Ying Liao	Female 61-70 years old	May 30, 2024	3 years	June 24, 2016	0	0	0	0	0	0	0	0	MBA, University of Missouri, USA	Cnyes Securities Investment Consulting Co., Ltd. Director Acer Gaming Co., Ltd. Independent Director Tatung Magnetics Co., Ltd. Director	None	None	None	None	
Independent Director	Republic of China	Ming-Ling Hsueh	Male 61-70 years old	May 30, 2024	3 years	June 24, 2016	0	0	0	0	0	0	0	0	MBA, Bloomsburg University of Pennsylvania, USA Master of Accounting, Graduate Institute of Accounting, Soochow University	Lite-On Technology Corporation Independent Director Walsin Lihwa Corporation Independent Director Yuanta Financial Holding Co., Ltd. Director Yuanta Commercial Bank Co., Ltd. Independent Director TUNG HUA BOOK CO., LTD. Director Taiwan Corporate Governance Association Executive Director	None	None	None	Note 2	
Independent Director	Republic of China	An-Li Cheng	Male 61-70 years old	May 30, 2024	3 years	May 30, 2024	0	0	0	0	0	0	0	0	M.D., College of Medicine, National Taiwan University Ph.D., Graduate Institute of Clinical Medicine, National Taiwan University	National Taiwan University Cancer Center	Distinguished Attending Physician Combined segment	None	None	None	None
Independent Director	Republic of China	Ming-Dao Chang	Male 71-80 years old	May 30, 2024	3 years	May 30, 2024	0	0	0	0	0	0	0	0	Master of Laws, Graduate Institute of Law, Chinese Culture University Bachelor of Laws, Soochow University	PharmaEngine Inc.	Independent Director	None	None	None	None

Note:

- The number of shares currently held by directors themselves, their spouses, minor children, and shares held under others' names is based on information as of March 31, 2025 (the book closure date for the 2025 Annual Shareholders' Meeting).
- According to Article 4, Paragraph 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies": "If an independent director of a financial holding company or a listed/OTC investment holding company concurrently serves as an independent director of a 100% owned public subsidiary, and such concurrent positions exceed one company, the excess number shall be included in the calculation of the number of concurrent positions under the preceding paragraph." Independent Director Ming-Ling Hsueh was appointed by Yuanta Financial Holding Co., Ltd. To serve as an independent director of Yuanta Commercial Bank Co., Ltd. This concurrent position is not counted toward the number of concurrent positions as an independent director in "other" public companies as stipulated in Article 4, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

2. Major Shareholders of Institutional Shareholders:

March 31, 2025

Name of Institutional Shareholder:	Major Shareholders of Institutional Shareholders:
Dawan Technology Co., Ltd.	Yu-Pin Hsiao (36.98%), Ying-Chun Hsiao (12.14%), Hsiao-Chin Hsu (12.10%), Public Welfare Trust Li-Yuan Welfare Fund Account (11.02%), Mei-Chin Hsu (5.78%), Yung-Liang Wu (5.09%), Chia-Pin Hsiao (2.56%), Chia-Yu Hsiao (3.11%), Hsin-Yu Hsiao (5.58%), Hsin-Ya Hsiao (5.64%)

3. Major shareholders who are legal entities and their major shareholders: None.

4. Professional knowledge of directors, board diversity policy, and independence status:

(1) Information on the professional qualifications and independence of directors

Conditions Name	Professional Qualification and Experience	Independence status of independent directors	Number of independent directorships concurrently held in other public companies
Chairman, Chuan Lin	Dr. Chuan Lin, Chairman, received his Ph.D. in Economics from the University of Illinois. He is well-versed in economics, taxation, and finance. He has previously served as the CEO of research institutions, held university teaching positions, and assumed various important public offices. He has also served as Chairman, Director, and Independent Director for numerous listed companies (such as Vanguard International Semiconductor Corporation, AIG Taiwan Insurance Co., Ltd, Pegatron Corporation, Casetek Holdings Limited, Inotera Memories, Inc., etc.), demonstrating extensive and comprehensive experience in industry, government, and academia. Combining theoretical knowledge with practical experience, Dr. Lin has served as a Director of TTY Biopharm since 2011 and as Chairman since 2018. He has contributed his expertise and knowledge to Taiwan's biotechnology industry. In 2015, he also became a Director of Taiwan new drug development company,	Not applicable	2

	<p>PharmaEngine. Director Lin possesses many years of experience in pharmaceutical R&D, innovation, manufacturing, and marketing within the biotechnology industry. Combined with his broad international perspective and familiarity with corporate governance principles, he has led TTY Biopharm to international prominence through market development, manufacturing excellence, industry integration, horizontal and vertical mergers and acquisitions, and lean management. Under his leadership, the company has become a benchmark and role model in Taiwan's biomedical industry, creating new opportunities and maintaining a leadership position in Taiwan's biotechnology sector.</p> <p>Chairman Chuan Lin is not subject to any conditions specified in Article 30 of the Company Act.</p>		
Vice Chairman Wen-Hua Chang	<p>Vice Chairman Wen-Hua Chang has served as a Director of TTY Biopharm since 1995 and previously served as Vice President of Arich Enterprise Co., Ltd. He is familiar with biotechnology industry-related logistics, business negotiations, financial operations, and risk management. He possesses extensive financial and accounting expertise. Vice Chairman Chang continues to lead the Company in strengthening its financial structure, enhancing international competitiveness, and advancing toward becoming an international enterprise.</p> <p>Vice Chairman Wen-Hua Chang is not subject to any conditions specified in Article 30 of the Company Act.</p>	Not applicable	0
Representative of Dawan Technology Co., Ltd.: Director Chia-Pin Hsiao	<p>Before becoming a director of TTY Biopharm in 2019, Director Chia-Pin Hsiao served long-term at the international large-scale pharmacy chain CVS Health Pharmacy. He possesses professional skills in prescription management, clinical services, disease management programs, and retail pharmacy operations management. He is also well-versed in marketing, logistics, inventory management, and other international business operation models, providing substantial benefits to the Company's integration with international markets. Currently serves as a director of TSH Biopharm and Chuang Yi Biotech, and serves as</p>	Not applicable	0

	<p>the convener of the Company's Sustainability Development Committee.</p> <p>Director Chia-Pin Hsiao is not subject to any conditions specified in Article 30 of the Company Act.</p>		
Director Tzu-Chiang Yang	<p>Mr. Tzu-Chiang Yang has served as a Director of TTY Biopharm since 2016 and serves as a Director and Independent Director for several listed companies. He is a professor at Guanghai School of Management and National Chengchi University MBA program, with extensive professional background in investment and financial operations. Director Yang is familiar with the operations of both Taiwanese and international capital markets and has made significant contributions to the field of risk management. He is able to guide the Company in properly identifying and managing risks in an uncertain business environment, continuing to create value for stakeholders.</p> <p>Director Tzu-Chiang Yang is not subject to any conditions specified in Article 30 of the Company Act.</p>	Not applicable	0
Director Shih-Chang Hsu	<p>Director Shih-Chang Hsu is one of the co-founders of the ASUS Group, possessing profound professional capabilities in hardware and software R&D and exceptional industry experience. He previously served as Vice Chairman and Deputy CEO of Pegatron, with long-term dedication to the information technology industry. He has accumulated extensive practical experience in corporate operations management, technology research and development, product innovation, and global market deployment. He currently serves as Vice Chairman of ASUSTEK Computer. With his professional background and rich experience, Director Hsu will help the Company strengthen technological innovation, optimize operational strategies, and enhance global market competitiveness. Director Shih-Chang Hsu is not subject to any conditions specified in Article 30 of the Company Act.</p>	Not applicable	0
Director Ying-Ying Liao	<p>Director Ying-Ying Liao served as a Supervisor of TTY Biopharm from 2014 to 2016 and has been serving as a Director since 2016. She previously served as Manager of the Underwriting Department and Senior Vice President of the International Department at Fubon</p>	Not applicable	1

	<p>Securities, and as a Director of Anue. She has long been deeply involved in international capital markets and is well-versed in corporate equity and debt issuance, capital structure optimization, multinational financial operations, and risk management.</p> <p>Director Liao has a profound understanding of domestic and foreign institutional investors' emphasis on and support for corporate sustainability. She can provide forward-looking insights for the Company in environmental, social, and corporate governance (ESG) aspects, assisting TTY Biopharm in deepening sustainability initiatives and advancing toward the goal of becoming an outstanding corporate citizen.</p> <p>Director Ying-Ying Liao is not subject to any conditions specified in Article 30 of the Company Act.</p>		
Independent Director Ming-Ling Hsueh	<p>Mr. Ming-Ling Hsueh has served as an Independent Director of TTY Biopharm since 2016 and currently serves as the convener of the Remuneration Committee. He holds a Certified Public Accountant license in the Republic of China and previously served as the Chairman of PwC Taiwan and as an adjunct professor at the College of Management, National Taiwan University of Science and Technology. He specializes in corporate governance and business practices, financial information analysis and application, and possesses extensive knowledge in finance and accounting, risk management, and corporate governance. He has served as the convener of the Company's Audit Committee and Sustainability Development Committee. He currently serves as an Executive Director of the Taiwan Corporate Governance Association, Independent Director of Yuanta Financial Holdings and Yuanta Commercial Bank, Lite-On Technology, and Walsin Lihwa Corporation, and as a Director of Tunghua Book Company.</p> <p>Independent Director Ming-Ling Hsueh is not subject to any conditions specified in Article 30 of the Company Act.</p>	<p>Independent Director Ming-Ling Hsueh complies with the independence requirements specified in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Additional information is as follows:</p> <ol style="list-style-type: none"> 1. Independent Director Hsueh does not hold any shares of the Company. Currently, in addition to serving as an Independent Director of TTY Biopharm, he also serves as an Executive Director of the Taiwan Corporate Governance Association, Independent Director of Yuanta Financial Holdings and Yuanta Commercial Bank, Lite-On Technology, and Walsin Lihwa, and as a Director of Tunghua Book Company. Except for TTY Biopharm's engagement of the Taiwan Corporate Governance Association in 2024 to perform an evaluation of the performance of the Board of Directors and functional committees at a service fee of NT\$160,000, the other companies have no relationship with this Company. 2. The spouse, relatives within the second degree of kinship, and lineal relatives within the third degree of kinship of Independent Director Hsueh are not directors, supervisors, or managers of the Company or its affiliated enterprises, nor are they shareholders who hold 1% or more of the total issued 	4 (Note)

		<p>shares of the Company or rank among the top ten shareholders.</p> <p>3. Upon appointment, Independent Director Hsueh signed a declaration stating that he meets the qualification requirements stipulated in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and the relevant provisions of Article 14-2 of the Securities and Exchange Act.</p>	
Independent Director An-Li Cheng	<p>Dr. An-Li Cheng has served as an Independent Director of TTY Biopharm since 2024. He is a senior scholar with both prestige and practical experience in the medical and academic fields. He previously served as the Deputy Superintendent of National Taiwan University Hospital and as a Distinguished Chair Professor at National Taiwan University. He has long focused on research in the treatment of malignant lymphoma and digestive system cancers, and has published numerous landmark academic papers in internationally renowned journals, exerting profound influence in the field of clinical medicine.</p> <p>Independent Director Cheng was selected in 2024 as one of the top 2% of scientists globally and ranked 3rd among the “Top 20 in Taiwan’s Clinical Medicine Field,” demonstrating his outstanding academic status and international reputation. His professional background and cross-disciplinary experience will help TTY Biopharm provide practical and forward-looking strategic advice in new product development and related stages, strengthen product positioning, promote patient welfare, and enhance the Company’s overall competitiveness.</p> <p>Independent Director An-Li Cheng is not subject to any conditions specified in Article 30 of the Company Act.</p>	<p>Independent Director An-Li Cheng complies with the independence requirements specified in Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” Additional information is as follows:</p> <p>1. Independent Director Cheng does not hold any shares of the Company. Currently, in addition to serving as an Independent Director of TTY Biopharm, he also serves as a Distinguished Attending Physician at the Cancer Center Branch of National Taiwan University Hospital.</p> <p>2. The spouse, relatives within the second degree of kinship, and lineal relatives within the third degree of kinship of Independent Director Cheng are not directors, supervisors, or managers of the Company or its affiliated enterprises, nor are they shareholders who hold 1% or more of the total issued shares of the Company or rank among the top ten shareholders.</p> <p>3. Upon appointment, Independent Director Cheng signed a declaration stating that he meets the qualification requirements stipulated in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and the relevant provisions of Article 14-2 of the Securities and Exchange Act.</p>	0
Independent Director Ming-Dao Chang	<p>Mr. Ming-Dao Chang has served as an Independent Director of TTY Biopharm since 2024 and is the convener of the Audit Committee. He previously served as the Director-General of the Banking Bureau of the Financial Supervisory Commission,</p>	<p>Independent Director Ming-Dao Chang complies with the independence requirements specified in Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” Additional</p>	1

	<p>President of Taiwan Financial Holdings and Bank of Taiwan, and Chairman of Chang Hwa Bank and Bank SinoPac. He possesses profound legal knowledge and extensive experience in financial supervision and banking operations.</p> <p>Independent Director Chang is well-versed in corporate governance and domestic and international financial operations, which will help TTY Biopharm strengthen its financial structure, flexibly utilize assets for overseas deployment, and promote sustainable corporate growth and international development.</p> <p>Independent Director Ming-Dao Chang is not subject to any conditions specified in Article 30 of the Company Act.</p>	<p>information is as follows:</p> <ol style="list-style-type: none"> 1. Independent Director Chang does not hold any shares of the Company. Currently, in addition to serving as an Independent Director of TTY Biopharm, he also serves as an Independent Director of PharmaEngine. 2. The spouse, relatives within the second degree of kinship, and lineal relatives within the third degree of kinship of Independent Director Chang are not directors, supervisors, or managers of the Company or its affiliated enterprises, nor are they shareholders who hold 1% or more of the total issued shares of the Company or rank among the top ten shareholders. 3. Upon appointment, Independent Director Chang signed a declaration stating that he meets the qualification requirements stipulated in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and the relevant provisions of Article 14-2 of the Securities and Exchange Act. 	
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Note: According to Article 4, Paragraph 2 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”: “If an independent director of a financial holding company or a listed/OTC investment holding company concurrently serves as an independent director of a 100% owned public subsidiary, and such concurrent positions exceed one company, the excess number shall be included in the calculation of the number of concurrent positions under the preceding paragraph.” Independent Director Ming-Ling Hsueh was appointed by Yuanta Financial Holding Co., Ltd. To serve as an independent director of Yuanta Commercial Bank Co., Ltd. This concurrent position is not counted toward the number of concurrent positions as an independent director in “other” public companies as stipulated in Article 4, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

(2) Diversification and independence of the Board of Directors

● Diversification of the Board of Directors

The Company has established a diversity policy for board members in Chapter 3 “Strengthening the Functions of the Board of Directors” of its “Corporate Governance Best Practice Principles.” Board members shall generally possess the knowledge, skills, and qualities necessary to perform their duties. To achieve corporate governance objectives, the Board of Directors as a whole should possess core competencies including operational judgment ability, accounting and financial analysis ability, business management ability, crisis management ability, industry knowledge, international market perspective, leadership ability, and decision-making ability.

In accordance with the Company’s Articles of Incorporation, the election of directors fully adopts the candidate nomination system. A comprehensive assessment is conducted based on each candidate’s educational background, professional experience, and qualifications, following the relevant provisions of the “Procedures for Election of Directors” and “Corporate Governance Best Practice Principles” to ensure the diversity and independence of board members.

The Company’s current Board of Directors consists of 9 directors, including 2 female directors, accounting for 22.22%; 7 male directors, accounting for 77.78%; and 3 independent directors, accounting for 33.33%. The age distribution of board members is as follows: one member aged 31-40, six members aged 61-70, and two members aged 71 and above. The board composition primarily considers professional background, practical experience, and potential contribution to the company’s future development, without specific gender ratio requirements. However, in compliance with the regulatory authority’s policy on board gender diversity, the Company continues to incorporate gender balance considerations in director nomination and selection mechanisms. We are gradually planning and strengthening toward achieving the goal of having directors of different genders constitute one-third of the board, to enhance board diversity and governance quality.

The members of the Company’s Board of Directors possess diverse professional expertise encompassing: biotechnology industry, finance, banking, commerce, legal affairs, and accounting. This diversity enables them to undertake strategic operations and make significant decisions involving economic, environmental, and social matters, while supervising the management team and managing risks. The implementation status is shown in the table below:

Core Diversity Items Title and Name		Industry Experience and Professional Capabilities					
		Operational Management	Leadership Decision-Making	Industry Knowledge	Finance and Accounting	Law	Environmental protection
Chairman	Chuan Lin	✓	✓	✓	✓	✓	✓
Vice Chairman	Wen-Hua Chang	✓	✓	✓	✓	✓	
Director	Representative of Dawan Technology Co., Ltd.: Carl Hsiao	✓	✓	✓			
Director	Tze-Kaing Yang	✓	✓	✓	✓		
Director	Shih-Chang Hsu	✓	✓	✓	✓		

Director	Ying-Ying Liao	✓	✓		✓		
Independent Director	Ming-Ling Hsueh	✓	✓		✓	✓	
Independent Director	An-Li Cheng	✓	✓	✓			
Independent Director	Ming-Dao Chang	✓	✓		✓	✓	

● Independence of the Board of Directors:

The Company completed a full re-election of directors at the 2024 Annual Shareholders' Meeting, electing a total of 9 directors, including 3 independent directors, who constitute one-third of the board seats. Following the re-election, the change in director seats reached one-third, and independent directors were also adjusted in accordance with rotation and succession mechanisms. One independent director remained in office, while the other two were newly appointed. More than half of the independent directors have not served more than 3 terms, thereby strengthening board functions and continuity planning.

The documentation submitted during the nomination process for the Company's board members confirms that there are no circumstances as stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Additionally, there are no spousal relationships or relationships within two degrees of kinship among directors and independent directors. Based on the above, the overall composition of the Company's Board of Directors demonstrates strong independence.

(II) Information regarding the President, Vice Presidents, Executive Vice Presidents, Department Heads and Branch Managers

April 30, 2025 Unit: shares; %

Title	Nationality	Name	Gender	Date of Election (Appointment)	Number of shares held (Note)		Shares held by spouse and underage children (Note)		Shares held in the name of others (Note)		Major Experience and Academic Qualifications	Positions currently held in other companies	Managers who are spouses or relatives within 2nd degree of kinship			Notes
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	Ching-Lan Hou	Female	April 18, 2022	0	0	0	0	276,000	0.11	Master of Pharmacology, National Taiwan University	American Taiwan Biopharma Philippines Inc. Chairman TTY Biopharm Korea Co., Ltd. Chairman American Taiwan Biopharma Co., Ltd. Director Xudong Haipu International Co., Ltd. Chairman Rong Gang International Co., Ltd. Chairman Worldco International (Chengdu) Co., Ltd. Chairman LANX BIOTECHNOLOGY CORPORATION Director	None	None	None	None
Cancer Science Development Business Group and Corporate Development Division Senior Vice President	Republic of China	Chiao-Sung Chen	Male	December 2, 2024	0	0	1,000	0	0	0	Executive MBA (EMBA), Chang Gung University Master of Neuroscience, National Yang-Ming University School of Pharmacy, Taipei Medical University	TTY Biopharm Korea Co., Ltd. Director	None	None	None	None
Formulation R&D Center and Generic Drug Development Center Vice President	Republic of China	Cheng-Yi Peng	Male	February 1, 2024	0	0	0	0	0	0	Ph.D. in Pharmaceutics, University of Iowa, USA Department of Medicinal Chemistry, China Medical University School of Pharmacy, China Medical University	None	None	None	None	None
Production and Operations Center Senior Assistant Vice President	Republic of China	Shih-Chuan Lin	Female	August 4, 2020	0	0	0	0	0	0	Department of Soil Science, National Chung Hsing University	None	None	None	None	None
Supply Chain Management Center Senior Assistant Vice President	Republic of China	Yu-Chin Hsu	Female	October 2, 2023	0	0	0	0	0	0	Department of Business Administration, Ming Chuan Junior College	None	None	None	None	None
Key Account Management Division Senior Assistant Vice President	Republic of China	Chih-Wen Wang	Female	January 8, 2024	0	0	0	0	0	0	Cardinal Tien Junior College of Healthcare and Management	None	None	None	None	None
Finance Division CFO, Finance Officer and Corporate Governance Officer	Republic of China	Kuo-Chiang Chang	Male	December 31, 2015	0	0	0	0	0	0	Graduate Institute of Business Administration, National Taiwan University	Xudong Haipu International Co., Ltd. Director American Taiwan Biopharma Philippines Inc. Director Chuang Yi Biotech Co., Ltd. Supervisor TTY Biopharm Korea Co., Ltd. Supervisor	None	None	None	None
Legal Affairs and Compliance Division Chief Legal and Compliance Officer	Republic of China	Lin, Hui-Chun	Female	February 25, 2025	0	0	0	0	0	0	Northwestern University	None	None	None	None	None
Audit Office Chief Auditor	Republic of China	Yung-Min Chiang	Male	November 7, 2022	0	0	0	0	0	0	Master of Accounting, Soochow University Master of Law, Soochow University	None	None	None	None	None
Accounting Department Accounting Manager	Republic of China	Wei-Chuan Wang	Male	May 16, 2024	0	0	0	0	0	0	Master of Accounting, Tunghai University	None	None	None	None	None

Note: Shareholding information for managers, their spouses, minor children, and shares held under others' names is as of March 31, 2025 (the ex-dividend date for the 2025 Annual Shareholders' Meeting).

II. Remuneration Paid to Directors, President, and Vice Presidents in the Most Recent Fiscal Year

(I) Remuneration of Non-Independent and Independent Directors

Unit: NTD thousands

Title			Name	Directors' Remuneration								Sum of A, B, C, and D and ratio to net income after tax (%)		Remuneration received as an employee								Total of items A, B, C, D, E, F, and G and ratio to Net Income After Tax (%)		Remuneration received from investees other than subsidiaries or from the parent company
				Remuneration (A)		Severance and Retirement (B)		Directors' Remuneration (C)		Allowances for Business Execution (D)				Salary, Bonuses, and Special Disbursements (E)		Severance Pay and Pension (F)		Employees' Compensation (G)						
				The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All Companies in the Financial Reports	
Non-Independent Directors	Chairman	Chuan Lin	8,662	9,412	0	0	3,600	3,600	40	64	12,302.85	13,076.90	381	381	0	0	0	0	0	0	12,683.87	13,457.93	None	
	Vice Chairman	Wen-Hua Chang	240	240	0	0	2,400	2,400	50	50	2,690.19	2,690.19	0	0	0	0	0	0	0	0	2,690.19	2,690.19	None	
	Director	Dawan Technology Co., Ltd.	0	0	0	0	2,400	2,400	0	0	2,400.17	2,400.17	0	0	0	0	0	0	0	0	2,400.17	2,400.17	None	
		Representative: Carl Hsiao	0	0	0	0	0	0	65	102	65.00	102.01	381	381	0	0	0	0	0	0	446.03	483.03	None	
	Director	Tze-Kaing Yang	0	0	0	0	2,400	2,400	55	55	2,455.17	2,455.17	0	0	0	0	0	0	0	0	2,455.17	2,455.17	None	
	Director	Shih-Chang Hsu	0	0	0	0	1,416	1,416	20	20	1,436.10	1,436.10	0	0	0	0	0	0	0	0	1,436.10	1,436.10	None	
	Director	Ying-Ying Liao	0	0	0	0	2,400	2,400	35	35	2,435.17	2,435.17	0	0	0	0	0	0	0	0	2,435.17	2,435.17	None	
	Former Director	Hsiu-Chi Chang	0	0	0	0	984	984	20	20	1,004.07	1,004.07	0	0	0	0	0	0	0	0	1,004.07	1,004.07	None	
Independent Director	Independent Director	Ming-Ling Hsueh	2,541	2,541	0	0	0	0	140	140	2,681.18	2,681.18	0	0	0	0	0	0	0	0	2,681.18	2,681.18	None	
	Independent Director	An-Li Cheng	1,555	1,555	0	0	0	0	85	85	1,640.11	1,640.11	0	0	0	0	0	0	0	0	1,640.11	1,640.11	None	
	Independent Director	Ming-Dao Chang	1,555	1,555	0	0	0	0	85	85	1,640.11	1,640.11	0	0	0	0	0	0	0	0	1,640.11	1,640.11	None	
	Former Independent Director	Tui Tsai	993	993	0	0	0	0	55	55	1,048.07	1,048.07	0	0	0	0	0	0	0	0	1,048.07	1,048.07	None	
	Former Independent Director	Tien-Fu Lin	993	993	0	0	0	0	55	55	1,048.07	1,048.07	0	0	0	0	0	0	0	0	1,048.07	1,048.07	None	
1. Please describe the independent Directors' remuneration policy, system, standards, and structure, and explain the correlation between the remuneration amount and factors such as responsibilities, risks, and time commitment: The Company's independent Directors receive monthly compensation in accordance with the Company's "Directors' Remuneration Distribution Regulations" and do not participate in the annual distribution of directors' remuneration. Their compensation is determined with reference to industry standards and based on their level of participation in the Company's operations and the value of their contributions, as resolved by the Company's Remuneration Committee and Board of Directors.																								
2. In addition to the disclosures in the above table, remuneration received by the Company's directors in the most recent fiscal year for providing services to all companies included in the financial reports (such as serving as non-employee consultants to the parent company/all companies in the financial reports/invested businesses): None.																								

(II) Remuneration to President and Vice Presidents

Unit: NTD thousands

Title	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employee Compensation Amount (D)				Total of items A, B, C, and D and ratio to Net Income After Tax		Remuneration received from investees other than subsidiaries or from the parent company
		The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company	All Companies in the Financial Reports	The Company		All Companies in the Financial Reports		The Company	All Companies in the Financial Reports	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Ching-Lan Hou	15,984	15,984	438	438	4,738	4,738	5,500	0	5,500	0	26,660 1.84%	26,660 1.84%	None
Senior Vice President	Chiao-Sung Chen (Note)													
Senior Vice President	Cheng-Yi Peng (Note)													
Senior Vice President	Yu-Wen Wang (Note)													

Note: Senior Vice President Chiao-Sung Chen and Senior Vice President Cheng-Yi Peng were appointed by board resolutions passed on November 13, 2024, and January 30, 2024, respectively; Senior Vice President Min-Wen Wang resigned on August 31, 2024.

Remuneration Bracket Table for President and Vice Presidents

Unit: NT\$

Remuneration Ranges for Each President and Vice President of the Company	Names of President and Vice Presidents	
	The Company	All Companies in the Financial Reports
Less than NT\$1,000,000	None	None
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Chiao-Sung Chen (Note 2)	Chiao-Sung Chen
NT\$ 2,000,000 (inclusive) - NT\$ 3,500,000 (non-inclusive)	None	None
NT\$ 3,500,000 (inclusive) - NT\$ 5,000,000 (non-inclusive)	None	None
NT\$ 5,000,000 (inclusive) - NT\$ 10,000,000 (non-inclusive)	Cheng-Yi Peng and Yu-Wen Wang	Cheng-Yi Peng and Yu-Wen Wang
NT\$ 10,000,000 (inclusive) - NT\$ 15,000,000 (non-inclusive)	Ching-Lan Hou	Ching-Lan Hou
NT\$ 15,000,000 (inclusive) - NT\$ 30,000,000 (non-inclusive)	None	None
NT\$ 30,000,000 (inclusive) - NT\$ 50,000,000 (non-inclusive)	None	None
NT\$ 50,000,000 (inclusive) - NT\$ 100,000,000 (non-inclusive)	None	None
More than NT\$ 100,000,000	None	None
Total	4 persons	4 persons

Note 1: The remuneration contents disclosed in this table differs from the income concept under the Income Tax Act; therefore, this table serves for information disclosure purposes only and not for tax assessment purposes.

Note 2: Senior Vice President Chiao-Sung Chen assumed his position on December 2, 2024.

(III) Names and Distribution of Employee Compensation to Managers

December 31, 2024; Unit: NTD Thousands

Managers	Title	Name	Stock Amount	Cash Amount	Total	Total Amount as a Percentage of Net Income After Tax (%)
	President	Ching-Lan Hou	0	9,600	9,600	0.66
	Senior Vice President	Chiao-Sung Chen				
	Senior Vice President	Cheng-Yi Peng				
	Senior Assistant Vice President	Shih-Chuan Lin				
	Senior Assistant Vice President	Yu-Chin Hsu				
	Senior Assistant Vice President	Chih-Wen Wang				
	CFO, Finance Officer and Corporate Governance Officer	Kuo-Chiang Chang				
	Chief Auditor	Yung-Min Chiang				
	Accounting Manager	Wei-Chuan Wang				

(IV) Analysis and Explanation of the Total Compensation Paid by the Company and All Entities Included in the Consolidated Financial Statements to the Company's Directors, President, and Executive Vice Presidents as a Percentage of Net Income After Tax in Individual or Separate Financial Reports for the Last Two Fiscal Years, Including Compensation Policies, Standards and Packages, Procedures for Determining Compensation, and Their Correlation with Operating Performance and Future Risks

1. Analysis of Total Compensation Paid to the Company's Directors, President, and Executive Vice Presidents as a Percentage of Net Income After Tax in Financial Reports

Unit: NTD thousands

Item	The Company				All Companies in the Consolidated Financial Statements			
	2023		2024		2023		2024	
	Total Amount	As a percentage of net income after tax	Total Amount	As a percentage of net income after tax	Total Amount	As a percentage of net income after tax	Total Amount	As a percentage of net income after tax
Directors' Remuneration	32,464	2.88%	33,606	2.32%	33,278	2.95%	34,417	2.37%
Remuneration of Presidents and Vice Presidents	26,029	2.31%	26,660	1.84%	26,488	2.35%	26,660	1.84%
Net Income After Tax	1,128,509	—	1,449,622	—	1,128,509	—	1,449,622	—

The total remuneration for Directors and Management in 2024 was comparable to that of 2023; however, the percentage relative to net income after tax decreased compared to 2023, primarily due to the increase in net

income after tax in 2024.

2. Remuneration Policies, Standards and Packages, Procedures for Determining Compensation, and their Correlation with Operating Performance and Future Risks

(1) Remuneration Policies, Standards, and Packages

Article 31 of the Company's Articles of Incorporation stipulates that directors shall be entitled to remuneration for performing their duties regardless of whether the Company operates at a profit or loss. The remuneration shall be determined by the Board of Directors based on their level of participation in the Company's operations, value of contributions, and with reference to industry standards. Additionally, if the Company has profits in the fiscal year, in accordance with Article 28 of the Company's Articles of Incorporation, no more than 2% shall be allocated as directors' compensation. The remuneration of independent directors is based on the Company's "Directors' Remuneration Distribution Rules" and is evaluated and recommended by the Remuneration Committee, approved by the Board of Directors, and does not participate in the distribution of directors' compensation. The Company regularly evaluates directors' remuneration in accordance with the "Performance Evaluation Measures for the Board of Directors and Functional Committees." The relevant performance assessments and reasonableness of compensation are recommended by the Remuneration Committee and submitted to the Board of Directors for approval.

Article 28 of the Company's Articles of Incorporation stipulates that when the Company reports a profit for the current fiscal year, 0.5% to 10% shall be allocated as employee compensation. Executive compensation includes salaries and bonuses. Salaries are determined with reference to industry standards, job titles, academic qualifications and experience, professional capabilities, and job responsibilities, in accordance with the Company's "Salary Structure Table." Employee compensation is based on the Company's "Performance Development Plan and Performance Bonus Evaluation Guidelines," which consider executive annual performance evaluation metrics such as: achievement rate of annual work objectives, core competency indicators (trust and results orientation, integrity and teamwork, proactivity and ambition, and customer orientation), and managerial competency indicators. Evaluations also incorporate deduction standards for major external risk events (financial and reputation loss levels) and take into account the Company's operating profit and earnings for the current year. These evaluations are reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

The composition of compensation paid by the Company, as stipulated in the Remuneration Committee Charter, includes cash compensation, stock options, profit sharing, retirement benefits or severance payments, various allowances, and other substantive incentive measures. The scope is consistent with the regulations set forth in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

(2) Procedures for Determining Compensation

The compensation for directors and management is administered according to the above-mentioned remuneration policies and standards. Director compensation is established through an overall performance assessment of the Board, individual directors, and functional committees in accordance with the Company's "Board of Directors and Functional Committee Performance Evaluation Regulations." Assessment criteria include: understanding of company goals and missions, awareness of director responsibilities, level of participation in company operations, internal relationship management and communication, director expertise and continuing education, and internal controls. The Chairman's compensation is additionally adjusted annually based on operational performance metrics (such as business results, corporate governance practices, etc.), as recommended by the Remuneration Committee and approved by the Board of Directors. Management's employee compensation follows the Company's "Performance Development Plan and Performance Bonus Evaluation Regulations," taking into consideration annual performance of managers, as recommended by the Remuneration Committee and approved by the Board of Directors.

The self-evaluation results of the Board of Directors, board members, and functional committees for 2024 indicate that the Company's Board and functional committees are operating effectively. In 2024, under the dedicated efforts and outstanding performance of the Board of Directors and the management team, the Company achieved significant growth in both revenue and profitability, with pre-tax net profit reaching 117.16% of the annual budget target.

The performance evaluation and compensation reasonableness for directors and managers undergo regular annual assessment and review by the Remuneration Committee and the Board of Directors. Compensation is determined based on individual performance achievement rates and contributions to the Company, while also taking into account the Company's overall operational performance, future industry risks, and development trends, to provide reasonable remuneration in accordance with the Company's compensation policy. The total director compensation for fiscal year 2024 (including individual compensation) and employee bonuses were approved by the Remuneration Committee on February 25, 2025, and subsequently submitted to the Board of Directors for approval on the same day. The portion of employee bonuses allocated to management will be separately submitted to the Remuneration Committee and the Board of Directors for approval after the Company completes the performance evaluation of managers.

(3) Correlation with Operational Performance and Future Risks

The review of the Company's compensation policy standards and systems primarily considers the Company's overall operational status, with payment standards determined according to performance achievement rates and contributions, in order to enhance the overall organizational team effectiveness of the Board of Directors and management

departments. Additionally, the Company references industry norms to ensure that management compensation remains competitive within the industry to retain outstanding management talent.

The Company links manager performance targets with deduction standards for major external risk crisis events (such as financial and reputational loss levels) to ensure that potential risks within their scope of responsibility are properly managed and prevented. Important decisions by management are made after balancing various risk factors. The performance of these decisions is reflected in the Company's profitability, seeking to balance sustainable operations and risk management.

III. Corporate Governance Implementation

(I) Board of Directors Operations Information

In 2024, the Board of Directors held 8 meetings. Directors' attendance is as follows:

Title	Name	Number of Meetings Attended in Person	Number of Meetings Attended by Proxy	Attendance Rate in Person (%)	Notes
Chairman	Chuan Lin	8	0	100.00	Re-elected on May 30, 2024
Vice Chairman	Wen-Hua Chang	8	0	100.00	Re-elected on May 30, 2024
Director	Dawan Technology Co., Ltd. Representative: Carl Hsiao	8	0	100.00	Re-elected on May 30, 2024
Director	Tze-Kaing Yang	8	0	100.00	Re-elected on May 30, 2024
Director	Shih-Chang Hsu	4	0	100.00	Re-elected as new director on May 30, 2024
Director	Ying-Ying Liao	7	1	87.50	Re-elected on May 30, 2024
Former Director	Hsiu-Chi Chang	4	0	100.00	Term expired and discharged on May 30, 2024
Independent Director	Ming-Ling Hsueh	8	0	100.00	Re-elected on May 30, 2024
Independent Director	An-Li Cheng	4	0	100.00	Re-elected as new director on May 30, 2024
Independent Director	Ming-Dao Chang	4	0	100.00	Re-elected as new director on May 30, 2024
Former Independent Director	Tui Tsai	4	0	100.00	Term expired and discharged on May 30, 2024
Former Independent Director	Tien-Fu Lin	4	0	100.00	Term expired and discharged on May 30, 2024

Other Required Disclosures:

1. If any of the following circumstances occur in the operation of the Board of Directors, the Board meeting date, session, agenda content, all independent directors' opinions, and the Company's response to independent directors' opinions shall be specified:
 - (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, therefore matters listed in Article 14-5 of the Securities and Exchange Act apply, and this item is not applicable.
 - (2) In addition to the aforementioned matters, other Board resolutions where independent directors expressed objections or reservations with records or written statements: None.
2. The implementation of director recusal for proposals involving conflicts of interest shall specify the director's name, proposal content, reason for conflict of interest recusal, and voting participation status:

Date	Name	Proposal Content	Reason for Conflict of Interest Recusal	Voting Participation Status
March 8, 2024	Chuan Lin Wen-Hua Chang Carl Hsiao Tze-Kaing Yang Hsiu-Chi Chang Ying-Ying Liao	Distribution of Directors' Remuneration for the Company in 2023.	Distribution of Directors' Compensation	Directors did not participate in voting due to conflicts of interest.
	Chuan Lin Wen-Hua Chang Carl Hsiao Tze-Kaing Yang Ming-Ling Hsueh	Release of Newly-Appointed Directors and their Representatives from Non-Competition Restrictions.	Lifting the non-competition restrictions for Directors	Directors did not participate in voting due to conflicts of interest.
	Chuan Lin	Discussion of the Chairman's monthly fixed compensation.	Discussion of Chairman's compensation	The Company's Chairman did not participate in the voting due to conflict of interest.
May 7, 2024	Carl Hsiao	Proposal to add authorized distributorship for products through reinvested companies.	Company directors serving as directors of invested companies.	Directors did not participate in voting due to conflicts of interest.
August 8, 2024	Carl Hsiao	Proposal to revise transaction terms for product distribution authorization to subsidiaries.	Company Director serves as Director of subsidiary.	Directors did not participate in voting due to conflicts of interest.
	Chuan Lin Carl Hsiao	Proposed distribution of compensation for 2023 to the Company's appointed representative directors of subsidiaries and reinvested companies for exercising director duties.	Company directors serving as directors of subsidiaries and invested companies.	Directors did not participate in voting due to conflicts of interest.
	Ming-Ling Hsueh An-Li Cheng Ming-Dao Chang	Discussion about remuneration to independent directors of the Company.	Discussion of Independent Directors' compensation.	The Company's independent directors did not participate in the voting due to conflict of interest.
	Carl Hsiao	Proposal to revise transaction terms for product distribution authorization to subsidiaries.	Company Director serves as Director of subsidiary.	Directors did not participate in voting due to conflicts of interest.
December 24, 2024	Chuan Lin Carl Hsiao	Proposed authorization for subsidiaries to distribute and represent the Company's pharmaceutical products.	<ol style="list-style-type: none"> 1. The Company's Chairman serving as the chairman of the parent company of a subsidiary. 2. Company Director serves as Director of subsidiary. 	Directors did not participate in voting due to conflicts of interest.

3. The Company discloses information regarding the Board of Directors' self (or peer) evaluation cycle and period, evaluation scope, methods, and evaluation content as follows:

Board Evaluation Implementation Status

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Conducted once annually	January 1, 2024 December 31, 2024	Performance evaluation of the overall Board of Directors, individual Board members, and functional committees (including the Audit Committee, Remuneration Committee, and Sustainability Development Committee)	Self-evaluation of the Board of Directors and functional committees, and self-evaluation of individual Board members	<p>The Company has established performance evaluation metrics for the Board of Directors and functional committees based on company conditions and needs, encompassing the following five major dimensions:</p> <ul style="list-style-type: none"> I. Level of participation in the Company's operations. II. Enhancing the quality of Board decisions. III. Board Composition and Structure. IV. Director selection and continuing education. V. Internal control. <p>The individual director performance evaluation metrics encompass the following six major dimensions:</p> <ul style="list-style-type: none"> I. Understanding of company goals and missions. II. Awareness of director responsibilities. III. Level of participation in the Company's operations. IV. Internal relationship management and communication. V. Director expertise and continuing education. VI. Internal control. <p>The functional committee performance evaluation metrics encompass the following five major dimensions:</p> <ul style="list-style-type: none"> I. Level of participation in the Company's operations. II. Awareness of functional committee responsibilities. III. Enhancing the quality of functional committee decisions. IV. Functional committee composition and member selection. V. Internal control. <p>Please refer to the Company's website for the Board of Directors and Functional Committees Performance Evaluation Regulations and the evaluation results for 2024.</p>

The self-evaluation results of the Company's Board of Directors and functional committees for 2024 were reported to the Remuneration Committee and the Board of Directors on February 25, 2025, to serve as the basis for review and improvement. The average score for Board of Directors' performance evaluation was 4.90; the average score for Directors' performance evaluation was 4.86; the average score for Audit Committee performance evaluation was 4.94; and the Remuneration Committee and Sustainability Development Committee performance evaluations received perfect scores (out of a maximum of 5 points). Based on the evaluations by each Director, the Company's Board and functional committees are all operating effectively.

4. Objectives for strengthening Board functions for the current and most recent years (such as establishing an Audit Committee, enhancing information transparency, etc.) and implementation assessment status:
 - (1) The Company established an Audit Committee on June 24, 2016, responsible for executing the supervisory powers as stipulated by relevant laws and regulations.
 - (2) To enhance information transparency, in addition to publishing material information and monthly revenue announcements as required by law, the Company voluntarily publishes monthly self-prepared consolidated income statements.
 - (3) To implement corporate governance and enhance Board functions, and to establish performance targets that strengthen Board operational efficiency, the Company established the "Board of Directors and Functional Committee Performance Evaluation Regulations" on December 29, 2016. The Company conducts performance evaluations of the Board and functional committees, and reports the evaluation results to the Board of Directors.
 - (4) To enhance corporate governance capabilities and fulfill corporate functions, the Company not only actively arranges continuing education courses for directors in accordance with the required training hours set by regulatory authorities, but also arranges factory visits and briefings on company products and major business operations for directors, to strengthen their professional knowledge and skills.
 - (5) On March 26, 2019, the Company appointed a corporate governance officer responsible for handling directors' requests, to provide timely and effective assistance to directors in performing their duties.
 - (6) To implement corporate governance, develop a sustainable environment, and maintain social welfare, and to carry out the concept of sustainable corporate operations and fulfill corporate social responsibility, the Company established the "Sustainability Development Committee" under the Board of Directors on October 7, 2019.
 - (7) To manage uncertainties that may threaten the Company's business operations, the Board of Directors approved the "Risk Management Policy and Procedures" on December 28, 2020. The Company's "Risk Management Policy" defines various risk categories according to overall operational guidelines and strategies, establishing mechanisms for risk identification, assessment, handling, and effective monitoring and review. These mechanisms aim to avoid or reduce the operational impact of risk events on the Company and ensure sustainable corporate development.
 - (8) Beginning with the first quarter financial report of 2021, all quarterly financial reports have been reviewed and discussed by the Audit Committee before being submitted to the Board of Directors for approval.
 - (9) To strengthen the Board's supervisory function, since December 2021, the operational status of each functional committee (Sustainability Development Committee, Audit Committee, and Remuneration Committee) from previous meetings must be reported to the Board of Directors.
 - (10) The Company's website comprehensively discloses corporate governance-related information.
 - (11) To help newly appointed directors quickly understand the Company's governance structure, operational status, and industry characteristics, and to enhance their functional awareness and decision-making participation effectiveness, the Company implemented an orientation system for newly appointed directors starting in 2024. This enables them to possess the necessary job knowledge and supervisory capabilities from the beginning of their tenure. This mechanism has been incorporated into the Company's "Corporate Governance Principles." In the future, the Company will continue to arrange relevant training courses based on the educational and professional backgrounds of newly appointed directors to enable directors to fully exercise their functions.

(II) Audit Committee Operations

The Company's Audit Committee consists of 3 independent directors. For details on their professional qualifications and experience, please refer to pages 7-10, "Directors' Professional Knowledge, Board Diversity Policy, and Independence Status."

The Audit Committee's responsibilities include reviewing financial reports, internal controls and internal audits, acquisition or disposal of major assets or derivative financial product transactions, loans of funds, endorsements or guarantees, fundraising or issuance of securities, compliance with relevant regulations, potential related-party transactions and conflicts of interest involving managers and directors, fraud investigation reports, company risk management, appointment, dismissal, or compensation of certified public accountants, and the appointment or dismissal of financial, accounting, or internal audit supervisors.

The Audit Committee's operations for fiscal year 2024 were as follows:

1. Independent Directors' Attendance at Audit Committee Meetings

In fiscal year 2024, 7 meetings were held. The attendance of independent directors was as follows:

Title	Name	Number of Meetings Attended in Person	Number of Meetings Attended by Proxy	Actual attendance rate (%)	Notes
Independent Director (Convener)	Ming-Dao Chang	4	0	100.00	Re-elected as new director on May 30, 2024
Independent Director	Ming-Ling Hsueh	7	0	100.00	Re-elected on May 30, 2024
Independent Director	An-Li Cheng	4	0	100.00	Re-elected as new director on May 30, 2024
Former Independent Director	Tui Tsai	3	0	100.00	Term expired and discharged on May 30, 2024
Former Independent Director	Tien-Fu Lin	3	0	100.00	Term expired and discharged on May 30, 2024

2. Matters Reviewed by the Audit Committee

In fiscal year 2024, the committee reviewed 6 proposals and deliberated on 24 proposals.

Main Items Reviewed:

- (1) Audit Operations Reports
- (2) Risk Management (including TCFD) Operations Status Reports

Main Items Deliberated:

- (1) Matters involving directors' personal interests
- (2) Business Reports, Profit Distribution Tables, and Quarterly Financial Reports
- (3) Appointment and Compensation of Certified Public Accountants
- (4) Amendments to Important Rules and Regulations
- (5) Amendments to Internal Control Systems
- (6) Effectiveness Evaluation of Internal Control Systems
- (7) Subsidiary Management

3. Focus Areas of the Audit Committee:

(1) Review of Financial Reports

The Board of Directors has submitted the Company's 2024 Business Report, Financial Statements (including Consolidated Financial Statements), and Profit Distribution Proposal. The Financial Statements (including Consolidated Financial Statements) have been audited by CPAs Han Yi-Lien and Chang Shu-Ying of KPMG, who have issued audit reports. After examination by the Audit Committee, the above-mentioned documents were found to be satisfactory.

(2) Assessment of Internal Control System Effectiveness

The Audit Committee has evaluated the effectiveness of the design and implementation of the Company's internal control system. Based on the self-inspection and evaluation results from each company unit, along with the improvement status of internal control deficiencies and abnormal matters identified by the Audit Office, no significant deficiencies have been found. The comprehensive conclusion is that the design and implementation of the Company's internal control system are effective.

(3) Appointment of Certified Public Accountants

- Establishment of "General Principles for Pre-Approval of Non-Assurance Services Policy"

In accordance with the revised regulations of the International Ethics Standards Board of Accountants (IESBA), when audit clients engage the certified public accounting firm to provide non-assurance services (NAS) to the audit client, its related enterprises, and entities that directly or indirectly control the audit client, these services should be pre-approved by the audit client's governance unit (Audit Committee and Board of Directors). This allows the governance unit to monitor the independence of the certified public accounting firm. The Company established the "General Principles for Pre-Approval of Non-Assurance Services Policy" following review by the Audit Committee and approval by the Board of Directors on December 23, 2022.

- Appointment of KPMG for Assurance Services and Non-Assurance Services in 2025

In accordance with the Company's "General Principles for Pre-Approval of Non-Assurance Services Policy," the Audit Committee reviewed and the Board of Directors approved on December 24, 2024, the appointment of KPMG to provide audit-related assurance services and non-assurance services in 2025.

- 2025 Evaluation of CPA Appointment, Independence, and Competence

The Audit Committee reviewed the independence and competence qualifications of the certified public accountants in accordance with Article 47 of the Certified Public Accountant Act and Statement of CPA Professional Ethics No. 10. The independence

qualifications include the personal independence of the CPA firm and all its members (including commercial relationships with clients, CPA rotation system, and policies and procedures for non-audit services). Following review by the Audit Committee and resolution by the Board of Directors on December 24, 2024, it was determined that CPAs Han Yi-Lien and Chang Shu-Ying of KPMG, who will audit (review) the quarterly financial statements for 2025, and CPA Chang Chih, who will audit the 2024 business income tax and the 2024-2026 direct deduction method business tax adjustment audit certification, meet the independence and competence qualifications for certified public accountants.

(4) Operation Report for the Year 2024

Audit Committee Date Session Number	Proposals and Subsequent Actions	Matters Listed in Article 14-5 of the Securities and Exchange Act	Items not approved by the Audit Committee but approved by more than two-thirds of all directors
March 8, 2024 3rd Term 15th meeting	1. The Company's 2023 Business Report and Financial Statements.	✓	
	2. The Company's 2023 Earnings Distribution Plan.		
	3. Proposed Statement of Internal Control System for the Company for 2023.	✓	
	4. Proposed Amendments to the Company's "Audit Committee Charter."		
	5. The Company's personnel changes.	✓	
	Objections, Reservations or Major Recommendations from Independent Directors: None.		
	Audit Committee Resolution: Approved unanimously by all committee members present.		
May 7, 2024 3rd Term 16th meeting	Company's Response to Audit Committee Opinions (March 8, 2024): All attending directors unanimously approved.		
	1. Resolution regarding the Company's Q1 2024 Consolidated Financial Statements		
	2. Proposal to add authorized distributorship for products through reinvested companies.	✓	
	3. Proposed resolution to authorize the Chairman with full power to handle dissolution matters of the joint venture subsidiary established with Company C.		
	4. Proposed amendments to the Company's "Sustainability Report Preparation and Verification Procedures."		
	5. Proposed amendments to the Company's "Risk Management Policies and Procedures."		
	Objections, Reservations or Major Recommendations from Independent Directors: None.		
May 16, 2024 3rd Term 17th meeting	Audit Committee Resolution: Approved unanimously by all committee members present.		
	Company's Response to Audit Committee Opinions (May 7, 2024):		
	For Items 1, 3, 4, and 5, all attending directors unanimously approved the resolutions. For Item 2, Director Chia-Pin Hsiao recused himself due to conflict of interest, and all other attending directors approved the resolution.		
	1. The Company's personnel changes.	✓	
May 30, 2024	Objections, Reservations or Major Recommendations from Independent Directors: None.		
	1. Election of the Fourth Audit Committee Convener.		

Audit Committee Date Session Number	Proposals and Subsequent Actions	Matters Listed in Article 14-5 of the Securities and Exchange Act	Items not approved by the Audit Committee but approved by more than two-thirds of all directors
4th Term 1st time	Audit Committee Resolution: The Committee unanimously elected Committee Member Ming-Tao Chang to serve as the convener of this term's Audit Committee. Company's Response to Audit Committee Opinions: None.		
August 8, 2024 4th Term 2nd meeting	1. Resolution regarding the Company's Q2 2024 Consolidated Financial Statements.		
	2. Resolution regarding amendments to transaction terms for the Company's subsidiary's distribution and agency of the Company's health supplements.	✓	
	3. Proposed amendments to the Company's "Risk Management Policies and Procedures."		
	4. Resolution regarding amendments to transaction terms for the Company's subsidiary's distribution and agency of the Company's pharmaceutical products.	✓	
	5. Proposed authorization for subsidiary to promote the Company's pharmaceutical products.	✓	
	Objections, Reservations or Major Recommendations from Independent Directors: None.		
	Audit Committee Resolution: Approved unanimously by all committee members present.		
November 13, 2024 4th Term 3rd meeting	Company's Response to Audit Committee Opinions (August 8, 2024): For Items 1, 3, and 5, all attending directors unanimously approved the resolutions. For Items 2 and 4, Director Hsiao Chia-Pin recused himself due to conflict of interest, and all other attending directors approved the resolutions.		
	1. Q3 2024 Consolidated Financial Quarterly Report		
	2. Proposal to Establish "Other Management Systems - Sustainability Information Management" in the Company's Internal Control System	✓	
	3. Proposed amendments to the Company's "Internal Audit System."	✓	
	Objections, Reservations or Major Recommendations from Independent Directors: None.		
	Audit Committee Resolution: Approved unanimously by all committee members present.		
December 24, 2024 4th Term 4th meeting	Company's Response to Audit Committee Opinions (November 13, 2024): All attending directors unanimously approved.		
	1. Proposed authorization for subsidiaries to distribute and represent the Company's pharmaceutical products.	✓	
	2. Proposed establishment of the Company's Annual Audit Plan for 2025.	✓	
	3. Proposal for Engaging KPMG to Provide Non-Assurance Services for Fiscal Year 2025	✓	
	4. Resolution regarding the appointment, independence, competency assessment, and audit fee for CPAs for 2025.	✓	
	Objections, Reservations or Major Recommendations from Independent Directors: None.		
	Audit Committee Resolution: Approved unanimously by all committee members present.		
	Company's Response to Audit Committee Opinions (December 24, 2024): For Item 1, Director Hsiao Chia-Pin recused himself due to conflict of interest, and all other attending directors approved the resolution. For Items 2 through 4, all attending directors unanimously approved the resolutions.		

Other Required Disclosures:

- A. Matters listed in Article 14-5 of the Securities and Exchange Act and other resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors should detail the date and session of the Audit Committee meeting, content of the proposals, any objections, reservations, or significant recommendations from independent directors, the resolution results of the Audit Committee, and the Company's response to the Audit Committee's opinions. For details, please refer to the Audit Committee Operation Report for 2024.
- B. Regarding the implementation of recusal by independent directors from matters involving conflicts of interest,

including the names of independent directors, the content of proposals, reasons for recusal due to conflict of interest, and their participation in voting: None.

C. Communication between independent directors, the head of Internal Audit, and the accountants (This should include material matters, methods, and results of communications regarding the Company's financial and business conditions).

a. Communication between independent directors and the Head of Internal Audit:

TTY Biopharm has established "Procedures for Communication between the Audit Committee and the Head of Internal Audit." The head of Internal Audit reports to the independent directors at least quarterly during Audit Committee meetings regarding audit operations, communicates audit findings, reports on follow-up implementation and effectiveness, and discusses the annual audit plan. Additionally, an annual private meeting between independent directors and the head of Internal Audit is held to thoroughly discuss topics of interest to the independent directors. The independent directors also evaluate the overall performance of Internal Audit annually and provide guidance on audit priorities for the following year. Furthermore, both parties communicate as needed via email, telephone, and other methods. For detailed communication, please refer to the Company's website.

b. Communication between independent directors and the accountants:

TTY Biopharm has established "Procedures for Communication between the Audit Committee and the Certified Public Accountants." The certified public accountants attend Audit Committee meetings quarterly to communicate financial statement review or audit results, adjustment entries, and the impact of important regulatory updates on financial reports. They also discuss internal control audit findings and independence-related matters with the independent directors. Prior to auditing financial statements, the certified public accountants develop an audit plan and submit it to the Audit Committee. An annual private meeting between independent directors and certified public accountants is also held to discuss significant audit issues, management's responses, and other important matters. For detailed communication, please refer to the Company's website.

(III) Composition and Operation of the Remuneration Committee

1. Remuneration Committee member information

December 31, 2024

Conditions		Professional Qualification and Experience	Status of Independence	Number of Other Public Companies in Which the Member Serves as a Member of Their Remuneration Committee
Member Status	Name			
Independent Director (Convener)	Ming-Ling Hsueh	Please refer to pages 7-10 of the Annual Report under “Directors’ Professional Knowledge, Board Diversity Policy, and Independence Status.”		4
Independent Director	An-Li Cheng			0
Independent Director	Ming-Dao Chang			1
Other Information	Wen-Cheng Lin	Ph.D. in Industrial Relations and Human Resource Management from Michigan State University. Currently serves as Associate Professor at the Graduate Institute of Human Resource Management at National Central University and Adjunct Associate Professor at the Department of Business Administration at National Taiwan University. Regular columnist for “Manager Today” magazine and Chairman of the Labor Research Data Center Foundation. Committee member of the Executive Yuan Labor Committee’s “Social Dialogue Implementation Group.” Has received the China Human Resources “Outstanding Human Resources Education Elite Award,” National Central University Teaching Excellence Award, and was named “Most Popular EMBA Professor” by Cheers Employment Magazine. Previously served as Director of the Graduate Institute of Human Resource Management at National Central University, Executive Director of the College of Management’s EMBA program, and Vice Chairman of the Chinese Human Resource Management Association (CHRMA). Areas of Expertise: Compensation management, international human resource management, talent management, training development, team building, and leadership. Author of textbooks including “Compensation Systems and Management” and “International Human Resource Management.”	Committee Member Lin Wen-Cheng complies with the independence requirements specified in Article 6 of the “Regulations Governing the Appointment and Exercise of Powers of the Compensation Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.” Additional information is as follows: (1) Committee Member Lin does not hold any shares of the Company. Currently, in addition to serving as a member of TTY Biopharm’s Compensation Committee, he serves as Associate Professor at the Graduate Institute of Human Resource Management at National Central University, and as an Independent Director, Audit Committee member, and Remuneration Committee member for YOUNGQIN INTERNATIONAL CO., LTD and MAYO Human Capital Inc. None of these institutions or companies have any relationship with TTY Biopharm. (2) Committee Member Lin’s spouse, relatives within the second degree of kinship, and lineal relatives within the third degree of kinship are not directors, supervisors, or managers of the Company or its affiliated enterprises. They also do not hold 1% or more of the total issued shares of the Company and are not among the top ten shareholders.	2

2. Remuneration Committee Operation Information

- (1) The Company’s Remuneration Committee consists of 4 members.
- (2) Term of the current committee members: May 30, 2024 to May 29, 2027. The Remuneration Committee held 4 meetings in the most recent fiscal year. The

qualifications and attendance of committee members are as follows:

Title	Name	Number of Meetings Attended in Person	Number of Meetings Attended by Proxy	Attendance Rate in Person (%)	Notes
Convener	Ming-Ling Hsueh	4	0	100.00	Re-elected on May 30, 2024
Committee member	An-Li Cheng	3	0	100.00	Re-elected as new director on May 30, 2024
Committee member	Ming-Dao Chang	3	0	100.00	Re-elected as new director on May 30, 2024
Committee member	Wen-Cheng Lin	3	1	75.00	Re-elected on May 30, 2024
Former Committee Member	Tui Tsai	1	0	100.00	Term expired and discharged on May 30, 2024
Former Committee Member	Tien-Fu Lin	1	0	100.00	Term expired and discharged on May 30, 2024

(3) Authority and Responsibilities of the Company's Remuneration Committee

The Company's Remuneration Committee evaluates the compensation policies and systems for directors and managers from a professional and objective perspective. The committee meets at least twice a year and may convene meetings at any time as needed to provide recommendations to the Board of Directors for their decision-making reference.

● The authorities of the Company's Remuneration Committee include:

- ① Establishing and regularly reviewing the policies, systems, standards, and structure for performance evaluation and compensation of directors and managers.
- ② Regularly evaluating and establishing the compensation of directors and managers.
- ③ Regularly reviewing organizational charter-related matters and providing recommendations to the Board of Directors for amendments.

● Principles for the Remuneration Committee in Fulfilling its Responsibilities:

- ① The performance evaluations and compensation of directors and managers should reference the compensation levels typical in the industry, and consider the reasonability of the correlation between individual performance, company operational performance, and future risks.
- ② The committee should not create incentives that would lead directors and managers to engage in behaviors exceeding the company's risk appetite in pursuit of compensation.
- ③ The proportion of short-term performance bonuses and the timing of variable compensation payments for directors and managers should be determined in consideration of industry characteristics and the nature of the company's business.
- ④ The committee should ensure that the company's compensation arrangements comply with relevant laws and are sufficient to attract outstanding talent.

- ⑤ The content and amount of compensation for directors and managers should be reasonable and should not significantly deviate from financial performance results.
- ⑥ Committee members shall not participate in discussions or voting regarding decisions about their own compensation.

(4) The dates, sessions, proposal contents, resolution results, and the company's handling of the Remuneration Committee's opinions from the most recent year.

Remuneration Committee	Proposals and Subsequent Actions	Resolution Results	Company's Response to Remuneration Committee Opinions
March 8, 2024 7th meeting of the 5th term	1. Distribution of Directors' Compensation for Fiscal Year 2023.	Approved by all members of the Committee.	Submitted to the Board of Directors on March 8, 2024. Approved by attending directors, with Chairman Lin Chuan, Vice Chairman Wen-Hua Chang, Director Chia-Pin Hsiao, Director Tzu-Chiang Yang, Director Hsiu-Chi Chang, and Director Ying-Ying Liao recusing themselves due to conflicts of interest. The compensation distribution was reported to the regulatory authorities within the prescribed period as required and presented at the 2024 Annual Shareholders' Meeting.
	2. Discussion on the Distribution of Employee Compensation and Manager Compensation for Fiscal Year 2023.	Approved by all members of the Committee.	The proposal was approved by all attending directors on March 8, 2024.
	3. Planning for the 2024 Salary Adjustment Policy.	Approved by all members of the Committee.	The proposal was approved by all attending directors on March 8, 2024.
	4. Proposed amendments to the Employee Stock Ownership Trust Implementation Measures.	Approved as proposed by the committee members with partial amendments to certain provisions.	The proposal was approved by all attending directors on March 8, 2024.
	5. Discussion regarding changes to the vacation system for senior executives of the Company.	Approved by all members of the Committee.	The proposal was approved by all attending directors on March 8, 2024.
	6. Discussion regarding the monthly fixed remuneration for the Company's President.	Approved by all members of the Committee.	The proposal was approved by all attending directors on March 8, 2024.

Remuneration Committee	Proposals and Subsequent Actions	Resolution Results	Company's Response to Remuneration Committee Opinions
	7. Discussion of the Chairman's monthly fixed compensation.	Approved by all members of the Committee.	Submitted to the Board of Directors on March 8, 2024. Approved by attending directors, with Chairman Lin Chuan recusing himself due to conflict of interest.
May 30, 2024 1st meeting of the 6th term	1. Election of the Convener for the Company's Sixth Remuneration Committee.	Following discussion among all committee members, Committee Member Ming-Ling Hsueh was unanimously elected to serve as the Convener of this term's Remuneration Committee.	None.
August 8, 2024 2nd meeting of the 6th term	1. Proposed Compensation for the Company's Representatives Serving as Directors in Invested Companies for Fiscal Year 2023.	Approved by all members of the Committee.	Submitted to the Board of Directors on August 8, 2024. Approved by attending directors, with Chairman Lin Chuan and Director Chia-Pin Hsiao recusing themselves due to conflicts of interest.
	2. Proposed amendments to the Employee Stock Ownership Trust Implementation Measures.	Approved by all members of the Committee.	The proposal was approved by all attending directors on August 8, 2024.
	3. Discussion about remuneration to independent directors of the Company.	(1) "Compensation for Independent Director Ming-Ling Hsueh" Approved by attending committee members, with Committee Member Ming-Ling Hsueh recusing herself due to conflict of interest. (2) "Compensation for Independent Director An-Li Cheng" Approved by attending committee members, with Committee Member An-Li Cheng recusing himself due to conflict of interest. (3) "Compensation for Independent Director Ming-Tao Chang" Approved by attending committee members, with Committee Member Ming-Tao Chang recusing himself due to conflict of interest.	The proposal was approved by all attending directors on August 8, 2024.

Remuneration Committee	Proposals and Subsequent Actions	Resolution Results	Company's Response to Remuneration Committee Opinions
December 24, 2024 3rd meeting of the 6th term	1. Planning for the Company's Salary Adjustment Policy for Fiscal Year 2025.	Approved with amendments by all committee members.	The proposal was approved by all attending directors on December 24, 2024.

Other Required Disclosures:

- A. If the Board of Directors does not adopt or modifies the recommendations of the Compensation Committee, the report should specify the date and session of the Board meeting, proposal content, Board resolution results, and the Company's response to the Compensation Committee's opinions (if the compensation approved by the Board exceeds the Compensation Committee's recommendation, the differences and reasons should be specified): None.
- B. If any committee member has expressed objections or reservations that have been recorded or submitted in writing, the report should specify the date and session of the Remuneration Committee meeting, proposal content, opinions of all members, and how these opinions were addressed: None.

(IV) Sustainability Committee Composition and Operation

To implement corporate governance, develop a sustainable environment, and maintain social welfare in accordance with the corporate sustainability philosophy and to fulfill corporate social responsibility, the Company established the Sustainability Committee on October 7, 2019, in accordance with the Company's "Corporate Social Responsibility Practice Principles" (renamed to "Sustainability Development Practice Principles" on December 24, 2021). The committee reports directly to the Board of Directors.

1. Sustainability Committee Membership and Authority

The Company's Sustainability Committee consists of 5 directors, including 3 independent directors: Ming-Ling Hsueh, An-Li Cheng, and Ming-Tao Chang, as well as Director Chia-Pin Hsiao and Director Tzu-Chiang Yang. Committee Convener Director Chia-Pin Hsiao is familiar with international business operations. His expertise covers marketing, logistics, and inventory management. Having previously served as a committee member, he has a high level of involvement and understanding of the Company's sustainability development initiatives and can effectively guide the committee in strengthening sustainability governance mechanisms and practical implementations.

Authority of the Sustainability Development Committee:

- (1) Formulation of the company's sustainability development policies, objectives, strategies, and implementation plans. "Company Sustainability Development" encompasses environmental (E), social (S), and governance (G) aspects.
- (2) Review of the implementation status and effectiveness of the company's sustainability development, revision of strategic objectives and related regulations, and regular reporting to the Board of Directors.
- (3) Other matters assigned by the Board of Directors to this committee.

2. Sustainability Development Committee Operation

- (1) The term of the current committee members is from May 30, 2024, to May 29, 2027. The committee held 5 meetings in 2024. The attendance of committee members is as follows:

Title	Name	Number of Meetings Attended in Person	Number of Meetings Attended by Proxy	Attendance Rate in Person (%)	Notes
Convener	Carl Hsiao	5	0	100.00	Re-elected on May 30, 2024
Committee member	Ming-Ling Hsueh	5	0	100.00	Re-elected on May 30, 2024
Committee member	An-Li Cheng	3	0	100.00	Re-elected as new director on May 30, 2024
Committee member	Ming-Dao Chang	3	0	100.00	Re-elected as new director on May 30, 2024
Committee member	Tze-Kaing Yang	3	0	100.00	Re-elected as new director on May 30, 2024
Former Committee Member	Wen-Hua Chang	2	0	100.00	Term expired and discharged on May 30, 2024
Former Committee Member	Tui Tsai	2	0	100.00	Term expired and discharged on May 30, 2024
Former Committee Member	Tien-Fu Lin	2	0	100.00	Term expired and discharged on May 30, 2024

For committee members' professional qualifications and experience, please refer to pages 7-10 of the Annual Report under "Directors' Professional Knowledge, Board Diversity Policy, and Independence Status."

- (2) The dates, sessions, proposal contents, resolution results, and the company's handling of the Sustainability Development Committee's opinions from the most recent year.

Sustainable Development Committee	Proposals and Subsequent Actions	Resolution Results	The Company's Response to Sustainability Development Committee
March 8, 2024 14th meeting of the 2nd term	Opinions.	Acknowledged.	None.
May 7, 2024 15th meeting of the 2nd term	1. Amendment to the "Sustainability Development Committee Charter."	Approved by all members of the Committee.	The proposal was approved by all attending directors on May 7, 2024.
	2. Amendment to the "Sustainability Development Practice Principles."	Approved by all members of the Committee.	The proposal was approved by all attending directors on May 7, 2024.
	3. Amendment to the "Ethical Corporate Management Best Practice Principles"	Approved by all members of the Committee.	The proposal was approved by all attending directors on May 7, 2024.
	4. Amendment to the "Procedures and Guidelines for Ethical Corporate Management."	Approved by all members of the Committee.	The proposal was approved by all attending directors on May 7, 2024.

Sustainable Development Committee	Proposals and Subsequent Actions	Resolution Results	The Company's Response to Sustainability Development Committee
	5. Amendment to the "Procedures for Sustainability Report Preparation and Verification."	Approved by all members of the Committee.	The proposal was approved by all attending directors on May 7, 2024.
	6. Amendment to the "Risk Management Policies and Procedures."	Approved by all members of the Committee.	The proposal was approved by all attending directors on May 7, 2024.
May 30, 2024 1st meeting of the 3rd term	1. Election of the Convener for the Company's Third Sustainability Development Committee	The Committee unanimously elected Committee Member Hsiao Chia-Pin to serve as the Convener of this term's Sustainability Development Committee.	None.
August 8, 2024 2nd meeting of the 3rd term	1. Submission of the Company's Sustainability Report for 2023	Approved by all members of the Committee.	The proposal was approved by all attending directors on August 8, 2024.
	2. Proposed Amendment to the Company's "Risk Management Policies and Procedures"	Approved by all members of the Committee.	The proposal was approved by all attending directors on August 8, 2024.
November 13, 2024 3rd Meeting of the 3rd Term	1. Proposed work plan for the Company's Sustainability Development Committee for 2025.	Approved by all members of the Committee.	The proposal was approved by all attending directors on November 13, 2024.
	2. Proposed establishment of the Company's internal control system "Other Management Systems - Management of Sustainability Information."	Approved by all members of the Committee.	The proposal was approved by all attending directors on November 13, 2024.
	3. Proposed amendments to the Company's "Corporate Governance Best Practice Principles."	Approved by all members of the Committee.	The proposal was approved by all attending directors on November 13, 2024.

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

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I. Has the company established and disclosed corporate governance principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established “Corporate Governance Principles” which are disclosed on the Company’s website under “Investor Relations/Corporate Governance/Corporate Bylaws and Regulations” section (Website: http://www.tty.com.tw).	No difference
II. Company Ownership Structure and Shareholder Rights				
(I) Has the company established internal operational procedures for handling shareholder proposals, inquiries, disputes, and litigation matters, and implemented such procedures accordingly?	✓		(I) The Company has established “Procedures for Handling Material Inside Information and Preventing Insider Trading” and has appointed spokespersons, deputy spokespersons, and investor relations and shareholder services units to promptly and effectively address shareholder suggestions or disputes and related issues.	No difference
(II) Does the company maintain a register of major shareholders who have actual control over the company and the ultimate controllers of those major shareholders?	✓		(II) The Company fully identifies the register of major shareholders who have actual control over the Company and the ultimate controllers of those major shareholders based on the shareholder register obtained after each book closure date.	No difference
(III) Has the company established and implemented risk management and firewalls between the company and its affiliated enterprises?	✓		(III) The Company has established “Related Party Transaction Procedures” to ensure sound financial and business dealings with affiliated enterprises and to	No difference

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(IV) Has the company established internal regulations prohibiting insiders from trading securities using non-public information available in the market?	✓		<p>prevent irregular transactions or improper benefits transfers. Investment-related matters are handled in accordance with the “Subsidiary Management Regulations,” “Internal Control System,” “Internal Audit System,” and relevant laws and regulations. Significant related party transactions are submitted to the Audit Committee for review.</p> <p>(IV) In accordance with current laws and practical management needs, the Company has established “Procedures for Handling Material Inside Information and Preventing Insider Trading” and “Ethical Corporate Management Operating Procedures and Conduct Guidelines,” which clearly prohibit insiders from trading securities using non-public information that could significantly impact the Company’s stock price. The Company educates employees through online training courses (at least once annually), in-person courses (periodically), and sends monthly email reminders to insiders regarding the importance of material inside information and insider trading prevention measures and precautions. The Company’s “Procedures for Handling Material Inside Information and Preventing Insider Trading” and “Ethical Corporate Management Operating Procedures and Conduct Guidelines” are</p>	No difference

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			disclosed on the Company's website under "Investor Relations/Corporate Governance/Corporate Bylaws and Regulations" section.	
III. Board Composition and Responsibilities (I) Has the Board established a diversity policy with specific management objectives and implemented it effectively?	✓		(I) The Company has established Board member diversity guidelines in Chapter 3, "Enhancing Board Functions," of its "Corporate Governance Principles." In accordance with the Articles of Incorporation, director elections fully adopt the candidate nomination system. Comprehensive assessments are conducted based on candidates' education, experience, and qualifications, following the "Director Election Procedures" and "Corporate Governance Principles" to ensure diversity and independence among Board members. According to the Company's diversity policy, Board members should encompass expertise in industry, finance, business, and investment fields. The current Board consists of 9 directors, including 2 female directors representing 22.22%, and 3 independent directors representing 33.33%. The age distribution of Board members is as follows: 1 member aged 31-40, 6 members aged 61-70, and 2 members over 71 years of age. The overall composition primarily considers professional background, practical experience, and potential	No difference

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>contributions to the Company's future development, without specifically limiting gender ratios. However, in alignment with the regulatory authority's promotion of Board gender diversity policies, the Company will continue to incorporate gender balance considerations in its director nomination and selection mechanisms. The Company is gradually planning and strengthening toward the direction of having directors of different genders occupy one-third of Board seats, to enhance Board diversity and governance quality.</p> <p>The Company completed a comprehensive re-election of directors at the 2024 Annual Shareholders' Meeting, resulting in changes to one-third of the Board seats. Independent directors also followed a rotation and succession mechanism, with 1 incumbent director remaining and 2 newly appointed directors. More than half of the independent directors have not served more than three consecutive terms, thereby strengthening Board functions and succession planning.</p> <p>Board members possess professional experience in business, finance, accounting, and industry sectors: Chairman Lin Chuan has extensive experience in government, academia, and international affairs. Vice Chairman Wen-Hua Chang is familiar with biotech</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>industry financial operations and risk management. Director Chia-Pin Hsiao (Convener of the Sustainability Development Committee) has long served at the international large-scale retail pharmacy chain CVS Health Pharmacy, specializing in prescription management, clinical services, disease management programs, and retail pharmacy operations management. Director Tzu-Chiang Yang previously served as President of China Development Financial Holding Corp. and as a professor at Chengchi University MBA program and Guanghua School of Management, specializing in investment and financial operations. Director Shih-Chang Hsu, one of the co-founders of ASUS Group, possesses profound hardware and software R&D capabilities with over thirty years of industry management experience and currently serves as Vice Chairman of ASUS. Director Ying-Ying Liao has long been involved in international capital markets and is familiar with financial operations and risk management. Independent Director Ming-Ling Hsueh (Convener of the Remuneration Committee) previously served as the Managing Partner of PricewaterhouseCoopers Taiwan and is currently an Executive Director of the Taiwan Corporate Governance Association, specializing in</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(II) In addition to the statutorily required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?	✓		<p>financial accounting, risk management, and corporate governance. Independent Director An-Li Cheng, former Vice Superintendent of National Taiwan University Hospital and Distinguished Chair Professor at National Taiwan University, is a senior scholar with both reputation and practical experience in the medical and academic fields. Independent Director Ming-Tao Chang (Convener of the Audit Committee), former Director-General of the Banking Bureau of the Financial Supervisory Commission, President of Taiwan Financial Holding Co. and Bank of Taiwan, and Chairman of several banks, has extensive experience in financial supervision and banking practices, with expertise in corporate governance and financial planning.</p> <p>The Company's Board diversity policy is disclosed on the Company's website and the Market Observation Post System.</p> <p>(II) To implement corporate governance, develop a sustainable environment, and uphold social welfare, while fulfilling the concept of corporate sustainability and corporate social responsibility, the Company established the Sustainability Development Committee on October 7, 2019.</p>	No difference
(III) Has the Company established methods and	✓		(III) The Company established the "Performance Evaluation	No difference

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
measures for evaluating Board performance, conducted regular annual performance evaluations, submitted evaluation results to the Board, and utilized these results as reference for individual directors' compensation and nomination for reappointment?			<p>Methods for the Board of Directors and Functional Committees” on December 29, 2016, and the fourth amendment was approved by the Board on February 25, 2025. These methods stipulate that performance evaluations of the Board and functional committees should be conducted at least once annually. The evaluation period ends with each calendar year, with performance evaluations conducted according to these methods. Evaluation results are reported to the Board in the first quarter of the following year and serve as reference for the selection or nomination of directors. Individual director performance evaluation results are used as reference for determining their individual compensation. An external Board performance evaluation is conducted at least once every three years by an external professional independent institution or team of external experts and scholars.</p> <p>In August 2024, the Company commissioned the Taiwan Corporate Governance Association to conduct an external Board performance evaluation. The assessment was executed through document review and on-site visits, examining five major dimensions: Board composition and division of responsibilities, guidance and supervision, authorization and risk management,</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor						
	Yes	No	Summary Description							
			<div> <div> communication and collaboration, and self-discipline and improvement. Regarding the Taiwan Corporate Governance Association’s evaluation report recommendations and the Company’s improvement measures: </div> <table> <tr> <th>Item No.</th> <th>Assessment Recommendation</th> <th>Improvement Measures</th> </tr> <tr> <td>1</td> <td> The Company’s Audit Office reports directly to the Board, and the annual performance of the Chief Auditor is evaluated directly by the Chairman. It is recommended that the Company consider having the Audit Committee first express opinions on the Chief Auditor’s job performance before submitting to the Chairman for approval, to implement the Audit Committee’s supervisory function over internal auditing. </td> <td> The Company will proceed according to the recommendation. </td> </tr> </table> </div>	Item No.	Assessment Recommendation	Improvement Measures	1	The Company’s Audit Office reports directly to the Board, and the annual performance of the Chief Auditor is evaluated directly by the Chairman. It is recommended that the Company consider having the Audit Committee first express opinions on the Chief Auditor’s job performance before submitting to the Chairman for approval, to implement the Audit Committee’s supervisory function over internal auditing.	The Company will proceed according to the recommendation.	
Item No.	Assessment Recommendation	Improvement Measures								
1	The Company’s Audit Office reports directly to the Board, and the annual performance of the Chief Auditor is evaluated directly by the Chairman. It is recommended that the Company consider having the Audit Committee first express opinions on the Chief Auditor’s job performance before submitting to the Chairman for approval, to implement the Audit Committee’s supervisory function over internal auditing.	The Company will proceed according to the recommendation.								

Assessment Item	Operation Status			Summary Description			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No					
				Item No.	Assessment Recommendation	Improvement Measures	
				2	The Company re-elected its Board of Directors in May of this year, with 3 new directors. To enable the new directors to quickly understand the Company's operations, orientation training was organized, with each department reporting to the new directors. It is recommended that the Company institutionalize this director orientation training mechanism to strengthen corporate governance-related systems and subsequent implementation.	The Company has conducted orientation training courses for new directors this year and will arrange future training based on new directors' educational and professional backgrounds. This mechanism will be incorporated into the "Corporate Governance Principles" to enable directors to fully perform their functions.	
				3	The Company has established "Performance Evaluation Methods for the Board of Directors and Functional Committees" and conducts	The Company annually reviews its "Performance Evaluation Methods for the Board of	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<div>annual self-evaluations of the Board, individual directors, and each functional committee. It is recommended that the Company regularly review the design of performance indicators to more objectively and effectively reflect the guidance and supervision effectiveness of the Board, functional committees, and individual directors, to implement self-discipline reviews of Board and functional committee functions and optimize overall Board effectiveness.</div> <div>Directors and Functional Committees” with reference to the “Board Performance Evaluation Methods” example issued by the competent authority. An amendment was approved by the Board on February 25, 2025, adding “Participation in Sustainable Development (ESG)” as an evaluation dimension to strengthen the Board’s sustainable governance function. The Company will continue to reference relevant examples and best practices for regular review and</div>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<div> <div></div> <div></div> <div>improvement.</div> </div> <p>The Company collects self-assessment questionnaires each January, with evaluation procedures executed by the meeting units of each functional committee. In January 2025, the Performance Evaluation Methods for the Board of Directors and Functional Committees for 2024 was completed, and the evaluation results were submitted to the Remuneration Committee for review and reported to the Board on February 25, 2025. The average score for Board of Directors' performance evaluation was 4.90; the average score for Directors' performance evaluation was 4.86; the average score for Audit Committee performance evaluation was 4.94; and the Remuneration Committee and Sustainability Development Committee performance evaluations received perfect scores (out of a maximum of 5 points). Based on the evaluations by each Director, the Company's Board and functional committees are all operating effectively.</p> <p>For detailed information regarding the Board and functional committees' performance evaluation, please refer to the Annual Report "III. Corporate governance/3. Corporate Governance Implementation Status/Implementation Status of Board Evaluation" and the Company's website under "Investor Relations/Corporate</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(IV) Does the Company regularly evaluate the independence of its certified public accountants?	✓		<p>Governance Implementation Status” section.</p> <p>(IV) In accordance with the Company’s “CPA Selection and Review Methods,” the independence and competence of the certifying accountants are evaluated at least one annually. The qualification review results were submitted to the Audit Committee for review on December 24, 2024, and approved by Board resolution. CPAs Han Yi-Lien and Chang Shu-Ying of KPMG are responsible for auditing (reviewing) the quarterly financial statements for 2025, and CPA Chang Chih is responsible for the profit-seeking enterprise income tax audit certification and the 2024-2026 direct deduction method business tax adjustment audit certification. Based on the Company’s selection review [selection review items detailed in Appendix (I)], they meet the Company’s requirements in terms of both independence and competence. The Company has also obtained Audit Quality Indicators (AQIs) information provided by the accounting firm and has evaluated the audit quality of the accounting firm and audit team according to the “Audit Committee Guidelines for Interpreting Audit Quality Indicators (AQIs)” issued by the competent authority. All three CPAs have issued statements declaring that their audit certification work complies</p>	No difference

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			with the independence requirements of the CPA Professional Ethics Standards.	
IV. Has the TWSE/TPEX listed company appointed a qualified corporate governance officer with an appropriate number of personnel to be in charge of corporate governance-related matters (including but not limited to providing directors and supervisors with necessary materials for performing their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to Board meetings and shareholders' meetings according to law, and preparing minutes of Board meetings and shareholders' meetings)?	✓		<p>The Company's Board of Directors resolved on March 26, 2019, to appoint CFO Kuo-Chiang Chang as the corporate governance officer. He possesses comprehensive qualifications in accounting, financial operations, shareholder services, and related administrative management for public companies over many years. The main responsibilities of corporate governance include providing directors with all information needed to perform their duties, legally handling matters related to the Board of Directors, Audit Committee, Sustainability Development Committee, and shareholders' meetings, as well as assisting directors in legal compliance and handling matters such as company registration changes.</p> <p>Business execution in 2024 was as follows:</p> <ol style="list-style-type: none"> 1. Assisting independent directors and general directors in performing their duties, providing necessary information, and arranging director training: <ol style="list-style-type: none"> (1) The Company immediately notifies all directors via email after releasing material information to ensure directors receive timely updates on significant company information. (2) A Board group has been established to provide directors with updates on the latest regulations related to biotech 	No difference

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>and healthcare, macroeconomic trends, and corporate governance, as well as relevant industry information and company news for reference.</p> <p>(3) The Company reviews information confidentiality levels according to the company's document management regulations, provides directors with necessary company information, and facilitates smooth communication and exchange between management and directors.</p> <p>(4) In addition to periodically providing directors with references to external training courses and assistance with registration, the Company also arranges "on-site training" courses. In 2024, two sessions were held for a total of 6 hours.</p> <p>(5) The Company arranges for the internal audit supervisor and certifying accountants to communicate with independent directors at Audit Committee meetings and independent discussion sessions (held on December 24, 2024). Additionally, the Company facilitates contact and communication between parties when independent directors have communication needs at other times.</p> <p>2. Assisting in legal compliance matters related to Board, Audit Committee, Sustainability Development Committee, and shareholders' meeting procedures and resolutions:</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>(1) The Company reported the 2023 corporate governance evaluation results to the Board on May 7, 2024, and reviewed unimplemented corporate governance items to further enhance corporate governance standards and strengthen corporate sustainability development.</p> <p>(2) Corporate sustainability development strategies and the 2025 sustainability development plan were integrated and submitted to the Sustainability Development Committee and the Board on November 13, 2024.</p> <p>(3) The Company ensures that all meetings of the Board, Audit Committee, Sustainability Development Committee, and shareholders comply with relevant laws and corporate governance principles.</p> <p>(4) The Company assists and reminds directors of regulations they should comply with when executing business or making formal resolutions at Board and Audit Committee meetings, and provides recommendations when there is a risk of illegal resolutions being made.</p> <p>(5) The Company assists various units in preparing Board proposals.</p> <p>(6) The Company prepares agendas for Board, Audit Committee, and Sustainability Development Committee meetings, notifies directors of meeting convocations</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>within statutory deadlines, provides meeting materials, and distributes minutes. For agenda items that may require conflict of interest recusals or pose insider trading concerns, directors are reminded in advance.</p> <p>(7) Email notifications are sent to directors and managers 30 days prior to the annual financial report announcement and 15 days prior to quarterly financial report announcements, reminding them of the blackout period during which trading of company stock is prohibited.</p> <p>(8) Shareholder meeting dates are registered in advance and all required public announcements are filed in accordance with regulations. Meeting notices are distributed to shareholders within the statutory timeframe.</p> <p>(9) The Chairman is supported in facilitating the smooth operation of Board of Directors meetings, Audit Committee meetings, Sustainability Development Committee meetings, and Shareholder meetings.</p> <p>(10) Material information announcements following Board and Shareholder meetings are reviewed to ensure legal compliance and accuracy, safeguarding the symmetry of trading information for investors.</p> <p>3. Qualification review of Independent Directors:</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>The corporate governance officer regularly reviews the qualifications of independent directors and reports the results to the Board of Directors.</p> <p>4. Investor Relations Maintenance:</p> <p>(1) Institutional investors are proactively notified after the Company's financial information is disclosed.</p> <p>(2) Communication and exchange are maintained with existing and potential shareholders, including domestic and foreign institutional investors. Feedback is collected and conveyed to management to protect shareholder interests.</p> <p>(3) Participation in domestic and international institutional investor conferences and investment forums (4 events attended in 2024), reporting on the company's financial status, business operations, and management performance to provide investors with a deeper understanding of company operations.</p> <p>5. Processing of company registration changes.</p> <p>The corporate governance officer's continuing education activities for 2024 are detailed in Appendix (II).</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the company website, and appropriately responded to important corporate social responsibility issues of concern to stakeholders?	✓		<p>The Company maintains diverse communication channels based on different business needs. The Company website features a “Stakeholders” section within the “Sustainability Development” area, which details the issues of concern, communication channels, and communication frequency for each category of stakeholders. The contact section provides specific email addresses and phone numbers for investor relations, facility contacts, and adverse drug reaction reporting to handle stakeholder matters maintain good communication with stakeholders.</p> <p>The company’s Sustainability Development Center reports annually to the Sustainability Development Committee and the Board of Directors regarding communication with various stakeholders. The stakeholder communication status for 2024 was reported to the Sustainability Development Committee and Board of Directors on February 25, 2025. Details can be found in the “Sustainability Development/Stakeholders” section of the company website.</p>	No difference
VI. Has the company appointed a professional shareholder services agent to handle shareholder meeting matters?	✓		The company has appointed CAPITAL SECURITIES CORP. Shareholder Services Department to handle shareholder meeting matters.	No difference
VII. Information Disclosure (I) Has the company established a website to disclose financial, operational, and corporate	✓		(I) The company has established a website that discloses important company regulations and information	No difference

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
governance information?				
(II) Has the company adopted other information disclosure methods (such as establishing an English website, designating personnel responsible for collecting and disclosing company information, implementing a spokesperson system, and posting investor conference proceedings on the company website)?	✓		(II) The company has established an English website and appointed a spokesperson and deputy spokesperson. Dedicated personnel are responsible for collecting and disclosing company information. Information and presentation materials related to institutional investor conferences are posted on the company website for investor reference.	No difference
(III) Does the company announce and file annual financial reports within two months after the end of the fiscal year, and announce and file quarterly financial reports and monthly operating results ahead of required deadlines?	✓		(III) The company files financial reports and monthly operating results in accordance with the "TPEX Listed Companies Required Items Schedule." While the company has not announced and filed annual financial reports within two months after the end of the fiscal year, it does complete the announcement and filing procedures before the required deadline. The company announces and files first, second, and third quarter financial reports and monthly operating results ahead of required deadlines.	No significant discrepancies
VIII. Is there other important information that helps understand the company's corporate governance operations (including but not limited to employee	✓		(I) Employee Rights and Care The company has established an Employee Welfare Committee, implemented a retirement system, provides equal employment opportunities, offers various	No difference

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
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, and liability insurance for directors and supervisors)?			<p>employee training courses and group insurance, and arranges regular health examinations. Most of these benefits exceed the requirements of the Labor Standards Act. In addition, to enhance employees' professional skills and cultivate outstanding international talent, the company arranges diverse educational training programs for employees, including new employee orientation, on-the-job training courses, professional courses, public safety courses, and various job-related training programs to develop professionals with specialized skills. To improve internal benefits, encourage employee financial planning, and increase employee engagement with the company, thereby achieving mutual benefits for both the company and employees, in 2023 the "TTY Biopharm Company Limited Employee Stock Ownership Plan" was established. This initiated an employee stock ownership trust program where employees can contribute agreed-upon amounts from their salaries and holiday bonuses according to their position level. The company provides a 100% matching contribution as an incentive. For detailed information on employee rights and care, please refer to Section IV, Operating Overview, Part 5, Labor Relations.</p> <p>(II) Investor Relations</p> <p>After the company's financial information is announced, institutional investors are proactively notified of relevant</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>information. Communication and exchange are maintained with existing and potential shareholders, including domestic and foreign institutional investors. Feedback is collected and conveyed to management to protect shareholder interests. Furthermore, the company participates in domestic and international institutional investor conferences and investment forums to report on the company's financial status, business operations, and management performance, providing investors with a deeper understanding of company operations. The company implements shareholder activism by providing shareholders with electronic voting options at annual general meetings and strives to avoid proposing extemporaneous motions to protect the rights of shareholders who use electronic communication voting.</p> <p>(III) Supplier relations To meet Active Pharmaceutical Ingredient (API) Drug Master File (DMF) requirements and comply with PIC/S GMP standards, the company actively seeks second and even third source API suppliers. In accordance with the company's procurement management regulations, API procurement is executed to provide the company with necessary materials at reasonable prices, appropriate timing, acceptable quality, and adequate quantity to achieve expected goals.</p> <p>(IV) Stakeholders' rights</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>The company respects stakeholder rights and, through appropriate communication channels, understands their reasonable expectations and needs. Stakeholder needs and expectations of the company are appropriately addressed and considered in company decision-making, with the aim of creating and sharing sustainable operating results with various stakeholders.</p> <p>(V) Directors' continuing education Company directors participate in relevant continuing education courses according to their professional needs. Details of directors' continuing education activities for 2024 are provided in Appendix (III).</p> <p>(VI) Implementation of Risk Management Policies and Measurement Standards The company's "Risk Management Policy and Procedures" were approved by the Board of Directors on December 28, 2020. The "Risk Management Policy" defines various risk categories according to overall operational directives and strategies, establishing mechanisms for risk identification, assessment, management, and effective monitoring and review. These mechanisms aim to avoid or reduce the operational impact of risk events on the company and ensure sustainable corporate development. Details of the company's risk management operations can be found in the "Corporate Governance/Corporate Governance</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			<p>Operations” section of the company website.</p> <p>(VII) Implementation of Customer Policies The company has established customer service hotlines and email addresses for reporting adverse drug reactions, providing channels for consumer inquiries or complaints. Customer service personnel provide services and handle related issues.</p> <p>(VIII) Directors’ and Officers’ Liability Insurance To reduce and diversify the risk of significant damage to the company and shareholders due to errors or negligence by directors and officers, the company annually purchases directors’ and officers’ liability insurance. The previous policy expired on January 13, 2025, and was renewed for one year with AIG Asia Pacific Insurance Pte. Ltd., Taiwan Branch. The insurance period runs from January 13, 2025, to January 13, 2026, with coverage of USD 8 million. The insurance status was reported to the Board of Directors on December 24, 2024.</p> <p>(IX) For information regarding personnel related to financial transparency who have obtained relevant certifications designated by the competent authorities, please refer to Appendix (IV).</p>	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
IX. Please explain the improvements made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and identify priority areas and measures for issues that have not yet been improved.				
1. Improvements Made				
(1) The company’s Sustainability Report has been submitted to the Board of Directors.				
2. Planned Improvement Areas				
(1) Reporting directors’ remuneration at the Annual Shareholders’ Meeting, including remuneration policies, individual remuneration content, and amounts.				
(2) Evaluating the connection between senior management compensation and sustainability performance based on the progress of the sustainability development plan.				

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	

Appendix (I)

Auditing CPA Independence and Suitability Review Items

Independence

- I. Has any of the following occurred in the past two years:
 1. Not an employee of the company or its affiliated enterprises.
 2. Not a director or supervisor of the company or its affiliated enterprises. However, this restriction does not apply to independent directors of the company, its parent company, or subsidiaries in which the company directly or indirectly holds more than 50% of voting shares, or to those who have been discharged from such positions.
 3. Not a natural person shareholder who holds, together with their spouse and minor children, or in the name of another person, 1% or more of the total issued shares of the company or ranks among the top ten natural person shareholders.
 4. Not a spouse, relative within the second degree of kinship, or direct blood relative within the third degree of kinship of any person listed in the preceding three paragraphs.
 5. Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the total issued shares of the company, or that ranks among the top five institutional shareholders. This restriction does not apply to those who have been discharged from serving as independent directors.
 6. Not a director (council member), supervisor (inspector), manager, or shareholder holding 5% or more of shares in a specific company or institution with which the company has financial or business dealings. This restriction does not apply to those who have been discharged from serving as independent directors.

- II. Does the CPA comply with Article 8 of the “CPA Professional Ethics Statement No. 10: Integrity, Fairness, Objectivity, and Independence” established by the CPA Association:
 1. Does not have a direct or material indirect financial interest relationship with the company.
 2. No financing or guarantee arrangements between the Company and its directors.
 3. No consideration of potential client loss.

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
<div>4. No close business relationship with the Company.</div> <div>5. No potential employment relationship with the Company.</div> <div>6. No contingent fees related to audit cases.</div> <div>III. Whether the auditor’s independence statement has been obtained:</div> <div><u>Competency</u></div> <div>1. Whether the accounting firm’s personnel possess knowledge relevant to the industry or field in which the Company operates.</div> <div>2. Whether the accounting firm’s personnel understand the laws, regulations, or necessary skills and knowledge related to the Company’s business.</div> <div>3. Whether the accounting firm has sufficient professional personnel required for auditing the Company.</div> <div>4. Whether the accounting firm can complete cases within the agreed timeframe.</div> <div>5. Whether significant events occurring in the current and future years of the Company will not affect the competency of the accounting firm.</div> <div>6. Whether the accounting firm does not have potential conflicts of interest with the Company.</div>				

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	

Appendix (II)

Corporate Governance Officer's Continuing Education Status for 2024.

Training Date		Organizing Institution	Course Name	Hours of Continuing Education	Total Hours of Continuing Education in the Current Year
From	To				
January 19, 2024	January 19, 2024	Taiwan Corporate Governance Association	Senior Management Compensation and ESG Performance Evaluation System Design	3.0	15.0
July 9, 2024	July 9, 2024	Taipei Exchange	AI Strategy and Governance	3.0	
August 2, 2024	August 2, 2024	Taiwan Corporate Governance Association	Corporate Governance Officer Compliance Practices	3.0	
September 4, 2024	September 4, 2024	Taiwan Corporate Governance Association	Company Legal Compliance and Ethical Management, and Directors' Understanding of Labor Standards Act Legal Practices - Friendly Workplace and Gender Equality Law	3.0	
October 17, 2024	October 17, 2024	Securities and Futures Institute	AI Explosion: ChatGPT Chatbots Transforming Industry New Trends	3.0	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	

Appendix (III)

Directors' Continuing Education Status for 2024

Title	Name	Training Date	Organizing Institution	Course Name	Hours of Continuing Education	Total Hours of Continuing Education in the Current Year
Chairman	Chuan Lin	August 13, 2024	Taiwan Corporate Governance Association	Cybersecurity Risk Governance	1.5	15.0
		September 4, 2024	Taiwan Corporate Governance Association	Company Legal Compliance and Ethical Management, and Directors' Understanding of Labor Standards Act Legal Practices - Friendly Workplace and Gender Equality Law	3.0	
		September 24, 2024	Taiwan Corporate Governance Association	How the Board of Directors Supervises Corporate Risk Management and Crisis Handling (Including Introduction to the Latest Practical Developments in Gender Equality Law)	3.0	
		October 17, 2024	Securities and Futures Institute	AI Explosion: ChatGPT Chatbots Transforming Industry New Trends	3.0	
		November 12, 2024	Taiwan Corporate Governance Association	Anti-trust and Competition Law Compliance	1.5	
		November 13, 2024	Taiwan Corporate Governance Association	Digital Technology and Artificial Intelligence Trends and Risk Management	3.0	
Vice Chairman	Wen-Hua Chang	September 4, 2024	Taiwan Corporate Governance Association	Company Legal Compliance and Ethical Management, and Directors' Understanding of Labor Standards Act Legal Practices - Friendly Workplace and Gender Equality Law	3.0	6.0
		October 17, 2024	Securities and Futures Institute	AI Explosion: ChatGPT Chatbots Transforming Industry New Trends	3.0	

Title	Name	Training Date	Organizing Institution	Course Name	Hours of Continuing Education	Total Hours of Continuing Education in the Current Year
Director	Carl Hsiao	April 30, 2024	Taiwan Corporate Governance Association	Practical Operations of the Sustainability Development Committee (Chief Sustainability Officer, Working Group)	3.0	15.0
		September 4, 2024	Taiwan Corporate Governance Association	Company Legal Compliance and Ethical Management, and Directors' Understanding of Labor Standards Act Legal Practices - Friendly Workplace and Gender Equality Law	3.0	
		October 16, 2024	Taiwan Corporate Governance Association	20th (2024) Corporate Governance International Summit Forum - Focusing on Governance Priorities and Leveraging talent Advantages	3.0	
		October 17, 2024	Securities and Futures Institute	AI Explosion: ChatGPT Chatbots Transforming Industry New Trends	3.0	
		November 14, 2024	Taiwan Institute of Directors	Analysis of Corporate Acquisition Synergies and Practical Transaction Execution	3.0	
Director	Tze-Kaing Yang	August 7, 2024	Taiwan Corporate Governance Association	AI Industry New Trends and Ecosystem Competition and Cooperation	3.0	9.0
		September 24, 2024	Taiwan Corporate Governance Association	How the Board of Directors Supervises Corporate Risk Management and Crisis Handling (Including Introduction to the Latest Practical Developments in Gender Equality Law)	3.0	
		November 13, 2024	Taiwan Corporate Governance Association	Digital Technology and Artificial Intelligence Trends and Risk Management	3.0	
Director	Shih-Chang Hsu	August 7, 2024	Taiwan Corporate Governance Association	AI Industry New Trends and Ecosystem Competition and Cooperation	3.0	12.0
		July 17, 2024	Taiwan Corporate Governance Association	Operational Diversification Strategies Under Geopolitical Risk	3.0	
		September 24, 2024	Taiwan Corporate Governance Association	How the Board of Directors Supervises Corporate Risk Management and Crisis Handling (Including Introduction to the Latest Practical Developments in Gender Equality Law)	3.0	
		November 13, 2024	Taiwan Corporate Governance Association	Digital Technology and Artificial Intelligence Trends and Risk Management	3.0	

Title	Name	Training Date	Organizing Institution	Course Name	Hours of Continuing Education	Total Hours of Continuing Education in the Current Year
Director	Ying-Ying Liao	September 4, 2024	Taiwan Corporate Governance Association	Company Legal Compliance and Ethical Management, and Directors' Understanding of Labor Standards Act Legal Practices - Friendly Workplace and Gender Equality Law	3.0	6.0
		October 17, 2024	Securities and Futures Institute	AI Explosion: ChatGPT Chatbots Transforming Industry New Trends	3.0	
Independent Director	Ming-Ling Hsueh	January 26, 2024	Taiwan Corporate Governance Association	2024 Taiwan Economic Trend Analysis	3.0	32.0
		March 29, 2024	Taiwan Corporate Governance Association	Production Technology and Market Development of High-Value Steel Products	2.0	
		April 18, 2024	Financial Law and Crime Prevention Center	Anti-Money Laundering, Counter-Terrorism Financing, and Insider Trading Prevention Education	3.0	
		April 30, 2024	Taiwan Corporate Governance Association	TCFD & SBTi Development Trends and Directors' Responsibilities	3.0	
		May 3, 2024	Taiwan Corporate Governance Association	Nickel Industry Development Prospects and Resilient Supply Chain Sustainability Management	3.0	
		May 16, 2024	Taiwan Securities Association	Financial Consumer Protection Act and Treating Customers Fairly Principles (Course content includes "Financial Inclusivity and Rights of Persons with Disabilities Convention")	3.0	
		September 4, 2024	Taiwan Corporate Governance Association	Company Legal Compliance and Ethical Management, and Directors' Understanding of Labor Standards Act Legal Practices - Friendly Workplace and Gender Equality Law	3.0	
		September 5, 2024	Taiwan Securities Association	Cybersecurity Threat Trends and Crisis Management	3.0	
		October 16, 2024	Taiwan Corporate Governance Association	20th (2024) Corporate Governance International Summit Forum - Focusing on Governance Priorities and Leveraging Talent Advantages	3.0	

Title	Name	Training Date	Organizing Institution	Course Name	Hours of Continuing Education	Total Hours of Continuing Education in the Current Year
Independent Director	Ming-Ling Hsueh	October 30, 2024	Taiwan Corporate Governance Association	Information Security Governance Practices: Analysis of Critical Management Issues	3.0	
		November 8, 2024	Taiwan Corporate Governance Association	Taiwan Cable Industry Development and Prospects, and Creating a Friendly Workplace (Including Sexual Harassment Prevention)	3.0	
Independent Director	An-Li Cheng	June 21, 2024	Taiwan Corporate Governance Association	Regulatory Framework for Sustainability Reports	3.0	12.0
		August 2, 2024	Taiwan Corporate Governance Association	Corporate Governance Officer Compliance Practices	3.0	
		October 17, 2024	Securities and Futures Institute	AI Explosion: ChatGPT Chatbots Transforming Industry New Trends	3.0	
		November 15, 2024	Taiwan Corporate Governance Association	Comprehensive Intellectual Property Protection Strategies—New Approaches to AI-Assisted IP Compliance Management	3.0	
Independent Director	Ming-Dao Chang	March 21, 2024	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Anti-Money Laundering and Counter-Terrorism Financing Regulations and Board Requirements	3.0	12.0
		May 9, 2024	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Introduction to Regulations Related to Fair Treatment and Protection of Elderly Customers and Policyholders	3.0	
		July 9, 2024	Taipei Exchange	AI Strategy and Governance	3.0	
		October 17, 2024	Securities and Futures Institute	AI Explosion: ChatGPT Chatbots Transforming Industry New Trends	3.0	

Assessment Item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	

Appendix (IV)

Certification Status of Personnel Associated with Financial Information Transparency

Title	Name	Certification Status
Accounting Department Manager	Chen Ru-Yi	Passed R.O.C. CPA Examination
Chief Auditor	Yung-Min Chiang	Passed R.O.C. CPA Examination, Certified Internal Auditor
Senior Specialist, Audit Office	Liu Chih-Ling	Certified Internal Auditor (CIA)

(VI) Implementation Status of Sustainability Development and Differences from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or concurrent) unit to promote sustainable development that is authorized by the board of directors to be handled by senior management, and supervised by the Board of Directors?	✓		In order to implement sustainable governance, the Company voluntarily established the Sustainability Development Committee on October 7, 2019, in accordance with the “Corporate Social Responsibility Practice Principles” (renamed to “Sustainability Development Practice Principles” on December 24, 2021). The Committee reports directly to the Board of Directors. The Committee is organized according to its organizational charter and is responsible for promoting and implementing the Company’s sustainability development strategy and objectives. The Committee has an Executive Secretary, who is the Corporate Governance Officer, responsible for handling meeting-related affairs and executing tasks assigned by the Committee. For detailed implementation information, please refer to “VIII. Implementation Status of the Company’s Sustainability Development” in this table.	No difference
II. Does the company assess the risks of environmental, social, and governance issues related to the company’s operations based on the principle of materiality, and establish relevant risk management policies or strategies?	✓		The Company established the “Risk Management Policies and Procedures” approved by the Board of Directors on December 28, 2020, to serve as the highest guiding principle for risk management in each department. The risk management staff unit is responsible for revising risk policies and procedures, and supervising the implementation and coordination of overall risk management. Each department, based on the principle of materiality, identifies and assesses risks by considering economic, environmental, and social	No difference

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			governance issues that may have significant impacts on customers, investors, and other stakeholders. They discuss response strategies and risk management measures, and provide internal audit for internal control assessment. For high-risk issues, in addition to strengthening control plans, reports are made to the Board of Directors at least once a year. For detailed implementation information, please refer to “VIII. Implementation Status of the Company’s Sustainability Development” in this table.	
III. Environmental Issues				
(I) Has the company established an appropriate environmental management system according to its industry characteristics?	✓		The Company has established environmental management mechanisms suitable for the biotech pharmaceutical industry. Our factories have passed official inspections in Taiwan, Europe, the United States, and Japan, and have obtained PIC/S GMP certifications from multiple countries. In addition, the Company has implemented the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) at all plant sites, with safety labeling posted in workplaces to disclose hazardous and harmful substances that employees may be exposed to. The latest Safety Data Sheets (SDS) are placed in work areas for employee reference. The Company aims to improve operational performance through internal environmental improvements and effective environmental protection measures.	No difference
(II) Is the company committed to improving energy efficiency and using renewable materials with low environmental impact?	✓		The Company implements practices according to domestic regulations and established emission standards. For air pollutant treatment, natural gas boilers have replaced low-sulfur heavy oil consumption,	No difference

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			effectively reducing nitrogen dioxide emissions. For wastewater treatment, a circulation system has been established to collect and reuse water resources from cooling towers, improve cooling procedures, increase heat recovery rates to reduce cooling water demand, and properly recycle cleaning water. For waste treatment, qualified waste treatment vendors are commissioned to handle plant waste, implement garbage classification, and increase recycling rates. Since 2022, the Company has implemented ISO 14064-1 greenhouse gas inventory which is verified by a third-party verification agency. The Company continues to conduct greenhouse gas inventory and verification annually. The greenhouse gas inventory for 2024 is expected to pass verification in May 2025. This serves as our management approach and guideline for various energy-saving and carbon-reduction measures, improving energy efficiency at all operating locations.	
(III) Has the company assessed the potential risks and opportunities of climate change on the business, both present and future, and adopted corresponding measures?	✓		In response to global warming, extreme climate events, growing awareness of environmental protection, energy conservation, safety, health, and conservation, the Company has completed the identification of potential risks and opportunities brought by climate change. Based on the identification results, concrete response strategies have been planned, including three major aspects: water resource management and development, disaster response and adaptation, and strengthening cooperation with cities and value chains. For related information, please refer to “IX. Company Environmental Sustainability Issues Explanation_1. Climate Change-	No difference

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			Related Disclosures” in this table.	
(IV) Has the company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight for the past two years, and formulated policies for greenhouse gas reduction, water reduction, or other waste management?	✓		As a pharmaceutical industry committed to enhancing human life quality, the Company recognizes that human health heavily depends on a good environment, including clean air, water, and proper waste treatment. Therefore, the Company has adopted the environmental protection management approach of “prioritizing environmental sustainability in all operational activities.” We require suppliers to comply with our supplier management policy and continuously optimize processes and conserve resources to reduce the impact of climate change risks. For related information, please refer to “IX. Company Environmental Sustainability Issues Explanation_2. Environmental Sustainability Management Policy” in this table.	No difference
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		The Company focuses on human rights-related issues and provides employees with a fair and safe working environment to reduce potential hazards and impacts. Referencing internationally recognized human rights standards such as the “Universal Declaration of Human Rights,” “United Nations Global Compact Ten Principles,” and “United Nations Guiding Principles on Business and Human Rights,” and strictly adhering to local government labor laws, the Company has established its human rights policy to treat all stakeholders fairly and with respect. For the company’s human rights policy, please refer to the “Sustainable Development/Employee Care” section on the	No difference

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			company website.	
(II) Has the Company established and implemented reasonable employee benefit measures (including compensation, leave, and other benefits) and appropriately reflected operational performance or results in employee compensation?	✓		<p>1. Employee Compensation</p> <p>According to Article 28 of the Company's Articles of Incorporation, if the Company is profitable for the year, 0.5% to 10% shall be allocated as employee compensation. However, if the Company has accumulated losses, the amount to offset such losses shall be set aside first. TTY Biopharm values talent development. Each year, the Company publicly recognizes long-serving employees and presents gifts to express appreciation for their dedication, demonstrating TTY Biopharm's people-centered core values. Regarding employment practices, compensation is determined based on objective factors including each employee's previous experience, capabilities, and the position applied for. Using the local minimum wage as a baseline, in 2024, the minimum monthly salary within the organization was NT\$26,400, meeting current minimum wage requirements. After considering various factors including job classification, educational background, and work experience, the ratio of entry-level employees' average salary to the minimum wage is 1.43 times for both female and male employees, both exceeding the local minimum wage requirements. Employee compensation does not differ based on gender, with the male-to-female average salary ratio being 1.003:1.</p> <p>Furthermore, TTY Biopharm emphasizes annual salary adjustments and promotion systems. Based on internal</p>	No difference

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>performance evaluations, employees are provided with optimal opportunities for salary increases and clear pathways for advancement.</p> <ul style="list-style-type: none"> ● Salary Structure: Different salary frameworks are designed according to job functions. ● Bonus System: The Company distributes bonuses equivalent to 0.5 months' salary for both Mid-Autumn Festival and Dragon Boat Festival, and 2 months' full salary for Lunar New Year. In addition to fixed bonuses, performance bonuses are distributed according to the "Performance Development Plan and Performance Bonus Evaluation Regulations," based on the company's overall operations and individual performance. Employees' performance goals must align with their department objectives. The final bonus multiplier is calculated by considering the company's annual total revenue and net profit after tax achievement status, ensuring a strong correlation between compensation and performance. ● Annual salary adjustment: 2 opportunities for salary adjustment (performance-based adjustment, special adjustment). In 2024, the average salary increase for both non-managerial employees and managerial employees ranged from 2.5% to 3.5%. ● Promotion System: Transparent promotion system with talent retention programs that recognize outstanding employees through advancement opportunities. 	

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>2. Workplace Diversity and Equality</p> <p>Diverse talent recruitment serves as the driving force behind our company's continuous innovation. The varied values, beliefs, ethnicities, ages, genders, experiences, and backgrounds of our colleagues contribute to a broader perspective and vision. We hope that colleagues can realize their self-positioning and value in an inclusive and innovative organization, continuing to develop with our company, expanding their careers, and enriching their lives. The Company strives to create an inclusive, non-discriminatory work environment where every colleague can fully utilize their skills, experiences, and perspectives.</p> <p>The biotechnology pharmaceutical industry is a high-technology sector. Our company's employee recruitment focuses on professional knowledge and technical skills, resulting in gender parity among our workforce. In 2024, TTY Biopharm's full-time employees included 222 males (42.45%) and 301 females (57.55%). To promote workplace equality, in 2024 we employed 4 indigenous people and 4 individuals with disabilities (including 2 with severe disabilities), with these special groups representing 1.53% of our total workforce.</p> <p>3. Additional Employee Benefits</p> <p>To enhance employee cohesion, the Company is committed to providing comprehensive benefits for full-time employees. In addition to basic legal entitlements such as labor and health insurance, annual leave, maternity leave, and parental leave, we</p>	

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>also offer group accident insurance, travel leave, paid sick leave, year-end bonuses, regular health examinations, birthday gifts, child birth gifts, holiday (Dragon Boat Festival/Mid-Autumn Festival) cash gifts or presents, hospital care stipends, funeral allowances, disaster relief funds, education subsidies (employee children's education allowances and scholarships), travel subsidies, and employee stock ownership trusts, etc... To enhance internal benefits, incentivize employee financial planning, and increase employee engagement with the company, thus achieving mutual benefits for both labor and management, in 2023 we established the "TTY Biopharm Company Limited Employee Stock Ownership Plan." This program initiated an employee stock ownership trust where employees can contribute agreed amounts from their salaries and holiday bonuses according to their position level. The company matches 100% of employee contributions as an incentive. Employee retirement qualifications and pension standards are handled in accordance with TTY Biopharm's retirement management regulations and are 100% compliant with Taiwan's labor laws.</p> <p>Additionally, to address annual winter weather changes and the dual threat of seasonal influenza and COVID-19, our company has aligned with national disease prevention mechanisms by once again becoming a distributor for influenza vaccines. To safeguard employee health and safety, in 2024 we provided free influenza vaccinations in staggered sessions to all employees and up to four</p>	

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>first-degree family members per employee. This initiative strengthens the immunity of our employees and their families. In 2024, a total of 919 individuals received influenza vaccinations through this program. The Company is committed to being a socially responsible enterprise that prioritizes employee wellbeing. We recognize our unequivocal responsibility in maintaining public health and supporting disease prevention efforts. We are dedicated to establishing a secure social safety net for our employees and their families, working together to create a prosperous society. For detailed information on the Company's compensation and benefits policies, please refer to "IV. Operating Overview," subsection "V. Labor Relations" in the annual report, as well as the "Talent Recruitment" and "Sustainable Development/Employee Care" sections on our company website.</p> <p>4. Employee Compensation Policy and Implementation Status</p> <p>Employee compensation includes salary and bonuses. Salary is determined with reference to industry standards, job title, educational background and experience, professional capabilities, and job responsibilities, in accordance with the Company's "Salary Structure Table." Bonuses are administered according to the Company's "Performance Development Plan and Performance Bonus Evaluation Regulations," which consider each employee's annual performance evaluation metrics, such as: annual work target achievement rate, core competency indicators (trust and results orientation, integrity and teamwork, proactivity and</p>	

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			ambition, and customer orientation), and are evaluated based on the company's total revenue and net profit after tax achievement rate for the current year.	
(III) Does the Company provide employees with a safe and healthy work environment, and regularly implement safety and health education for employees?	✓		<p>For other employee personal safety and workplace environment protection measures, please refer to "V. Labor Relations" in "IV. Operating Overview" of the annual report.</p> <p>In 2024, the Company had 0 fire incidents with no casualties or injuries; therefore, no fire-related improvement measures were implemented.</p> <p>The Company believes that employees with good physical and mental health can create highly efficient, high-quality work performance. Therefore, we are committed to providing employees with a safe and healthy work environment. In addition to providing labor and health insurance for all employees, we also offer group insurance, accident insurance, occupational hazard insurance, cancer insurance, business travel insurance, and other insurance coverage, as well as annual employee health examinations. Additionally, in response to the dual threat of seasonal influenza and COVID-19, the Company provides free influenza vaccinations, which we distribute, to all employees and their first-degree relatives (with a quota of 4 individuals per employee). To prevent occupational hazards and ensure employee safety and health, our company has implemented ISO 45001</p>	No difference

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>(Occupational Health and Safety Management System). Senior executives and department managers conduct hazard identification and risk assessment in accordance with ISO 45001 Occupational Health and Safety Management System standards. This process identifies hazards and risks caused by changes in the organization, occupational health and safety management system, or its activities. Management programs or risk opportunity tracking and control measures are then proposed. The purpose is to establish a safe and healthy work environment, enabling the organization to identify and prevent risks, protect and provide employees with a safe and reliable workplace, reduce the likelihood of employee accidents and illnesses, and improve regulatory compliance. For other employee personal safety and workplace environment protection measures, please refer to “V. Labor Relations” in “IV. Operating Overview” of the annual report.</p> <p>In 2024, the Company had 0 fire incidents with no casualties or injuries; therefore, no fire-related improvement measures were implemented.</p>	

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(IV) Does the company establish effective career development training plans for employees?	✓		<p>“Rapidly acquiring knowledge, effectively transmitting knowledge, and quickly transforming knowledge into consensus and organizational capability” is one of the important ways to build core competitiveness for enterprises. Therefore, in addition to training new employees, our company continuously innovates and constructs a comprehensive education, training, and development system for all employees.</p> <p>1. New Employee Training</p> <p>To ensure new employees quickly understand and comply with company regulations and establish basic awareness of various operational safety protections to avoid and reduce operational risk impacts, while also facilitating rapid adaptation to the company, we revised our new employee training program in 2024. This program includes a series of online and in-person courses for new hires, including: Healthy Workplace - IT Training, Healthy Workplace - Accounting and Expense Reporting, Environmental Safety and Health, Pharmaceutical Advertising, and Legal Compliance-related courses. In 2024, a total of 113 new employees participated in these training courses.</p> <p>2. Employee Education and Training</p> <p>To enable colleagues to continuously enhance knowledge related to potential operational risks and maintain the company’s ethical</p>	No difference

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			business practices, we conduct various online and external training courses. Online courses include Pharmacovigilance, “SDGs” Sustainable Development Goals, Information Security, Corporate Integrity Promotion, Good Distribution Practice for Pharmaceuticals, Intellectual Property Concepts and Protection, and Pharmaceutical Advertising. 100% of all employees completed the online training courses. According to statistics for 2024, the average number of hours employees participated in internal face-to-face courses and external training was 108.72 hours per employee. Male sales and marketing personnel received the highest average training at 121.95 hours, followed by female sales and marketing colleagues with an average of 121.67 training hours.	
(V) Regarding issues of customer health and safety, customer privacy, marketing, and labeling of products and services, does the company comply with relevant regulations and international standards, and establish relevant policies and grievance procedures to protect consumer or customer rights?	✓		Our company manufactures pharmaceutical products and executes import, export, storage, and transportation operations in accordance with the “Pharmaceutical Inspection Co-operation Scheme Good Manufacturing Practice (PIC/S GMP)” and “Good Distribution Practice for Western Pharmaceutical Products (Part 3: Distribution)” (GDP) regulations, providing customers with safe and effective pharmaceutical products. For pharmaceutical marketing and labeling, we follow regulations by including product package inserts and	No difference

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			provide links to these inserts on the company's official website for reference. Marketing advertisements are submitted to health authorities for pre-approval in accordance with regulations and receive advertising authorization numbers. Furthermore, our company has established appropriate information security management mechanisms, strengthened information security awareness, and adheres to strict control regulations and protective measures to protect personal data and customer privacy. Our company has dedicated contact personnel available through phone and email in the "Contact Us" section of the company website to handle issues related to consumer rights complaints. We address consumer complaints fairly and promptly.	
(VI) Does the company establish supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and what is the implementation status?	✓		<p>1. Supplier Management Policy</p> <p>The Company has established four main policy pillars: "Quality Assurance," "Quantity Stability," "Delivery Time Reduction," and "Sustainability Pursuit." We simultaneously evaluate suppliers' financial status, organizational management, and ability to implement corporate social responsibility through our "Supplier Sustainability Management Capability Evaluation" mechanism. This framework encompasses everything from the selection and qualification assessment of new suppliers to the qualification evaluation of continuing partnerships with existing suppliers, risk</p>	No difference

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>assessment classification management, and improvement guidance regulations, implementing sustainability and transparency in supplier selection and management. In 2024, 100% of new suppliers were screened according to the evaluation mechanism. Supplier evaluations include daily assessments (deducting points for any abnormalities in daily supplier inputs, which serve as a basis for annual evaluations) and annual evaluations (covering delivery time, quality, customer complaints, cooperation level, and sustainability). Suppliers are classified and managed according to evaluation results.</p> <p>2. Supplier Management Implementation</p> <p>(1) Zhongli Plant</p> <p>For the 306 items with transaction records in 2024 at the Zhongli Plant, evaluations were conducted based on delivery time, quality, customer complaints, cooperation level, and sustainability. This year's evaluation results show: 305 items classified as Grade A; 1 item as Grade B; and 0 items as Grade C. For Grade A item suppliers, the management measures include prioritizing them for any new items the company may add, and making them eligible for a reduced testing evaluation by the Quality Control Department for raw materials.</p>	

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>(2) Lioudu Plant</p> <p>For the 241 items with transaction records in 2024 at the Lioudu Plant, evaluations were conducted based on quality and customer complaints. This year's evaluation results show: 241 items classified as Grade A; 0 items as Grade B; and 0 items as Grade C.</p> <p>For detailed supplier management policies, please refer to the "Sustainable Development" section on our company website and our Sustainability Report.</p>	
V. Does the company prepare sustainability reports or other reports disclosing non-financial information with reference to internationally accepted reporting standards or guidelines? Have the aforementioned reports obtained assurance or certification opinions from third-party verification units?	✓		<p>The Company has prepared sustainability reports for the years 2021, 2022, 2023, and 2024 in accordance with the GRI Sustainability Reporting Standards (GRI Standards). The 2023 Sustainability Report has obtained third-party independent verification from "Afnor Asia Ltd." based on AA1000 AS v3 Type 1 Moderate Assurance level as the verification standard, and has received an independent assurance statement issued by Afnor Asia. The 2024 Sustainability Report is currently undergoing verification by Afnor Asia.</p>	No difference
<p>VI. If the company has established its own Sustainable Development Principles in accordance with the "Listed Companies Sustainable Development Best Practice Principles," please describe its implementation and any differences from the established principles:</p> <p>Our company has established "Sustainable Development Best Practice Principles" in accordance with the "Listed Companies Sustainable Development Best Practice Principles" and strictly adheres to them to effectively implement and promote corporate social responsibility.</p>				

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
VII. Other important information that helps understand the implementation of sustainable development initiatives:				
(I) Donation of Adjuvanted Influenza Vaccines - In Support of the “375 Health Education Program”				
<p>Facing the arrival of Taiwan’s super-aged society, increasing influenza vaccination rates among the elderly and reducing infection risks have become core missions in TTY Biopharm’s corporate social responsibility implementation. TTY Biopharm has further collaborated with the Taiwan Society of Infectious Diseases on the “Healthy Taiwan 375 Health Education Program.” Through this three-year educational initiative, we aim to raise awareness about immune aging issues among the elderly population and encourage seniors to receive influenza vaccinations. Together, we are gradually working toward the World Health Organization’s international target of achieving a 75% influenza vaccination rate for individuals aged 65 and above.</p> <p>Research has found that severe complications from influenza primarily affect elderly individuals who have not been vaccinated, and hospitalization rates significantly increase when those 65 and older contract influenza. Medical professionals therefore encourage seniors to receive influenza vaccines to reduce the risk of severe illness. This is especially critical in a super-aged society with 4.85 million elderly citizens, where increasing vaccination rates not only protects individuals but also achieves a herd immunity effect. However, possibly due to seniors’ concerns about influenza vaccines, the overall vaccination rate is only about 54%, indicating there is still room for improvement to reach the international target of 75%.</p> <p>With the support of global influenza vaccine manufacturer CSL Seqirus, TTY Biopharm donated 1,500 doses of adjuvanted influenza vaccines in 2024 for charitable use to organizations in Taoyuan City, Taichung City, and Kaohsiung City. The Infectious Diseases Society of Taiwan commissioned physicians to conduct health education sessions. Through this public-private partnership approach, we connected social welfare resources to raise awareness about the importance of influenza vaccination for the elderly and encouraged entire families to get vaccinated together.</p>				
(II) Summer internship program				
<p>Our company has consecutively held the Summer Internship Program (SIP) for 17 years since 2008, targeting university or graduate students nationwide in pharmacy and life science-related departments. The program includes multiple information sessions, group interviews, curriculum planning, and project management learning. Our company provides students with industry experience that cannot be obtained in the classroom from the perspective of a professional and forward-looking international pharmaceutical company. Over the past 17 years, a total of 417 students have benefited from this program.</p> <p>This year’s internship program included 18 students from National Taiwan University, Taipei Medical University, National Yang Ming Chiao Tung University, National Tsing Hua University, National Defense Medical Center, China Medical University, National Cheng Kung University, Chia Nan University of Pharmacy and Science, Kaohsiung Medical University, as well as internationally renowned institutions such as Boston University, University of Washington, and University College London. This demonstrates the SIP program’s international appeal and coverage of diverse academic backgrounds.</p>				

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
<p>To improve internship quality and strengthen students’ comprehensive understanding of the pharmaceutical industry value chain, TTY Biopharm has introduced the following three core modules into this year’s SIP program:</p> <ol style="list-style-type: none">Comprehensive Value Chain Curriculum Training: Covering diverse topics including pharmaceutical regulations, market development, R&D processes, and pharmaceutical marketing. This helps students fully understand the pharmaceutical industry’s operational mechanisms from upstream research and development to downstream customer communication.Career Interviews with Senior Executives: Arranging group career sharing sessions with high-level executives from various departments, including the Chairman, President, R&D, Quality Assurance, Marketing, Regulatory Affairs, and Sales. These sessions provide students with practical workplace experience and development perspectives, strengthening their career planning awareness.Unique Mentorship System: Assigning dedicated corporate mentors to each intern during their departmental placement. Through periodic performance reviews and individual guidance, mentors help interns clarify learning objectives, integrate practical experiences, and optimize the feedback process. <p>Interns who demonstrate outstanding performance will be recommended for the second phase “Taiwan Brand Ambassador (TBA)” program, serving as communication bridges between the company and young professionals, and will be further incorporated into the company’s medium and long-term talent reserve system. In 2024, three SIP interns were selected to join the TBA program.</p> <p>(III) “Cancer Awareness Community Care” Public Welfare Activities</p> <p>With the number of cancer patients increasing nationwide annually, TTY Biopharm, as a member of the medical industry, not only continuously invests resources in developing new drugs to combat cancer and donates to families affected by cancer, but also shares cancer information with the public through the internet. Furthermore, we collaborate with cancer-related organizations to hold free health education promotion activities, teaching adolescents and children correct concepts and knowledge about cancer, contributing our efforts to cancer prevention.</p> <ol style="list-style-type: none">Cancer Awareness Rural Campus Outreach <p>Since 2005, our company has collaborated with cancer-related NPOs (non-profit organizations) to organize a series of cancer prevention health education promotional activities for rural areas each year. We invite professional medical personnel from major medical centers to serve as instructors, jointly promoting campus cancer prevention awareness and contributing to cancer prevention efforts. In 2024, our company continued to conduct cancer awareness rural campus outreach activities in 20 junior high schools across Yunlin, Chiayi, Tainan, Miaoli, Hualien, Taitung, and offshore islands. Through</p>				

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
<p>knowledge transfer, we hope that junior high school adolescents can play a supportive role in their family's daily life, establishing correct cancer prevention awareness for the whole family.</p> <p>2. Scholarships for Children of Cancer-Affected Families</p> <p>The cancer population in Taiwan continues to skew younger, and cancer patients are often the economic pillars of their families. Disease and treatment expenses frequently become a burden for cancer-affected families, subsequently impacting their children's living conditions and education. To alleviate the economic burden on cancer-affected families and assist their children in pursuing education smoothly, TTY Biopharm has been sponsoring the Hope Foundation For Cancer Care since 2010, contributing to educational funding for children from cancer-affected families. A special scholarship of NT\$20,000 per recipient has been established. From 2011 to 2024, over a 14-year period, a total of 615 children from cancer-affected families have received this scholarship assistance, enabling them to focus on their studies. In addition, we sponsor a fixed annual total activity fund of NT\$1 million to ensure that university-level children from cancer-affected families can receive fair and quality education.</p> <p>3. Health Education Seminars</p> <p>For patients currently undergoing treatment, our company regularly collaborates with cancer-related NPOs to organize disease treatment trends and cancer pain management nutrition health education seminars for patients and their families. These seminars help patients cope with discomfort arising from treatment and disease, and enable family members to learn correct knowledge to actively fight cancer together with patients. In 2024, two in-person seminars were held with a total of 82 participants. Since initiating these seminars in 2009, a cumulative total of 6,953 cancer patients and family members have attended. In addition, our company also conducts health education seminars on osteoporosis and bone health, providing testing for the public to prevent causes related to calcium and vitamin D deficiency. In 2024, we organized 15 sessions with 24 physicians serving as health education activity speakers (including hospital and community health education, patient support groups, etc.). They guided and advised participating members of the public on how to achieve adequate calcium intake through diet and daily life. A total of 866 participants attended these events.</p> <p>(IV) Hospice Care Services for Cancer-Affected Families</p> <p>To assist in promoting hospice care domestically and actively leverage our industry advantages, our company initiated hospice care services in collaboration with China Medical University Hospital. We planned a daytime hospice care program to provide home-based hospice and palliative care medical services for terminal</p>				

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
<p>cancer patients from China Medical University Hospital after they return home. Specialized hospice home care nurses conduct home visits and perform palliative care medical procedures, helping to resolve family caregiving issues and reduce caregiver stress. Over the four years from 2021 to 2024, we have served a total of 1,027 patient visits and covered the payable expenses for families enrolled in hospice care. We hope that through symptom relief, emotional support, economic assistance, and other services, patients and their families can be free from worries and achieve spiritual peace during their final journey, further exerting our corporate power for good.</p> <p>(V) “Cultivating TTY for Health” Building a Healthy and Sustainable Society for the Super-Aged</p> <p>As the “Cultivating TTY for Health” public welfare project enters its third year, it coincides with the year before Taiwan enters a super-aged society. Recognizing our corporate social responsibility as part of Taiwan’s pharmaceutical industry, in addition to continuing our support for eco-friendly agriculture and donating TTY charity rice to social welfare organizations, we have expanded our volunteer efforts to serve the elderly population. In 2024, TTY Biopharm’s public welfare team, through elderly services and parent-child education activities, not only provided care for the elderly living alone in rural communities but also shared charity rice, which symbolizes health and blessings, with institutions and organizations in need. Together, we are building a vision of health and sustainability for our super-aged society.</p> <p>1. TTY Food and Agriculture Day - Health Begins with Eating</p> <p>TTY Biopharm believes that as a company with medical pharmaceuticals as its core business, we should take “supporting health” as our starting point, thereby responding to the corporate social responsibility of the pharmaceutical industry. Therefore, TTY Biopharm launched the “Cultivating TTY for Health” TTY Rice Project in 2022. In the rice cultivation area of Daxi near our Zhongli factory, we approached small farmers who share our commitment to eco-friendly farming methods. Through cooperative purchasing agreements, we invested in toxic-free rice cultivation, supporting environmentally friendly agriculture. In the summer of 2024, TTY Biopharm collaborated with the Bay Picture Book Story House. TTY Biopharm donated charity rice and commissioned the Bay Picture Book Story House to hold a two-day “TTY Food and Agriculture Day × Food Truck Little Professional” food and agriculture education family activity. Grandparents, parents, and children were invited to listen to picture book stories related to rice, while teachers explained Taiwan’s rice varieties and cooking methods. Hands-on rice ball making experience courses were also arranged.</p> <p>2. Partnering with Huashan Social Welfare Foundation to Care for the Elderly Living Alone - Raising Awareness of Health Issues in a Super-Aged Society</p> <p>From 2025, Taiwan will officially become a super-aged society where one in every five people is an adult aged 65 or above. Elderly health care is an important</p>				

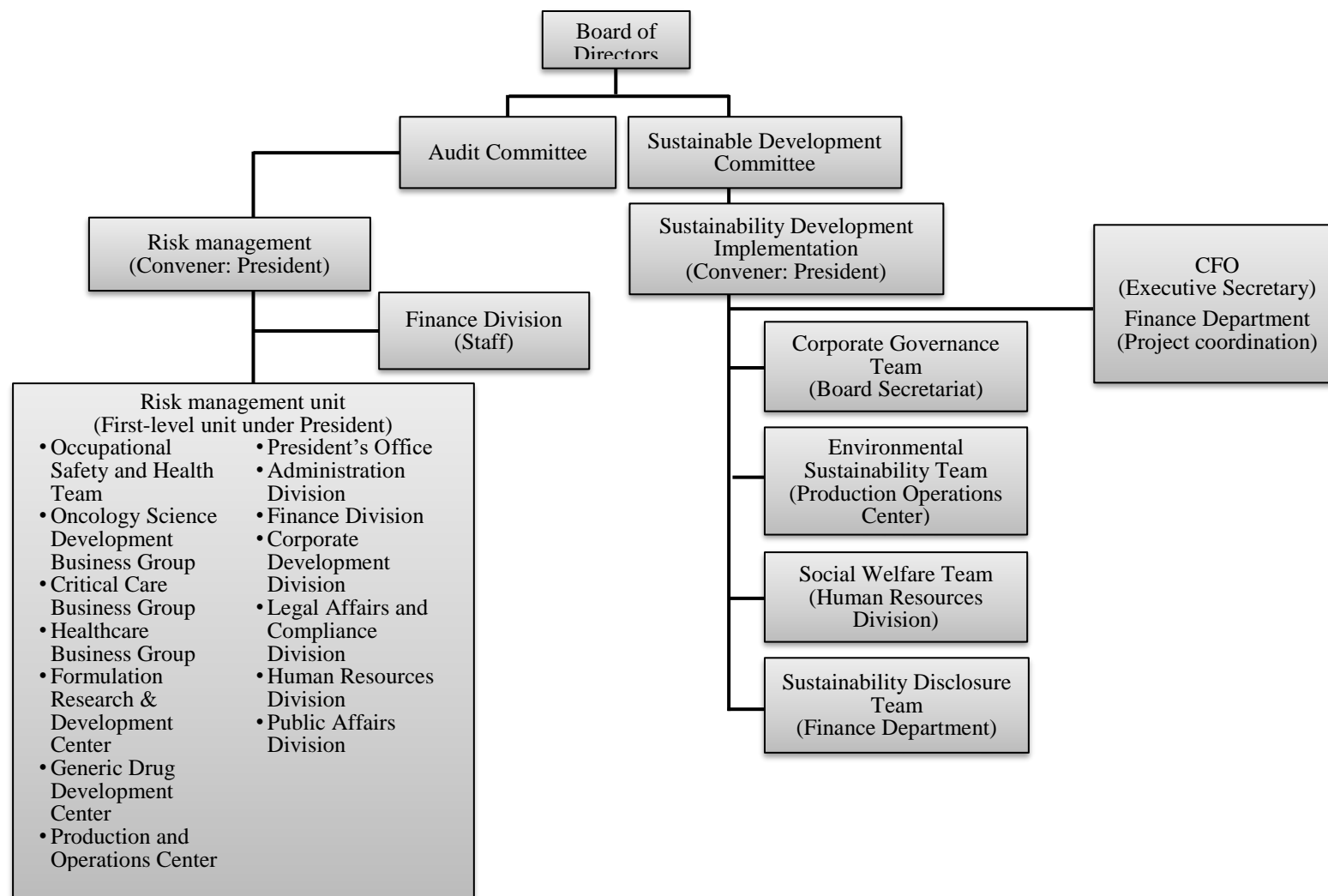
Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
<p>public health issue for society. Therefore, the ESG actions of “Cultivating TTY for Health” have expanded from previously supporting social welfare organizations to supporting social institutions focused on eldercare and silver population issues. Through volunteer efforts, we hope to infuse positive influence in the super-aged society.</p> <p>Under the guidance of the Huashan Social Welfare Foundation, President Ching-Lan Hou and the volunteer team visited an elderly grandmother living alone in an alley in Wanhua, Taipei. As the grandmother is confined to a wheelchair with limited mobility, she was unable to organize her environment, resulting in her only resting place—her bed—being piled with years of old items. To help the grandmother have a bed to rest on, President Ching-Lan Hou and company volunteers, despite the hot weather and the unfamiliar odor of old items, rolled up their sleeves and joined Huashan’s home environment improvement work. The team worked together on organizing, bagging, and removing items, moving back and forth in the small apartment while sweating profusely, finally helping the grandmother achieve a more suitable living space.</p> <p>3. Combining Ceramic Art Creation with Community Elderly Health Education</p> <p>Beyond supporting the Huashan Social Welfare Foundation’s home cleaning services for elderly individuals living alone, “Cultivating TTY for Health” also collaborates with organizations focused on sub-healthy elderly populations. To simultaneously fulfill local corporate social responsibility, the volunteer team partnered with the Taoyuan City Volunteer Service Promotion Center (commissioned by the Department of Social Welfare, Taoyuan City Government) to hold a “Youth-Senior Ceramic Art Experience Workshop.” This workshop combined elements of local cultural creativity, community temple culture, corporate volunteerism, and elderly health education services.</p> <p>The volunteer team and the Promotion Center arranged a cultural tour of the local faith center “Yungchang Temple,” health education presentations by physicians, and ceramic handicraft activities. The participating grandfathers and grandmothers not only listened with great interest but also interacted happily with corporate volunteers. What made this special was the volunteer team’s incorporation of rice ears from the contracted rice fields into the ceramic plate making process. By imprinting rice ears onto ceramic works, they created ceramic art pieces that combined rice field imagery with personal creative styles. TTY Biopharm hopes to convey health concepts to the elderly population through the combination of ceramic art and health education, using an entertaining approach to education. Through innovative activity formats, we aim to bridge generational gaps, demonstrating our commitment and dedication to local</p>				

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
community engagement. At the same time, we hope to raise public awareness about elderly health issues and work together to create a warm and friendly super-aged society.				
<p>4. Join Hondao Senior Citizen's Welfare Foundation for Rice Harvesting - Health and Vitality GO</p> <p>Listening to others' needs before proposing service solutions has always been the core concept of TTY Biopharm's "Cultivating TTY for Health" ESG initiative. When the volunteer team learned that a group of elderly individuals at the Hondao Senior Citizen's Welfare Foundation were looking forward to experiencing rice harvesting and reminiscing about their childhood, the volunteer team came up with the idea of inviting company colleagues and their families to harvest rice together with the Hondao seniors, and took action to invite company employees to join the elderly in reliving agricultural experiences.</p> <p>In the rice fields contracted through eco-friendly farming methods in Daxi, a field of golden rice ears welcomed everyone. Volunteers arranged rice harvesting instruction and elastic band warm-up exercises to ensure both volunteers and the elderly could participate safely in the activities. For young volunteers and children experiencing it for the first time, rice harvesting was fresh and interesting. However, for the grandfathers and grandmothers, their skilled harvesting movements felt like returning to their younger days. Many elderly participants spontaneously shared farming stories from the past with the younger generations. In that moment in the winter fields, the air was filled with laughter from groups of all ages. To ensure that participating seniors ate well and healthily, volunteers specially arranged abundant farm-style cuisine, rice ball food trucks, and rice-based snacks such as egg cakes, allowing everyone to experience the warmth and deliciousness of rustic farm life after their agricultural work. This rice harvesting activity for seniors not only encouraged Hondao elderly participants to go outdoors and step into the fields, promoting continued activity for maintaining health, but also created a memorable family interaction time for corporate volunteers and their families. TTY Biopharm hopes that through the "Cultivating TTY for Health" project, we can remind employees and various social partners to pay more attention to healthy living. At the same time, we aim to share goodness through action and extend more positive energy for a sustainable society.</p>				
<p>5. Donating Pesticide-Free Rice: Sharing Health and Love</p> <p>In 2024, TTY Biopharm continued its charitable rice donations to established beneficiaries including the Yu-Cheng Social Welfare Foundation, Chensenmei Social Welfare Foundation, Andrew Food Bank, and Happy Mount Leprosy Colony, while expanding support to new recipients such as the Huashan Social Welfare Foundation, Bay Area Picture Book Museum, and Taipei Medical University Social Medical Service Team. These combined donations totaled</p>				

Implementation Item	Operational Status			Deviations from the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
approximately 2,000 kilograms of pesticide-free rice. Beyond supporting social welfare organizations, TTY Biopharm further fulfilled its corporate social responsibility commitment by collaborating with public sector entities. In 2024, the company donated approximately 600 kilograms of pesticide-free rice to both the Taoyuan City Department of Public Health and Kaohsiung City Department of Health, incentivizing senior citizens to participate in health education seminars. This public-private partnership initiative aims to create more livable communities. Simultaneously, TTY Biopharm responded to Taipower Keelung District’s charity campaign by providing pesticide-free rice to encourage public participation in blood donation drives, further demonstrating the company’s commitment to community welfare.				

VIII. Company's Implementation of Sustainable Development

1. Sustainability Development Governance Structure



2. Implementation of sustainable development

(1) Sustainability Development Implementation

The sustainable development implementation follows the organizational structure, divided into four teams: Corporate Governance Team, Environmental Sustainability Team, Social Welfare Team, and Sustainability Disclosure Team. These teams are responsible for promoting and implementing the company's sustainable development strategic objectives. An Executive Secretary position, held by the Corporate Governance Officer, is established to manage Sustainability Development Committee meeting affairs and execute assignments from the Committee.

The Sustainable Development promotion teams formulate work plans for the following year at the end of each year and submit them to the Sustainability Development Committee for approval. During the first quarter of each year, they report to the Sustainability Development Committee to review the previous year's implementation status. Subsequently, the Chairperson of the Sustainability Development Committee reports to the Board of Directors. In 2024, the company revised its Corporate Sustainability Development Strategic Blueprint objectives and formulated the 2025 work plan, which was submitted to the Sustainability Development Committee and the Board of Directors on November 13, 2024. On February 25, 2025, the 2024 Sustainability Development work plan implementation status was reported to the Sustainability Development Committee, and the Committee Chairperson subsequently reported to the Board of Directors. For detailed information on sustainable development operations, please refer to the company's 2024 Sustainability Report and the "Sustainable Development" section on the company's website.

(2) Risk Management Operations

TTY Biopharm established the "Risk Management Policies and Procedures" through a Board of Directors resolution on December 28, 2020, serving as the company's highest risk management directive. The Finance Division functions as the staff unit (hereinafter referred to as the "Staff Unit") responsible for policy and procedure revisions, as well as overseeing the implementation and coordination of overall risk management operations.

The first-level units under the President serve as Risk Management Units, responsible for operating various risk management mechanisms within their organizations. The Staff Unit coordinates and centralizes the risk management operations across all units to ensure that risks are controlled within acceptable parameters. The Audit Unit examines risk management operations and provides improvement recommendations for risk monitoring. The Audit Committee supervises the operations of the Risk Management Units and ensures effective implementation of internal controls. The Board of Directors serves as the company's highest decision-making and responsible body for risk management.

The Risk Management Staff Unit reports annually to the Audit Committee and Board of Directors regarding risk identification and management operations. On February 25, 2025, the unit reported on 2024 risk management operations, 2025 risk identification, and TCFD:

· Risk Assessment Boundaries and Scope

The 2025 risk assessment boundaries encompass all company locations and departments, with scope divided into four major dimensions:

- ① Strategic: New product or market development, market competition, product technology and R&D, policies and regulations
- ② Operational: Product safety, occupational safety and health, production efficiency, supply chain, intellectual property, information security, corporate reputation, human resources

- ③ Financial: Financial management, credit
- ④ Other: Geopolitics, disasters, energy crisis, integrity and ethics

• Risk Management Implementation Results

Through identification, significant risks are classified as low, medium, or high-risk according to risk judgment criteria, producing a risk matrix. Medium-risk items are managed by responsible units according to existing risk countermeasures, while high-risk items are addressed by responsible units with additional risk strategies. High-risk areas include market competition, product and technology R&D, corporate reputation, and integrity and ethics. The company's significant risk management strategies and operations are as follows:

Risk Type	Risk Items	Management measures
Market competition	<ul style="list-style-type: none"> ● Launch of drugs with new mechanisms, better efficacy, or fewer side effects that impact physician prescribing habits. ● Physician substitution of similar drugs, resulting in prescription of alternative medications within the same therapeutic area, affecting actual sales. ● Price comparisons with identical active ingredients, potentially causing company product price reductions or direct replacement of company items, preventing sales at specific hospitals. 	<ul style="list-style-type: none"> ● Continuously monitor market developments and search for new drugs to extend the lifecycle of older products, sustaining the company's market competitiveness ● Strengthen relationships with clinical experts and physicians, discuss product prescription opportunities and potential combination treatment plans with new drugs, while supporting physicians' academic trial completion to increase product prescription value through academic data. • Enhance customer communication by regularly updating information on hospital pharmacy committee members and subcommittees, while discussing pharmaceutical manufacturing specifications and Drug Master File (DMF) differences, and providing evidence of TTY Biopharm's support for clinical research to mitigate risks.
Corporate Reputation	<ul style="list-style-type: none"> ● Product issues: Quality abnormalities causing recall events or personnel injuries/fatalities. ● Compliance issues: Investigations of the company or employees by judicial authorities. ● Litigation events: Cases under public trial at various court levels. 	<ul style="list-style-type: none"> ● Improve reporting process efficiency: Establish single-point communication channels between Legal Compliance, Manufacturing, and Public Affairs for specific issues, with notification within 3 hours of incident occurrence ● Enhance media management intensity: When negative reports in mainstream media reach 3 or more outlets, Public Affairs must communicate with media within 12 hours to balance reporting and maintain corporate reputation

• TCFD (Task Force on Climate-related Financial Disclosures)

Governance	Strategy	Risk management	Indicators and Targets
<p>The Board of Directors serves as the highest guidance and supervision body for climate change, responsible for decision-making, assessment, and oversight of climate-related issues and matters. The Risk Management Center functions as the dedicated unit for climate change management, exercising authority according to the “Climate Governance” significant guidelines established by the Risk Management Unit, and reports annually to the Sustainability Development Committee and Board of Directors regarding implementation progress of targets formulated in response to climate change. Additionally, climate change awareness education and training programs are conducted to enhance governance-level climate change consciousness.</p>	<p>TTY Biopharm is committed to achieving low-carbon green manufacturing processes and promoting green supply chains, with the goal of driving environmental awareness transformation in the biotechnology and pharmaceutical industry to effectively reduce greenhouse gas emissions.</p>	<p>Each Risk Management Unit identifies climate change-related risks and opportunities and establishes management programs for significant risk opportunities to track progress and effectiveness, promoting the achievement of concrete environmental objectives.</p>	<ul style="list-style-type: none"> ● Short-term Targets <ul style="list-style-type: none"> ○ In 2025, implement energy-consuming equipment improvement measures according to the aggressive electricity conservation and carbon reduction plan formulated in 2024, achieving a 2% electricity reduction compared to 2024. ○ In 2024, continue to implement the ISO 14064-1 greenhouse gas verification standard, with certification to be achieved in 2025. ○ In 2025, continue to conduct risk management and response strategies for potential risks brought by climate change, and execute risk identification and assessment operations for the new year. ● Medium-term Target <ul style="list-style-type: none"> ○ Progressively increase the target value for carbon emission reduction year by year. ● Long-term Target <ul style="list-style-type: none"> ○ Using 2022 as the baseline year, reduce carbon emissions by more than 8% by 2030.

For detailed climate change-related disclosures, please refer to Item “IX. Description of the Company’s Environmental Sustainability Issues.1. Climate Change-Related Disclosures” in this table, the Company’s 2024 Sustainability Report, and the “Sustainable Development” section on the Company’s website.

3. Board of Directors’ Supervision of Sustainable Development

The Board of Directors serves as the company’s highest guiding authority for sustainable development. The Board receives reports on operational status from the Sustainability Development Committee Chairperson at regular meetings (at least quarterly). The Sustainable Development Promotion Center formulates work plans for the following year at the end of each year and submits them to the Sustainability Development Committee for approval. During the first quarter of each year, the Center reports to the Sustainability Development Committee to review the previous year’s implementation status. The Committee Chairperson subsequently reports to the Board of Directors, which evaluates and reviews implementation progress and, when necessary, urges adjustments.

In 2024, the Sustainability Development Committee convened 5 meetings. Meeting topics included whistleblowing case management, establishing greenhouse gas inventory and verification schedules, revising corporate sustainable development strategies and objectives, formulating 2025 sustainable development work targets, amending risk management policies and procedures, and reporting on whistleblowing inbox correspondences. The Board of Directors approved proposals submitted by the Sustainability Development Committee, thoroughly inquired about whistleblowing cases, and provided guidance accordingly. For detailed information on sustainable development operations, please refer to the company’s 2024 Sustainability Report and the “Sustainable Development” section on the company’s website.

IX. Description of the Company's Environmental Sustainability Issues

The company's environmental dimension boundary and scope data primarily focuses on the two main manufacturing sites: Zhongli Plant and Lioudu Plant. Some disclosures also include the Formulation Research and Development Center. All data is presented using internationally recognized indicator calculation methods.

1. Climate Change-Related Disclosures

(1) Climate Change-Related Risk Identification and Response Measures

Risk category		Risk impact	Countermeasures and Potential Financial Impacts
Transition Risks	Policy and Legal	As greenhouse gas management regulations become increasingly stringent, if mandatory greenhouse gas emission caps are implemented in the future, additional carbon pricing will increase the company's operational costs.	<p>To improve energy efficiency, the company will continue to implement energy conservation and emission reduction plans and install additional energy-saving facilities. The company will also continuously improve manufacturing processes, reducing environmental impact through source control reduction and enhancement of end-of-pipe control equipment.</p> <p>According to Taiwan Power Company data, if Taiwan replaces nuclear power with renewable energy and coal-fired power with natural gas in the future, the cost of electricity generation per kilowatt-hour will increase by 45.45% in 2025. Based on the 2018 average electricity price of NT\$2.6 per kWh, the cost of electricity generation per kilowatt-hour will increase by NT\$1.182 in 2025.</p> <p>Based on the company's external electricity purchase of approximately 14.85 million kWh over the past two years, it is estimated that electricity expenditure will increase by NT\$17.55 million annually in the future.</p>
	Technology risk	As economic systems gradually shift toward supporting low-carbon, high-efficiency technology improvements and innovations, the company's competitiveness will be affected, potentially increasing procurement, production, and distribution costs based on the timeline and depth of customer requirements.	<p>Comprehensively evaluate the impact of climate change-related policies on the enterprise, formulate short and medium-term operational planning, and continue to implement energy-saving measures at factories, including improving cooling tower fans and motors for air conditioning equipment, controlling cooling tower water quality, and enhancing air conditioning system efficiency to reduce electricity consumption, thereby lowering overall carbon emissions in product manufacturing processes and gradually promoting green transformation.</p> <p>1. In 2024, the Company continued to implement energy-saving measures in factories, including replacing inefficient air compressors, optimizing processes to reduce operation</p>

		<p>time, replacing traditional lighting fixtures with LED fixtures, improving air conditioning equipment, replacing old chillers, and controlling cooling tower water quality. The energy-saving measures cost approximately NTD9.133 million.</p> <p>2. In 2025, TTY Biopharm will continue implementing energy-saving measures in factories, planning to replace air compressor units, control cooling tower water quality for air conditioning equipment, and continue replacing traditional lighting fixtures with LED fixtures. The estimated capital equipment expenditure for 2025 is approximately NTD1.894 million.</p>
Market risk	Due to climate change risks and carbon emission regulatory requirements, markets are gradually developing new business models and adaptation needs, requiring companies to build carbon asset management capabilities. To avoid supply chain disruption risks caused by raw material instability, TTY Biopharm has increased inventory costs.	To enhance its capacity to bear climate change risks, the company creates new revenue opportunities and market expansion through establishing relevant environmental protection mechanisms and carbon emission control measures. Simultaneously, if safety inventory levels increase, the company's inventory costs will rise. Based on the company's 2024 inventory of approximately NT\$1.221 billion, each 1% increase in inventory would add NT\$12.21 million in inventory costs.
Reputation risk	Climate change may affect customers or communities, with close correlation to their assessment of whether the company is committed to low-carbon transition. High carbon emissions or pollution could cause the company to lose bidding qualifications, orders, and revenue, or affect customer and social perceptions of the company.	To develop more environmentally friendly quality products or services, the company continuously improves wastewater and waste recycling utilization rates internally while conducting environmental sustainability advocacy activities externally, creating a green corporate culture from the inside out. The company also evaluates investment in green energy and low-carbon logistics development to reduce the carbon footprint of its products and organization, aligning with market demands to enhance industrial competitiveness.

Physical risks	Immediate Risks	Climate change may lead to extreme weather events such as typhoons, floods, and droughts, causing immediate financial impacts through damage to company assets or supply chain disruptions.	<p>Strengthened water resource management protocols to ensure the safety of plant equipment and maintain uninterrupted operations. To prepare for drought conditions, the Company has established a roster of water suppliers, though this comes at higher costs. Based on 2023 usage of approximately 128,908 degrees, if water shortages necessitate purchasing from external suppliers, our Lioudu Plant would incur additional water procurement costs of approximately NTD160,000 daily (8 trips of 25-ton water trucks), while our Zhongli Plant would face additional costs of approximately NTD80,000 daily (4 trips of 25-ton water trucks).</p> <p>Furthermore, typhoons and flooding may disrupt normal transportation of raw materials and finished product shipments, affecting operating revenue. To mitigate this risk, we have evaluated the rental of off-site warehousing facilities, which would increase rental costs by approximately NTD 20 million.</p>
	Long-term risks	The continuous rise in global average temperatures and gradual depletion of resources such as water, electricity, and fuel may lead to operational disruptions at our manufacturing facilities, resulting in increased operating costs or contractual penalties due to delivery delays.	We have assessed regional resource utilization patterns and arranged staggered production schedules to operate during non-peak electricity usage periods. We have also developed business continuity plans that include actively developing new suppliers, installing emergency generators, and establishing a water supplier network to ensure stable raw material and resource availability, thereby enhancing our disaster response and adaptation capabilities.

(2) Climate Change-Related Opportunities and Response Measures

Opportunity categories	Opportunity Description	Countermeasures and Potential Financial Impacts
Resource utilization efficiency	Improving energy and resource utilization efficiency can both reduce the Company's medium and long-term operational costs and achieve carbon reduction goals.	We are evaluating the installation or replacement of low-energy-consumption equipment and setting reduction targets for electricity and water usage to improve resource utilization efficiency. This is estimated to reduce operational costs by approximately NTD960,000 annually. For 2024, asset and equipment renewal expenditures are estimated at NTD9,133,000, projected to reduce annual operational costs by NTD1,856,000. For

		2025, asset and equipment renewal expenditures are estimated at NTD1,894,000 , projected to reduce annual operational costs by approximately NTD912,000.
Resilience	Enhancing climate change adaptation capabilities to effectively manage climate change-related risks and capitalize on opportunities.	Each division within the risk management unit identifies climate change-related risks and opportunities and formulates climate change risk management strategies. The Finance Division is planning to establish major “Climate Governance” guidelines for the Company to track progress and effectiveness, strengthening the Company’s risk response capabilities.

For detailed climate change-related disclosures, please refer to the Company’s 2024 Sustainability Report and the “Sustainable Development” section on the Company’s website.

2. Environmental Sustainability Management Policy

(1) Greenhouse gas

➤ Recent Statistics

▼Energy consumption (unit: million Joules)

Facility	Energy type	2020	2021	2022	2023	2024
Lioudu Plant	Natural gas	11,411,672	10,920,001	13,090,459	15,311,685	19,530,737
	Purchased Electricity	31,368,240	29,877,120	32,302,800	36,964,800	34,786,080
Zhongli Plant	Natural gas	5,574,111	5,548,225	5,980,756	6,003,695	4,853,550
	Purchased Electricity	20,604,600	20,145,600	19,590,480	19,859,400	18,683,280
Total		68,958,623	66,490,946	70,964,495	78,139,580	77,853,647

Note:

a. In January 2018, natural gas boilers were installed to replace low-sulfur heavy oil consumption, effectively reducing carbon dioxide emissions.

b. Natural gas boiler energy consumption calculation formula: Natural gas 1 m³ = 8,000 kcal = 33,488,000 Joules

c. Purchased electricity calculation formula: Purchased electricity 1 kWh = 3,600,000 Joules

▼Energy Intensity

Item \ Year	2020	2021	2022	2023	2024
Energy consumption (Millions Joules)	68,958,623	66,490,946	70,964,495	78,139,580	77,853,647
Consolidated operating revenue (Thousand NTD)	4,221,836	4,535,610	5,061,606	5,505,542	5,893,847
Energy Intensity (Millions of Joules/Thousand NTD of revenue)	16.3	14.7	14.0	14.2	13.2

Note: The energy consumption statistics scope covers the Lioudu Plant and Zhongli Plant.

▼ Greenhouse Gas Emissions (Unit: tonCO₂e)

Item \ Year	2022	2023	2024
Scope 1	1,535.3169	1,700.2181	1,910.2571
Scope 2	8,232.4903	8,488.8048	8,116.4468
Scope 1 + Scope 2 Total	9,767.8072	10,189.0229	10,026.7039
Scope 3 (Categories 3, 4, 5)	3,041.9354	2,549.5243	2,512.6352
Total	12,809.7426	12,738.5472	12,539.339
Group consolidated operating revenue (Unit: Million NTD revenue)	5,061.606	5,505.542	5,893.847
GHG emission intensity (Unit: ton CO₂e/ revenue in NTD millions)	2.53	2.31	2.13

Note:

- The organizational boundary is established using the “Operational Control Method,” encompassing the headquarters, Lioudu Plant, Zhongli Plant, and Neihu Formulation R&D Center. The inventory scope includes Scope 1, 2, and 3 (Categories 3, 4, 5) emissions. Greenhouse gas emission data is verified by a third-party organization, with verification completed and a verification statement obtained in the second quarter of the following year.
- Scope 1 emissions primarily originate from natural gas boilers. The greenhouse gases produced from natural gas combustion include CO₂, CH₄, and N₂O, all of which are included in the calculations.

c. Scope 2 emissions primarily come from purchased electricity. Since the emission factor for the inventory year is not yet published at the time of verification, calculations uniformly adopt the previous year's electricity emission factor as announced by the Bureau of Energy. The 2022 calculations used the 2021 factor of 0.509 kgCO₂e/kWh; 2023 used the 2022 factor of 0.495 kgCO₂e/kWh; and 2024 uses the 2023 factor of 0.494 kgCO₂e/kWh.

➤ Management Policies

As a leading domestic biotech pharmaceutical company, TTY Biopharm is committed to “sustainable development” and “responsible resource use.” In 2024, we continued implementing the ISO 14064-1 greenhouse gas inventory standard, with verification expected to be completed by May 2025. Concurrently, we plan to revise our electricity conservation and carbon reduction plans based on the ISO 14064-1 greenhouse gas inventory results by September 30, 2025, and have established a specific electricity-saving target of “2% reduction in 2026 compared to 2025.” Looking ahead, the Company will continue to evaluate the procurement or installation of green energy and energy-saving facilities, establish a green supplier management system, and join climate initiative organizations or alliances. We aspire to implement our energy management and corporate environmental protection management policies through concrete actions such as energy conservation, carbon reduction, and the pursuit of alternative energy sources.

▼ 2024 Electricity Conservation Measures and Performance

Item \ Location	Lioudu Plant	Zhongli Plant
Electricity Conservation Planning	<ul style="list-style-type: none"> ➤ Lioudu Plant implemented 6 electricity conservation measures ➤ Estimated Effectiveness of Electricity Conservation Measures for 2024 <ul style="list-style-type: none"> ● Annual savings of 249,859.13 kWh ● Reduced energy consumption by 899,492.87 million joules ● Reduced greenhouse gas emissions by 123.43 ton CO₂e 	<ul style="list-style-type: none"> ➤ Zhongli Plant implemented 5 electricity conservation measures ➤ Estimated Effectiveness of Electricity Conservation Measures for 2024 <ul style="list-style-type: none"> ● Annual savings of 206,125.66 kWh ● Reduced energy consumption by 742,052.38 million joules ● Reduced GHGs by 101.83 ton CO₂e
Electricity Conservation Measures	<ol style="list-style-type: none"> 1. Added a 50HP dual-stage variable frequency air compressor to replace a 30HP air compressor Electricity savings: 57,158.66 kWh/year 2. Optimized injection process to reduce freeze-drying system drying time Electricity Saved: 132,470.80 kWh/year 3. Replaced lighting fixtures in Building C 1st and 2nd floor 	<ol style="list-style-type: none"> 1. Replaced the 120T chilled water unit with a 150T chilled water unit, substituting the existing 150T chilled water unit as the main operating unit, with the old unit becoming the backup Electricity Saved: 177,455.70 kWh/year 2. Replaced T5 fluorescent tubes with LED tubes Electricity Saved: 1,292.72 kWh/year

	<p>clean rooms with LED lights Electricity Saved: 24,557.23 kWh/year</p> <p>4. Replaced air-cooled package air conditioners with variable frequency split-type air conditioners Electricity Saved: 4,117.25 kWh/year</p> <p>5. Modified temperature parameters in the C302 raw material storage area Electricity Saved: 12,442.21 kWh/year</p> <p>6. Replaced the C301 Hitachi water-cooled package air conditioner Electricity Saved: 19,112.98 kWh/year</p>	<p>3. Implemented water quality control for the C2 Plant 150T cooling tower Electricity Saved: 2,172.22 kWh/year</p> <p>4. Replaced general area T8 lighting fixtures in Plant B with LED Electricity Saved: 5,796.27 kWh/year</p> <p>5. Implemented water quality control for Plant B 100T cooling tower Electricity Saved: 19,408.75 kWh/year</p>
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Note:

- a. Calculation formula: Purchased electricity 1 kWh = 3,600,000 Joules
- b. Since the electricity emission factor data for 2024 has not yet been announced, calculations are based on the 2023 electricity emission factor of 0.494 kgCO₂e/kWh as announced by the Bureau of Energy in 2024.
- c. Annual electricity conservation rate = (Electricity savings from conservation measures) / (Electricity savings from conservation measures + Total annual electricity consumption)

(2) Water Resources

➤ Statistics for the Past Five Years:

▼ Drainage volume and effluent water quality monitoring results

Manufacturing Location	Water quality	Unit	Local Regulatory Standards	2020	2021	2022	2023	2024
Lioudu Plant	Water Withdrawal	Million Liters		76.961	91.323	79.936	101.391	101.659
	Water Discharge	Million Liters		61.569	73.058	63.949	81.113	81.327
	COD	mg/L	600	22.68	72.94	26.28	40.24	65.81
	SS	mg/L	600	6.31	3.15	6.10	7.58	9.11
Zhongli Plant	Water Withdrawal	Million Liters		23.811	20.086	19.626	19.830	16.242
	Water Discharge	Million Liters		19.049	16.069	15.701	15.864	12.994
	COD	mg/L	480	66.58	13.5	24.24	56.47	69.7
	SS	mg/L	320	4.53	3.55	7.40	12.38	17.00
Formulation Research & Development Center	Water Withdrawal	Million Liters		2.429	2.248	2.291	1.909	1.960
	Water Discharge	Million Liters		1.943	1.798	1.833	1.527	1.568
Total water withdrawal		Million Liters		103.201	113.657	101.853	123.130	119.861
Total drainage		Million Liters		82.561	90.925	81.483	98.504	95.889
Revenue		Thousand NTD		4,221,836	4,535,610	5,061,606	5,505,542	5,893,847
Wastewater discharge intensity		Million Liters/Revenue Thousand NTD		0.0000243	0.0000250	0.0000200	0.0000223	0.0000163

➤ Management Policies

According to data from the World Resources Institute’s “Aqueduct Water Risk Atlas,” the water resource risk level throughout Taiwan is classified as Low-Medium (1-2), and is not considered a water-stressed area. At TTY Biopharm’s main operating locations, including the Lioudu Plant, Zhongli Plant, Neihsu Plant, and Formulation R&D Center, 100% of water is sourced from local water treatment plants. The company does not use groundwater and its water withdrawal does not affect water sources. Additionally, the discharged water does not contain high concentrations of chemical substances. Low-concentration wastewater undergoes primary treatment at the plants before being discharged to local industrial park wastewater treatment facilities for final processing. This treated water meets national effluent standards before being discharged into receiving water bodies.

In 2024, TTY Biopharm’s Lioudu Plant, Zhongli Plant, and Formulation R&D Center withdrew approximately 119.861 million liters of water and discharged approximately 95.889 million liters of wastewater. The wastewater discharge volume decreased by 2.615 million liters compared to the previous year. During 2024, the Company had no incidents of unplanned wastewater discharge such as leakage or overflow. All discharged wastewater complied with the Water Pollution Prevention and Control Act, local government ordinances, and the incoming water quality standards of industrial park wastewater treatment plants. The Chemical Oxygen Demand (COD) and Suspended Solids (SS) in wastewater discharged from the two major manufacturing sites, Lioudu Plant and Zhongli Plant, were significantly below local regulatory standards, creating no impact on water bodies or biodiversity. Looking forward, the Company will continue to strengthen its overall water conservation strategy by establishing a systematic water resource management plan. This includes: Creating recycling systems to reuse water resources from cooling towers; Improving cooling processes and increasing heat recovery rates to reduce water resource demands; Strengthening water conservation awareness among colleagues and management levels; and thoroughly implementing water-saving actions.

▼ Comparison of Effluent Water COD and SS with Local Regulatory Standards

Lioudu Plant		Zhongli Plant	
COD	SS	COD	SS
The COD level in wastewater discharged in 2024 was 65.81 mg/L, which is 9.12 times lower than the local regulatory standard of 600 mg/L.	The SS level in wastewater discharged in 2024 was 9.11 mg/L, which is 65.86 times lower than the local regulatory standard of 600 mg/L.	The COD level in wastewater discharged in 2024 was 69.7 mg/L, which is 6.89 times lower than the local regulatory standard of 480 mg/L.	The SS level in wastewater discharged in 2024 was 17.00 mg/L, which is 18.82 times lower than the local regulatory standard of 320 mg/L.

(3) Waste

➤ Statistics for the Past Five Years:

▼ Waste Classification by Composition (Unit: Metric Tons)

Item \ Year	2020	2021	2022	2023	2024
Hazardous industrial waste	25.18	25.59	28.55	28.43	20.97
Non-hazardous industrial waste	13.95	19.43	21.18	14.84	58.63
Total Waste	39.13	45.02	49.73	43.27	79.60

Note: In 2024, the total waste volume increased compared to previous years due to the Lioudu Plant's assistance in processing several batches of expired pharmaceuticals for clients.

▼ Waste Directly Disposed by Disposal Operation (Unit: Metric Tons)

Disposal operations \ Year		2020	2021	2022	2023	2024
Hazardous waste	Incineration (including energy recovery)	—	—	14.82	19.83	12.74
	Incineration (excluding energy recovery)	22.09	22.23	13.73	8.59	6.65
	Landfill	—	—	—	—	1.584
	Other disposal operations (physical treatment)	3.09	3.36	—	—	-
	Total amount	25.18	25.59	28.55	28.43	20.97
Non-hazardous waste	Incineration (including energy recovery)	—	—	—	—	12.00
	Incineration (excluding energy recovery)	No Removal	4.27	5.53	2.20	20.86
	Landfill	—	—	—	—	0.45
	Other disposal operations (physical treatment)	13.95	15.16	15.65	12.64	25.32
	Total amount	13.95	19.43	21.18	14.84	58.63

➤ Management Policies

To achieve environmentally friendly sustainability governance goals, TTY Biopharm has appointed professional technical personnel in accordance with Article 28, Paragraph 2 of the Waste Disposal Act. The Company actively cultivates relevant dedicated personnel, with a total of 5 waste management technical specialists in 2024 (2 at Lioudu Plant, 2 at Zhongli Plant, and 1 at Neihu Plant). As required by law, waste disposal plans are submitted and operations commence only after approval from municipal, county (city) competent authorities or agencies commissioned by the central competent authority. The Company contracts with qualified waste collection and treatment institutions to properly dispose of industrial waste and daily garbage in accordance with regulations.

Additionally, waste transportation and tracking management follows Article 14, Paragraph 2 of the Public and Private Waste Clearance and Treatment Methods, requiring contractors' transportation equipment to be reported and approved. Vehicles transporting the Company's industrial waste must be equipped with GPS global positioning systems, with a transmission rate of at least 90% to enable real-time monitoring by regulatory authorities and the Company.

To effectively track waste flow and strengthen vendor auditing, the Company conducts weekly manifest reconciliation and GPS anomaly tracking of transport vehicles. Monthly tracking and reconciliation of vendor processing conditions are carried out, along with an annual on-site inspection mechanism to confirm post-processing outputs and flows. Random vehicle audits are also implemented to verify that waste collection and processing vendors comply with legal requirements. In 2024, the total waste from TTY Biopharm's Lioudu Plant, Zhongli Plant, and Neihu Plant was approximately 79.60 metric tons, consisting of 20.97 metric tons of hazardous waste and 58.63 metric tons of non-hazardous waste. All waste was processed off-site by qualified waste collection vendors. Both Zhongli Plant and Lioudu Plant achieved 100% weekly and monthly reconciliation rates, with no violations of the Waste Disposal Act or related regulations, and no environmental impact on the local area surrounding the plants.

▼ Vendor Audit Status in 2024

Location	Weekly Reconciliation Achievement Rate	Monthly Reconciliation Achievement Rate	Number of On-site Inspections	Number of Random Transport Vehicle Audits
Zhongli Plant	100%	100%	1	1
Lioudu Plant	100%	100%	4	4
Neihu Plant	100%	100%	1	0

(VII) Implementation of Ethical Corporate Management and Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
<p>I. Establishment of Integrity Management Policies and Programs</p> <p>(I) Has the company formulated an integrity management policy approved by the Board of Directors, and clearly stated the integrity management policy, practices, and commitment of the Board of Directors and senior management to actively implement the management policy in its regulations and external documents?</p>	<p>✓</p> <p>✓</p>		<p>(I) To establish a corporate culture of integrity and ensure sound business development, TTY Biopharm Company Limited adopted the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct,” as approved by the Board of Directors on December 29, 2016, and March 29, 2018, respectively. These policies provide a structural framework for responsible business conduct and clearly define the standards employees must observe when performing their duties, as well as preventive measures against unethical behavior. All directors, officers, and employees are strictly prohibited from engaging in bribery, accepting improper benefits, or violating any laws. Through a rigorous governance framework and robust internal controls, the Company aims to minimize risks associated with breaches of integrity.</p>	No difference

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(II) Has the company established a risk assessment mechanism for dishonest behavior, regularly analyzing and evaluating business activities within its business scope that have a higher risk of dishonest behavior, and accordingly formulating prevention programs that cover at least the preventive measures for various behaviors specified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?			(II) The Ethical Corporate Management Best Practice Principles explicitly prohibit unethical conduct and conflicts of interest in business operations. The associated “Procedures for Ethical Management and Guidelines for Conduct” incorporate preventive measures aligned with Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies,” offering detailed operational guidelines to guard against misconduct. These procedures outline specific conduct requirements for employees during business execution, establish disciplinary and grievance mechanisms for violations, and reinforce zero tolerance for bribery or illegal acts by any director, executive, or employee. For all activities that violate regulations, disciplinary actions, suspension, or termination of employment will be implemented based on the actual situation. As part of the Company’s internal control self-assessment, all departments conduct annual risk assessments and formulate corresponding preventive measures. Additionally, all senior executives, including the President and Vice Presidents, are required to sign a “Declaration of Ethical Conduct,” affirming	No difference

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(III) Does the company specify operating procedures, conduct guidelines, disciplinary and grievance systems in its program to prevent dishonest behavior, implement them, and regularly review and revise the aforementioned program?	✓		<p>their commitment to the Company's policies on ethical business practices.</p> <p>(III) TTY Biopharm Company Limited has clearly outlined in its "Procedures for Ethical Management and Guidelines for Conduct" a comprehensive set of preventive measures against unethical conduct. Managers and employees are strictly prohibited from offering, accepting, or engaging in bribery or any illegal activities. For all activities that violate regulations, disciplinary actions, suspension, or termination of employment will be implemented based on the actual situation.</p>	No difference
<p>II. Implementation of Ethical Business Practices</p> <p>(I) Does the Company evaluate the integrity records of its business counterparties and include ethical behavior clauses in contracts with such counterparties?</p>	✓		<p>(I) TTY Biopharm Company Limited's "Procedures for Ethical Management and Guidelines for Conduct" stipulate that, when entering into contracts with external parties, the Company must thoroughly assess the counterparty's record of ethical conduct. Contracts related to distribution, supply, and commissioned services must include provisions designed to prevent unethical behavior.</p>	No difference

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(II) Does the Company establish a designated unit under the Board of Directors to promote ethical corporate management, and report to the Board of Directors at least once a year on its ethical corporate management policies, programs to prevent unethical conduct, and supervision of implementation?	✓		<p>(II) The Company has designated the Sustainability Development Committee as the responsible unit for promoting ethical business practices. The Legal Affairs and Compliance Division is tasked with the formulation and revision of relevant ethical management policies and procedures, the planning and implementation of integrity-related training, the establishment of whistleblowing mechanisms, the handling of improper benefits received by employees, and the compilation of records on integrity-related activities. Reports on the implementation of ethical business practices are submitted annually to both the Sustainable Development Committee and the Board of Directors.</p> <p>The whistleblowing mailbox is managed by the head of the Legal Affairs and Compliance Department, who reports the status of received submissions to the Sustainability Development Committee on a quarterly basis. In the event of a whistleblowing case, an investigation unit is immediately activated. Depending on the identity of the subject of the report, an investigation team is formed under the direction of a designated team leader.</p>	No difference

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(III) Has the Company established and implemented policies to prevent conflicts of interest and provided appropriate channels for reporting such conflicts?	✓		<p>The Audit Office conducts quarterly checks on the whistleblowing mailbox and performs annual audits of the Company's implementation of ethical business practices.</p> <p>The Legal Affairs and Compliance Department reports annually to the Sustainability Development Committee and the Board of Directors on the Company's ethical management practices. On February 25, 2025, the Department presented the 2024 operational results as follows:</p> <ol style="list-style-type: none"> 1. Whistleblower Mailbox Monitoring A total of 724 emails were received, none of which were related to whistleblower complaints. 2. Whistleblower Case Handling No reports were filed during 2024, and mailbox monitoring will continue on an ongoing basis. <p>(III) On March 29, 2018, the Company established its "Procedures for Ethical Management and Guidelines for Conduct," which include a formal policy on conflict of interest prevention. All directors, senior management, and employees are provided with disclosure channels through which they may proactively declare any</p>	No difference

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(IV) Has the Company established effective accounting and internal control systems to implement ethical corporate management, and has the internal audit unit developed relevant audit plans based on the results of unethical conduct risk assessments to audit compliance with the program to prevent unethical conduct, or engaged a certified public accountant to perform the audit?	✓		potential conflicts of interest with the Company. (IV) In accordance with applicable regulations, the Company has implemented a robust accounting system and internal control framework. In addition to department-level supervision of integrity-related practices, internal auditors conduct audits in line with the annual audit plan, covering areas such as ethical business conduct and the prevention of insider trading.	No difference
(V) Does the Company regularly hold internal and external training on ethical corporate management?	✓		(V) The “Procedures for Ethical Management and Guidelines for Conduct” are disseminated to all employees via email and published on the Company’s internal portal. Moreover, the Company actively promotes its integrity policy through internal announcements and onboarding briefings for new hires, particularly emphasising the prohibition of unethical conduct. Mandatory annual e-learning courses are held on ethical business practices, prevention of insider trading, intellectual property rights, pharmaceutical safety, and information security. All employees are required to achieve 100% completion of these modules. In addition, in-person training sessions are organised periodically to reinforce employee understanding and	No difference

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>ensure that the principles of ethical conduct are thoroughly integrated into daily operations.</p> <p>Regarding ethical business training, TTY Biopharm Company Limited focuses on educating employees about various forms of conflicts of interest and types of unethical conduct. The program also emphasizes the Company's whistleblower system and the corresponding reward and disciplinary mechanisms. In 2024, the Company conducted one online training session titled "Ethical Corporate Management Advocacy." To enhance employee understanding of intellectual property—including patents, trademarks, and trade secrets—and to promote the protection of related rights, the Company offered an online course titled "Concepts and Protection of Intellectual Property." All 523 employees completed the online coursework and associated assessments, achieving a 100% completion rate.</p> <p>In line with regulatory requirements, the Company conducts at least one annual awareness session on insider trading laws and regulations for directors, officers, and employees. On September 4, 2024, the Company carried</p>	

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			out its annual insider trading education campaign. In addition, a dedicated course titled “Prevention of Insider Trading and Case Studies” was held, focusing on real-world examples that could potentially constitute insider trading. A total of 52 employees participated, with cumulative training hours amounting to 26 hours.	
III. Whistleblower System Operations				
(I) Has the Company established specific whistleblowing and reward systems, convenient whistleblowing channels, and assigned appropriate personnel to handle matters related to the reported parties?	✓		(I) TTY Biopharm Company Limited’s “Procedures for Ethical Management and Guidelines for Conduct” set forth a detailed whistleblower and reward mechanism, with reporting channels established both on the Company’s official website and internal employee portal. Whistleblower cases are received and handled by the head of the Legal Affairs and Compliance Department.	No difference
(II) Has the Company established standard operating procedures for investigating reported cases, follow-up measures to be taken after investigations are completed, and related confidentiality mechanisms?	✓		(II) The Guidelines specify procedures for addressing unethical conduct involving Company personnel. These include standard operating procedures for investigating whistleblower reports, follow-up actions upon completion of investigations, and strict confidentiality protocols throughout the process.	No difference

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(III) Has the Company implemented measures to protect whistleblowers from improper treatment due to their reporting?	✓		(III) The Guidelines also contain provisions to protect whistleblowers from any form of retaliation. Internal disciplinary rules explicitly state that any individual found to have disclosed a whistleblower's identity or the content of a report will be subject to severe penalties.	No difference
IV. Enhanced Information Disclosure Does the Company disclose the content of its Ethical Corporate Management Best Practice Principles and implementation results on its website and the Market Observation Post System?	✓		The Company has disclosed the full content of its "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" on both its corporate website and the Market Observation Post System (MOPS). Implementation results and related progress are also publicly available on the Company website.	No difference
V. If the Company has established its own Ethical Corporate Management Best Practice Principles according to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancies between its operations and the established principles: In accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," TTY Biopharm Company Limited has established its own "Ethical Corporate Management Best Practice Principles." Based on these Principles, the Company has further formulated the "Procedures for Ethical Management and Guidelines for Conduct" to effectively implement its integrity policy and proactively prevent unethical behavior.				
VI. Other important information that facilitates understanding of the Company's ethical corporate management operations: (Such as the Company's review and amendment of its established Ethical Corporate Management Best Practice Principles) TTY Biopharm upholds a corporate culture rooted in integrity and honesty, which has earned the trust of its suppliers and major healthcare institution clients. This				

Assessment Item	Operational Status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary Description	
foundation supports the Company’s pursuit of sustainable development and long-term operational stability.				

(VIII) If the Company has established Corporate Governance Principles and related regulations, it should disclose how these can be accessed:

TTY Biopharm has adopted the following internal policies and regulations: the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and the "Sustainable Development Best Practice Principles." These documents are publicly accessible on the Company's website under:

Investor Relations > Corporate Governance > Corporate Regulations and Policies.

(IX) Other important information that enhances understanding of the Company's corporate governance operations may also be disclosed:

1. To enhance the effectiveness of corporate governance, TTY Biopharm Company Limited has appointed three independent directors since June 2016 and established an Audit Committee.
2. In response to potential uncertainties that could pose risks to the Company's operations, and to ensure stable business management aligned with long-term sustainability goals, the Board of Directors approved the "Risk Management Policies and Procedures" on December 28, 2020. This policy defines various categories of risk in line with the Company's overarching operational strategies and establishes mechanisms for risk identification, assessment, mitigation, supervision, and ongoing review. The aim is to prevent or minimize the operational impact of risk events and safeguard the Company's sustainable development.
3. To promote transparency and ensure that investors are well informed about the Company's financial and operational status, TTY Biopharm participated in four institutional investor conferences in 2024.
4. Comprehensive disclosures regarding the Company's corporate governance practices are available on the official corporate website. Relevant governance policies and regulations are also published on the Market Observation Post System (MOPS).

(X) Internal Control System Implementation Status

1. Statement of Internal Control

TTY Biopharm Company Limited

Statement of Internal Control System

Date: February 25, 2025

Based on the results of our self-assessment, TTY Biopharm Company Limited hereby states the following regarding the internal control system for the fiscal year 2024:

- I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and management. TTY Biopharm has duly established such a system. The purpose of the internal control system is to provide reasonable assurance regarding the achievement of the following objectives: operational effectiveness and efficiency (including profitability, performance, and safeguarding of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws, regulations, and internal policies.
- II. It is recognised that internal control systems have inherent limitations. Regardless of how well-designed, even an effective system can only provide reasonable, not absolute, assurance in achieving the aforementioned objectives. Moreover, the effectiveness of any system may be affected by changes in the operating environment or conditions. However, the Company's internal control system includes a self-monitoring mechanism. Any identified deficiencies are promptly addressed with corrective actions.
- III. TTY Biopharm Company Limited has evaluated the design and operational effectiveness of its internal control system in accordance with the assessment criteria set forth in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The "Regulations" use internal control system evaluation items that divide the internal control system into five components according to the management control process: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each component further comprises several items. For the aforementioned items, please refer to the provisions of the "Regulations."
- IV. The Company has adopted these criteria to assess the design and effectiveness of implementation of its internal control system.
- V. Based on the results of this assessment, TTY Biopharm affirms that, as of December 31, 2024, the internal control system—including the supervision and management of its subsidiaries—is effective. This includes controls related to the achievement of operational efficiency and effectiveness, reliability and timeliness of reporting, transparency, and compliance with applicable laws and regulations.
- VI. This statement shall be included as a key section in the Company's annual report and prospectus and will be publicly disclosed. If any false representation, concealment, or other unlawful act is found in the publicly disclosed contents above, TTY Biopharm Company Limited shall bear legal liability in accordance with Articles 20, 32, 171, and 174 of the

Securities and Exchange Act.

VII. This Statement of Internal Control was approved by the Company's Board of Directors on February 25, 2025. Of the nine directors in attendance, none expressed dissenting opinions; all approved the content of this statement.

TTY Biopharm Company Limited

Chairman: Chuan Lin Signature and seal

President: Ching-Lan Hou Signature and seal

2. Disclosure Regarding Engagement of CPA for Special Review of the Internal Control System: Not applicable.

(XI) Key Resolutions of the Shareholders' Meeting and Board of Directors for the Most Recent Fiscal Year and Up to the Date of Publication of the Annual Report:

MEETING TITLE AND DATE	KEY RESOLUTIONS
BOARD OF DIRECTORS JANUARY 30, 2024	<ol style="list-style-type: none">1. Proposal for complete re-election of the Company's Directors and Independent Directors.2. Proposed establishment of the date, location, and agenda for the Company's 2024 Annual General Shareholders' Meeting.3. Matters concerning changes in the Company's managerial officers and appointment of research and development executives.
BOARD OF DIRECTORS MARCH 8, 2024	<ol style="list-style-type: none">1. Discussion regarding the distribution of employee compensation and managerial officer remuneration for fiscal year 2023.2. Distribution of Directors' Remuneration for the Company in 2023.3. The Company's 2023 Business Report and Financial Statements.4. The Company's 2023 Earnings Distribution Plan.5. Proposal for the nomination of candidates for the Company's Directors (including Independent Directors) to be elected in 2024.6. Release of Newly-Appointed Directors and their Representatives from Non-Competition Restrictions.7. Proposed Statement of Internal Control System for the Company for 2023.8. Proposal to approve the subsidiary's capital surplus conversion to share capital and capital reduction with cash return to shareholders.

	<ol style="list-style-type: none"> 9. Proposal to approve the subsidiary's acquisition of 51% of the issued and outstanding common shares of both Company A and Company B. 10. Proposed amendments to the Company's Organizational Charter. 11. Proposal to amend the Company's "Rules of Procedure for Board of Directors Meetings." 12. Proposed Amendments to the Company's "Audit Committee Charter." 13. Proposed amendments to the Employee Stock Ownership Trust Implementation Measures. 14. The Company's personnel changes. 15. Changes in the Company's spokesperson and acting spokesperson. 16. The Company's 2024 salary adjustment policy planning. 17. Discussion regarding changes to the vacation system for senior executives of the Company. 18. Discussion of the Chairman's monthly fixed compensation. 19. Discussion regarding the monthly fixed remuneration for the Company's President.
BOARD OF DIRECTORS MAY 7, 2024	<ol style="list-style-type: none"> 1. Resolution regarding the Company's Q1 2024 Consolidated Financial Statements. 2. Review of the Company's product development progress and related expenditure adjustments. 3. Proposal to add authorized distributorship for products through reinvested companies. 4. Proposed resolution to authorize the Chairman with full power to handle dissolution matters of the joint venture subsidiary established with Company C. 5. Proposal to amend the Company's "Standard Operating Procedures for Handling Directors' Requests." 6. Proposal to amend the Company's "Sustainability Development Committee Charter." 7. Proposal to amend the Company's "Sustainable Development Best Practice Principles." 8. Proposal to amend the Company's "Procedures for Ethical Management and Guidelines for Conduct." 9. Proposed amendments to the Company's "Sustainability Report Preparation and Verification Procedures." 10. Proposed amendments to the Company's "Risk Management Policies and Procedures."
BOARD OF DIRECTORS MAY 16, 2024	<ol style="list-style-type: none"> 1. The Company's personnel changes. 2. Proposal to change the Company's spokesperson. 3. Addition of items to be reported at the 2024 Annual Shareholders' Meeting.
BOARD OF DIRECTORS MAY 30, 2024	<ol style="list-style-type: none"> 1. Election of the Chairman and Vice Chairman of the Board of Directors for the current term. 2. Appointment of members to the Company's 4th Audit Committee and designation of the convener for the first Audit Committee meeting. 3. Proposal to appoint members to the Company's 6th Remuneration Committee and designate the convener for the first Remuneration Committee meeting.

	<ol style="list-style-type: none"> Proposal to appoint members to the Company's 3rd Sustainability Development Committee and designate the convener for the first Sustainability Development Committee meeting.
<p>BOARD OF DIRECTORS AUGUST 8, 2024</p>	<ol style="list-style-type: none"> Resolution regarding the Company's Q2 2024 Consolidated Financial Statements. Proposal for additional capital expenditure plans for the Company's Lioudu Plant. Resolution regarding amendments to transaction terms for the Company's subsidiary's distribution and agency of the Company's health supplements. Proposal to approve and authorize the subsidiary to proceed with the merger of its invested businesses, Company A and Company B. Submission of the Company's 2023 Sustainability Report. Proposed amendments to the Company's "Risk Management Policies and Procedures." Proposed distribution of compensation for 2023 to the Company's appointed representative directors of subsidiaries and reinvested companies for exercising director duties. Discussion about remuneration to independent directors of the Company. Proposed amendments to the Employee Stock Ownership Trust Implementation Measures. Proposed amendments to the Company's Organizational Charter. The Company's personnel matters. Resolution regarding amendments to transaction terms for the Company's subsidiary's distribution and agency of the Company's pharmaceutical products. Proposed authorization for subsidiary to promote the Company's pharmaceutical products.
<p>BOARD OF DIRECTORS NOVEMBER 13, 2024</p>	<ol style="list-style-type: none"> Resolution regarding the Company's Q3 2024 Consolidated Financial Statements. Review of equipment procurement contracts for capital expenditures at the Company's Lioudu Plant. Proposed work plan for the Company's Sustainability Development Committee for 2025. Proposed amendments to the Company's "Corporate Governance Best Practice Principles." Proposed establishment of the Company's internal control system "Other Management Systems - Management of Sustainability Information." Proposed amendments to the Company's "Internal Audit System." The Company's personnel matters. The Company's litigation case.
<p>BOARD OF DIRECTORS DECEMBER 24, 2024</p>	<ol style="list-style-type: none"> The Company's 2025 salary adjustment policy planning. Establishment of the Company's 2025 business plan and budget proposal. Proposal for the Company's system implementation and procurement plan. Proposal to authorize the subsidiary company to distribute and act as agent for the Company's pharmaceutical products. Proposed establishment of the Company's Annual Audit Plan for 2025.

	<ol style="list-style-type: none"> 6. Proposal for the expected engagement of KPMG Taiwan to provide non-assurance services in 2025. 7. Resolution regarding the appointment, independence, competency assessment, and audit fee for CPAs for 2025.
<p>BOARD OF DIRECTORS FEBRUARY 25, 2025</p>	<ol style="list-style-type: none"> 1. Discussion regarding the distribution of employee compensation for fiscal year 2024. 2. Distribution of Directors' remuneration for 2024. 3. The Company's 2024 Business Report and Financial Statements. 4. The Company's 2024 earnings distribution proposal. 5. Proposed Statement of Internal Control System of the Company for 2024. 6. Resolution regarding amendments to transaction terms for the Company's subsidiary's distribution and agency of the Company's pharmaceutical products. 7. Proposal to amend the Company's "Articles of Incorporation." 8. Proposal to amend the Company's "Corporate Governance Principles." 9. Proposal to amend the Company's "Performance Evaluation Measures for the Board of Directors and Functional Committees." 10. Proposed establishment of the date, location, and agenda for the Company's 2025 Annual General Shareholders' Meeting 11. Proposal to release managerial officers from non-competition restrictions. 12. The Company's personnel matters. 13. Discussion regarding the monthly fixed remuneration for the Company's President. 14. Discussion of the Chairman's monthly fixed compensation.
<p>ANNUAL SHAREHOLDERS' MEETING MAY 30, 2024</p>	<ol style="list-style-type: none"> 1. The Company's 2023 Business Report and Financial Statements. 2. The Company's 2023 Earnings Distribution Plan. Implementation Status: April 5, 2024, was established as the ex-dividend date. Shareholders were distributed cash dividends of NT\$870,274,857, or NT\$3.5 per share, which were paid on April 26, 2024. 3. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets." 4. Proposal for complete re-election of the Company's Directors and Independent Directors. Election Results: Elected Directors: Lin Chuan, Chang Wen-Hua, Carl Hsiao (representative of Dawan Technology Co., Ltd.), Yang Tzu-Chiang, Hsu Shih-Chang, Liao Ying-Ying, Hsueh Ming-Ling (Independent Director), Cheng An-Li (Independent Director), and Chang Ming-Tao (Independent Director). On the same day, the Board of Directors elected Mr. Lin Chuan as Chairman and Ms. Chang Wen-Hua as Vice Chairman. These appointments were approved by the Ministry of Economic Affairs through business registration changes on June 25, 2024. 5. Release of Newly-Appointed Directors and their Representatives from Non-Competition Restrictions.

- (XII) In the most recent fiscal year and up to the printing date of this annual report, there have been no instances where directors expressed dissenting opinions on important resolutions passed by the Board of Directors, either in recorded minutes or written statements.

IV. Certified Public Accountant (CPA) Fee Information

- (I) CPA Fee Information:

Unit: NTD thousands

Accounting Firm Name	CPA Names	CPA Audit Period	Audit fees	Non-audit fees	Total	Notes
KPMG International	Han Yi-Lien Chang Shu-Ying	January 1, 2024 December 31, 2024	3,070	991	4,061	Non-audit fees: Tax Certification: \$430 Transfer Pricing: \$425 Others: \$136

- (II) If the audit fees paid in the year of changing accounting firms were less than those paid in the previous year, the company shall disclose the pre-change and post-change audit fee amounts and the reasons for such reduction: Not Applicable.
- (III) If audit fees decreased by 10% or more compared to the previous year, the company shall disclose the amount of decrease, percentage, and reasons: Not Applicable.

V. Information Regarding Change of CPAs: The Company did not change its CPAs during the most recent fiscal year.

VI. Disclosure of Employment Relationships with the Auditing Firm: If the Company's Chairman, President, or managers responsible for financial or accounting affairs have been employed by the accounting firm of its certified public accountant or any affiliated enterprise of such accounting firm within the past year, their names, positions, and the periods of employment shall be disclosed: None.

VII. Share Transfers and Changes in Share Pledges: Share transfers and changes in share pledges of Directors, Managers, and Shareholders holding more than 10% of the Company's shares during the most recent fiscal year and up to the printing date of this annual report.

Unit: shares

Title	Name	2024		As of March 31, 2025	
		Increase (Decrease) in the Number of Shares Held	Increase (decrease) in the Number of Shares Pledged	Increase (Decrease) in the Number of Shares Held	Increase (decrease) in the Number of Shares Pledged
Chairman	Chuan Lin	0	0	0	0
Vice Chairman	Wen-Hua Chang	0	0	0	0
Director	Dawan Technology Co., Ltd.	33,000	0	0	0
	Representative of Dawan Technology Co., Ltd.; Carl Hsiao	0	0	0	0
Director	Tze-Kaing Yang	0	0	0	0
Director	Hsu Shih-Chang (Note 3)	0	0	0	0
Director	Ying-Ying Liao	0	0	0	0
Former Director	Chang Hsiu-Chi (Note 4)	0	0	—	—
Independent Director	Ming-Ling Hsueh	0	0	0	0
Independent Director	Cheng An-Li (Note 3)	0	0	0	0
Independent Director	Chang Ming-Dao (Note 3)	0	0	0	0
Former Independent Director	Tsai Tui (Note 4)	0	0	—	—
Former Independent Director	Lin Tien-Fu (Note 4)	0	0	—	—
President	Ching-Lan Hou	0	0	0	0
Senior Vice President of Oncology Science Development Business Group and Corporate Development Division	Chiao-Sung Chen (Note 3)	0	0	0	0
Senior Vice President of Oncology Science Development Business Group and Corporate Development Division	Wang Yu-Wen (Note 4)	0	0	—	—
Vice President, Formulation Research & Development Center	Peng Cheng-Yi (Note 3)	0	0	0	0
Senior Assistant Vice President, Production and Operations Center	Shih-Chuan Lin	0	0	0	0
Senior Assistant Vice President, Supply Chain Management Center	Yu-Chin Hsu	0	0	0	0

Title	Name	2024		As of March 31, 2025	
		Increase (Decrease) in the Number of Shares Held	Increase (decrease) in the Number of Shares Pledged	Increase (Decrease) in the Number of Shares Held	Increase (decrease) in the Number of Shares Pledged
Senior Assistant Vice President, Key Account Management Division	Wang Chih-Wen (Note 3)	0	0	0	0
Senior Assistant Vice President, Human Resources Division	Chen, Chien-Hung (Note 4)	0	0	—	—
Senior Assistant Vice President, Administration Division	Liu Nai-Wei (Note 4)	0	0	—	—
Finance Division CFO, Finance Officer and Corporate Governance Officer	Kuo-Chiang Chang	0	0	0	0
Legal Affairs and Compliance Division Chief Legal and Compliance Officer	Lin Hui-Chun (Note 3)	—	—	0	0
Legal Affairs and Compliance Division Chief Legal and Compliance Officer	Huang Shu-Fen (Note 4)	0	0	0	0
Accounting Department Accounting Manager	Wang Wei-Chuan (Note 3)	0	0	0	0
Accounting Department Accounting Manager	Wang Shu-Wen (Note 4)	0	0	—	—
Audit Office Chief Auditor	Yung-Min Chiang	0	0	0	0

Note 1: Shareholders holding more than ten percent of the Company's total shares: None.

Note 2: Instances where the counterparty of share transfers or pledges is a related party: None.

Note 3: Director Hsu Shih-Chang, Independent Director An-Li Cheng, and Independent Director Chang Ming-Dao assumed office following the re-election at the Annual Shareholders' Meeting on May 30, 2024; Senior Vice President Chen Chiao-Sung assumed office on December 2, 2024; Vice President Peng Cheng-Yi assumed office on February 1, 2024; Senior Associate Vice President Wang Chih-Wen assumed office on January 8, 2024; Legal Affairs and Compliance Officer Lin Hui-Chun assumed office on February 25, 2025; Accounting Manager Wang Wei-Chuan assumed office on May 16, 2024. Their shareholdings have been reported since their respective appointments.

Note 4: Director Chang Hsiu-Chi, Independent Director Tsai Dui, and Independent Director Lin Tien-Fu completed their terms of office and stepped down on May 30, 2024; Senior Vice President Wang Yu-Wen resigned on August 31, 2024; Senior Associate Vice President Chen Chien-Hung resigned on August 15, 2024; Senior Associate Vice President Liu Nai-Wei resigned on February 7, 2024; Legal Affairs and Compliance Officer Huang Shu-Fen resigned on January 31, 2025; Accounting Manager Wang Shu-Wen was reassigned to a different position and relieved of managerial duties on March 8, 2024. Their shareholdings are no longer required to be reported thereafter.

VIII. Information on Relationships Between the Top Ten Shareholders who are Related Parties, Spouses, or Relatives Within the Second Degree of Kinship

Unit: Share; %: March 31, 2025

Name (Note 1)	Shares Held by the Individual		Shares Held by Spouse and Minor Children		Shares held in the name of others		Among the top ten shareholders, those who are related parties, spouses or relatives within the second degree of kinship to each other as defined in statement of financial accounting standards No. 6 (Note 3)		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Dawan Technology Co., Ltd.	23,559,732	9.48	—	—	—	—	Ying-Chun Hsiao	Serves as Chairman of the Company	—
Dawan Technology Co., Ltd., representative; Carl Hsiao	4,985,524	2.01	0	0	0	0			
Fubon Life Insurance Co., Ltd.	7,199,000	2.90	—	—	—	—	None	None	—
Human Resources Manager, Fubon Life Insurance Co., Ltd.: Tsai Ming-Hsing	0	0	0	0	0	0			
Wen-Yi Chang	5,303,831	2.13	0	0	0	0	Chun-Jen Chang	Second-Degree Kinship	—
							Wen-Hua Chang	Second-Degree Kinship	
							Wen-Ling Chang	Second-Degree Kinship	
Ying-Chun Hsiao	4,985,524	2.01	0	0	0	0	Dawan Technology Co., Ltd.	Serves as Chairman of the Company	—
Wen-Hua Chang	4,409,800	1.77	0	0	0	0	Chun-Jen Chang	Second-Degree Kinship	—
							Wen-Yi Chang	Second-Degree Kinship	
							Wen-Ling Chang	Second-Degree Kinship	
Wen-Ling Chang	4,182,960	1.68	0	0	0	0	Wen-Hua Chang	Second-Degree Kinship	—
							Chun-Jen Chang	Second-Degree Kinship	
							Wen-Yi Chang	Second-Degree Kinship	
Chun-Jen Chang	3,837,420	1.54	2,567,207	1.03	0	0	Hsiao-Chen Shen	Spouse	—
							Wen-Hua Chang	Second-Degree Kinship	
							Wen-Yi Chang	Second-Degree Kinship	
							Wen-Ling Chang	Second-Degree Kinship	
Standard Chartered Bank (Taiwan) Ltd., Business Department – Appointed Custodian for Advanced Starlight	2,889,457	1.16	—	—	—	—	None	None	—
Lien-Chen Chiang	2,772,062	1.12	0	0	0	0	None	None	—
Hsiao-Chen Shen	2,567,207	1.03	3,837,420	1.54	0	0	Chun-Jen Chang	Spouse	—

Note 1: All top ten shareholders must be listed. For legal person shareholders, both the name of the legal entity and the name of its representative must be listed separately.

Note 2: The calculation of shareholding percentage includes shares held in the shareholder's own name, shares held by their spouse, shares held by their minor children, and shares held in the name of other persons.

Note 3: The relationships between all shareholders listed above, including both legal entities and natural persons, should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX. Shareholdings of the Company, the Company’s Directors, Managerial Officers, and Entities Directly or Indirectly Controlled by the Company in the Same Investee Company, and the Aggregate Shareholding Percentage

Unit: Shares; %

Investee Company (Note)	Investment by the Company		Investment by Directors, Managerial Officers, and Directly or Indirectly Controlled Entities		Aggregate Investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Xudong Haipu Pharmaceutical Co., Ltd.	1,454,195	100.00	0	0.00	1,454,195	100.00
Rong Gang International Co., Ltd.	3,960,000	100.00	0	0.00	3,960,000	100.00
American Taiwan Biopharma Philippines Inc.	481,169	87.00	0	0.00	481,169	87.00
TSH Biopharm Corporation Limited	21,687,177	56.48	882,059	2.30	22,569,236	58.78
EnhanceX, Inc.	5,000,000	20.83	7,000,000	29.17	12,000,000	50.00
Chuang Yi Biotech co. ltd.	7,432,299	23.12	16,590,279	51.60	24,022,578	74.72
PharmaEngine Inc.	25,866,808	18.00	0	0.00	25,866,808	18.00
American Taiwan Biopharm Co., Ltd.	380,000	40.00	142,500	15.00	522,500	55.00
Gligio International Limited	620,427	40.00	0	0.00	620,427	40.00

Note: These represent investments accounted for using the equity method in the Company’s 2024 separate financial statements.

Three. Capital Raising Activities

I. Capital and Shares

(I) Source of share capital

Unit: Thousands of Shares; NT\$ Thousands

Date	Issuance price	Approved share capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Contributions in Non-Cash Assets	Others
July 1998	10	23,990	239,900	23,990	239,900	Capital increase in cash	None	Note 1
July 2001	10	38,000	380,000	27,643	276,434	Earnings Capitalization and Capital Reserve Capitalization	None	Note 2
July 2002	10	50,000	500,000	36,486	364,864	Earnings Capitalization	None	Note 3
October 2002	10	50,000	500,000	37,087	370,870	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 4
March 2003	10	50,000	500,000	37,644	376,440	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 5
June 2003	10	50,000	500,000	37,721	377,212	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 6
July 2003	10	80,000	800,000	49,980	499,795	Earnings Capitalization	None	Note 7
November 2003	10	80,000	800,000	50,371	503,706	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 8
January 2004	10	80,000	800,000	50,782	507,817	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 9
April 2004	10	80,000	800,000	51,086	510,861	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 10
July 2004	10	57,500	575,000	51,404	514,039	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 11
September 2004	10	95,000	950,000	62,359	623,591	Earnings Capitalization and Capital Reserve Capitalization	None	Note 12
October 2004	10	95,000	950,000	63,108	631,083	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 13
January 2005	10	95,000	950,000	63,154	631,540	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 14
April 2005	10	95,000	950,000	65,921	659,208	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 15
July 2005	10	95,000	950,000	67,421	674,208	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 16
September 2005	10	95,000	950,000	70,565	705,653	Earnings Capitalization	None	Note 17
October 2005	10	95,000	950,000	71,130	711,298	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 18
January 2006	10	95,000	950,000	71,400	713,996	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 19

Date	Issuance price	Approved share capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Contributions in Non-Cash Assets	Others
April 2006	10	95,000	950,000	71,412	714,120	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 20
September 2006	10	95,000	950,000	78,191	781,907	Capitalization of capital reserve	None	Note 21
July 2007	10	95,000	950,000	81,964	819,643	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 22
September 2007	10	95,000	950,000	89,421	894,209	Capitalization of capital reserve	None	Note 23
October 2007	10	95,000	950,000	93,792	937,919	Issuance of New Shares through Conversion of Convertible Bonds	None	Note 24
November 2007	10	95,000	950,000	92,932	929,319	Cancellation of treasury stock	None	Note 25
September 2008	10	135,000	1,350,000	109,660	1,096,597	Earnings Capitalization and Capital Reserve Capitalization	None	Note 26
September 2009	10	135,000	1,350,000	128,302	1,283,018	Earnings Capitalization and Capital Reserve Capitalization	None	Note 27
October 2010	10	200,000	2,000,000	139,849	1,398,490	Capitalization of capital reserve	None	Note 28
September 2011	10	200,000	2,000,000	172,574	1,725,736	Earnings Capitalization and Capital Reserve Capitalization	None	Note 29
September 2012	10	350,000	3,500,000	213,991	2,139,913	Earnings Capitalization	None	Note 30
September 2013	10	350,000	3,500,000	233,037	2,330,365	Earnings Capitalization	None	Note 31
September 2014	10	350,000	3,500,000	248,650	2,486,500	Earnings Capitalization	None	Note 32
July 2020	10	500,000	5,000,000	248,650	2,486,500	Increase in authorized capital	None	Note 33

- Note 1: Approved by Tai-Cai-Zheng (I) No. 59490 on July 21, 1998.
Note 2: Approved by Tai-Cai-Zheng (I) No. 142192 on July 2, 2001.
Note 3: Approved by Tai-Cai-Zheng-Yi-Zi No. 0910134566 issued on June 25, 2002,
Note 4: Approved by Jing-Shou-Shang-Zi No. 09101426020 on October 29, 2002.
Note 5: Approved by Jing-Shou-Shang-Zi No. 09201030710 on January 30, 2003.
Note 6: Approved by Jing-Shou-Shang-Zi No. 09212978710 on July 28, 2003.
Note 7: Approved by Tai-Cai-Zheng-Yi-Zi No. 0920124705 on June 9, 2003.
Note 8: Approved by Jing-Shou-Shang-Zi No. 09201323550 on November 26, 2003.
Note 9: Approved by Jing-Shou-Shang-Zi No. 09301009960 on January 20, 2004.
Note 10: Approved by Jing-Shou-Shang-Zi No. 09301086530 on May 20, 2004.
Note 11: Approved by Jing-Shou-Shang-Zi No. 09301131330 on July 29, 2004.
Note 12: Approved by Jing-Shou-Shang-Zi No. 09301181990 on September 22, 2004.
Note 13: Approved by Jing-Shou-Shang-Zi No. 09301199330 on October 27, 2004.
Note 14: Approved by Jing-Shou-Shang-Zi No. 09401009920 on January 19, 2005.
Note 15: Approved by Jing-Shou-Shang-Zi No. 09401066540 on April 28, 2005.
Note 16: Approved by Jing-Shou-Shang-Zi No. 09401138890 on July 22, 2005.
Note 17: Approved by Jing-Shou-Shang-Zi No. 09401181080 on September 13, 2005.

Note 18: Approved by Jing-Shou-Shang-Zi No. 09401206980 on October 20, 2005.
Note 19: Approved by Jing-Shou-Shang-Zi No. 09501010730 on January 28, 2006.
Note 20: Approved by Jing-Shou-Shang-Zi No. 0950107550 on April 26, 2006.
Note 21: Approved by Jing-Shou-Shang-Zi No. 09501199130 on September 8, 2006.
Note 22: Approved by Jing-Shou-Shang-Zi No. 09601173790 on July 20, 2007.
Note 23: Approved by Jing-Shou-Shang-Zi No. 09601234620 on September 29, 2007.
Note 24: Approved by Jing-Shou-Shang-Zi No. 09601263450 on October 26, 2007.
Note 25: Approved by Jing-Shou-Shang-Zi No. 09601280570 on November 16, 2007.
Note 26: Approved by Jing-Shou-Shang-Zi No. 09701244740 on September 22, 2008.
Note 27: Approved by Jing-Shou-Shang-Zi No. 09801199890 on September 1, 2009.
Note 28: Approved by Jing-Shou-Shang-Zi No.09901230540 on October 14, 2010.
Note 29: Approved by Jing-Shou-Shang-Zi No. 10001205420 on September 6, 2011.
Note 30: Approved by Jing-Shou-Shang-Zi No. 10101189490 on September 17, 2012.
Note 31: Approved by Jing-Shou-Shang-Zi No. 10201185540 on September 10, 2013.
Note 32: Approved by Jing-Shou-Shang-Zi No. 10301181010 on September 5, 2014.
Note 33: Approved by Jing-Shou-Shang-Zi No. 10901115360 on July 2, 2020.

Unit: shares

Share Category	Approved share capital			Notes
	Shares outstanding (Note)	Unissued Shares	Total	
Registered Common Shares	248,649,959	251,350,041	500,000,000	None

Note: Stock of Companies Listed on the TPEx

Summary of Information Related to the TPEx Reporting System: None.

(II) List of major shareholders

March 31, 2025

Name of major shareholder	Shares	Number of shares held (shares)	Shareholding percentage (%)
Dawan Technology Co., Ltd.		23,559,732	9.48
Fubon Life Insurance Co., Ltd.		7,199,000	2.90
Wen-Yi Chang		5,303,831	2.13
Ying-Chun Hsiao		4,985,524	2.01
Wen-Hua Chang		4,409,800	1.77
Wen-Ling Chang		4,182,960	1.68
Chun-Jen Chang		3,837,420	1.54
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		2,889,457	1.16
Lien-Chen Chiang		2,772,062	1.12
Hsiao-Chen Shen		2,567,207	1.03

(III) Company Dividend Policy and Implementation Status

1. Dividend Policy as Stipulated in the Articles of Incorporation

The Company's dividend policy is implemented in accordance with the Company Act and the Articles of Incorporation, to ensure sound operations and protect the rights and

interests of investors. According to the provisions of the Articles of Incorporation:

- (1) If the Company has profits in its annual final accounts, it shall first pay taxes, make up for accumulated losses, and then set aside ten percent as legal reserve. However, this restriction shall not apply when the legal reserve has reached the amount of the Company's paid-in capital. After the aforementioned calculation, the remaining amount plus the undistributed earnings from the previous period shall first be set aside or reversed as special reserve in accordance with laws or regulations of the competent authority. At the end of each fiscal year, the Board of Directors shall consider factors such as the Company's profitability, capital and financial structure, future operational needs, accumulated earnings and legal reserves, market competition, and shareholders' interests to formulate a profit distribution proposal, which shall be implemented after resolution by the shareholders' meeting. The allocation of the legal reserve mentioned in the preceding paragraph shall be based on "the current after-tax net profit plus the amount of items other than the current after-tax net profit included in the current year's undistributed earnings."
- (2) The Company adopts a stable principle for its dividend policy. When the Company has profits after the annual closing of accounts, after paying taxes, offsetting accumulated losses, allocating the legal reserve and appropriating or reversing the special reserve in accordance with Article 29 of the Company's Articles of Incorporation, at least 70% of the remaining profits shall be distributed as shareholders' dividends, which may be in the form of cash or stock. The proportion of cash dividends shall not be less than 70% of the total dividends.
- (3) Based on the principles of stable financial structure and balanced dividends, if the Company has no distributable profits in the current year, or if the Company has profits but the profit amount is significantly lower than the actual profit distribution of the Company in the previous year, all or part of the reserves or undistributed earnings from previous periods may be distributed in accordance with laws or regulations of the competent authority. If there are disposals of real estate, equity investments, or intangible assets in the current year, the difference between the disposal amount and the acquisition cost, or income received due to litigation or commercial disputes, all or part of such difference or income may be retained, and the distribution ratio limitation in Paragraph 1 of Article 30 of the Company's Articles of Incorporation shall not apply.

2. Proposed Dividend Distribution at the Upcoming Shareholders' Meeting

- (1) According to Article 30, Paragraph 3 of the Company's Articles of Incorporation, when dividends are distributed in cash, the Board of Directors is authorized to approve such distribution with the attendance of at least two-thirds of the directors and the consent of a majority of the attending directors, and to report to the shareholders' meeting.
- (2) The Company's Board of Directors has resolved on February 25, 2025, to appropriate NT\$1,044,329,828 from distributable earnings to distribute cash dividends to

shareholders, which is NT\$4.20 per share. The cash dividends were distributed on April 25, 2025.

3. Explanation of Any Anticipated Major Changes to Dividend Policy

The Company does not anticipate any major changes to its dividend policy.

(IV) Impact of the Proposed Stock Dividend Distribution on Operating Performance and Earnings Per Share: Not Applicable.

(V) Employee and Directors' Remuneration

1. The Articles specify the ratios or ranges for employee and director remuneration.

In accordance with the Company's Articles of Incorporation, if the Company has profits in the fiscal year, 0.5% to 10% shall be set aside as employee compensation and no more than 2% as directors' compensation. However, if the Company has accumulated losses, the amount to offset such losses shall be set aside first. Employee compensation may be distributed in the form of stock or cash. The conditions and distribution method shall be determined by the Board of Directors. Directors' compensation shall only be distributed in cash.

2. Basis for Estimating Current Period Employee and Director Remuneration, Basis for Calculating Stock-Based Employee Compensation, and Accounting Treatment for Differences Between Estimated and Actual Distribution Amounts.

(1) On 25 February 2025, the Board of Directors approved the distribution of employee and director remuneration for fiscal year 2024. The aforementioned remuneration was estimated based on the pre-tax net profit of the relevant period, before deducting employee and director remuneration, multiplied by the distribution ratios stipulated in the Company's Articles of Incorporation. The estimated amounts were recognized as operating expenses for the period. The amounts approved by the Board of Directors for distribution were consistent with the figures estimated in the Company's financial statements for fiscal year 2024.

(2) The Company had no plans to issue employee stock-based compensation for fiscal year 2024; therefore, no such amounts were estimated.

3. Board-Approved Remuneration Distribution Details:

(1) All employee and director remuneration was distributed in cash. If any discrepancies arise between the approved distribution and the estimated expense recognized in the financial statements, such differences, including the reasons and accounting treatment, must be disclosed.

On 25 February 2025, the Board of Directors approved the distribution of NT\$33,081 thousand in employee remuneration and NT\$15,600 thousand in director remuneration for fiscal year 2024. Both were distributed in cash, and no differences existed between the approved and estimated amounts.

(2) Stock-Based Employee Compensation and Its Proportion to Current Period Net Income and Total Employee Compensation.

The Company had no plans to issue employee stock compensation for fiscal year 2024; therefore, this is not applicable.

4. Actual Distribution of Employee and Director Remuneration for the Previous Fiscal Year (This includes number of shares distributed, total amount, and share price); any discrepancies with recognised expenses should be disclosed along with reasons and treatment.

For fiscal year 2023, the Company distributed NT\$29,189 thousand in employee remuneration and NT\$14,950 thousand in director remuneration. There were no discrepancies between the actual distributed amounts and the figures estimated in the Company's financial statements for fiscal year 2023.

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

II. Issuance of Corporate Bonds, Preferred shares, Global Depository Receipts, Employee Stock Warrants, and Restricted Employee Shares

- (I) Issuance of Corporate Bonds: None.
- (II) Issuance of Preferred Shares: None.
- (III) Issuance of Global Depository Receipts: None.
- (IV) Issuance of Employee Stock Warrants: None.
- (V) Issuance of Restricted Employee Shares: None.

III. Issuance of New Shares for Mergers or Acquisitions of Other Companies' Equity: None.

IV. Implementation Status of Capital Utilization Plans

As of the end of the quarter preceding the publication of this annual report, the Company has no outstanding or incomplete issuances or private placements of securities, nor any issuances completed within the past three years for which the intended benefits have yet to materialize. Therefore, this section is not applicable.

Four. Operating overview

I. Description of Business

(I) Scope of business

1. Principal Business Activities

(1) C801010	Basic Chemical Industrial.	(10) CF01011	Medical Device Manufacturing.
(2) C802041	Manufacture of Drugs and Medicines.	(11) F102170	Wholesale of Foods and Groceries.
(3) C802060	Veterinary Drug Manufacturing.	(12) F108021	Wholesale of Western Pharmaceutical.
(4) C802070	Agro-pesticide Manufacturing.	(13) F108031	Wholesale of Medical Devices.
(5) C802080	Environmental Agents Manufacturing.	(14) F203010	Retail Sale of Food, Grocery and Beverage.
(6) C802100	Cosmetics Manufacturing.	(15) F208021	Retail Sale of Western Pharmaceutical.
(7) C804020	Industrial Rubber Products Manufacturing.	(16) F208031	Retail Sale of Medical Apparatus.
(8) C804990	Other Rubber Products Manufacturing.	(17) IG01010	Biotechnology Services.
(9) C901020	Glass and Glass Products Manufacturing.	(18) ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue Contribution (2024)

Unit: NTD Thousands

Primary Sources of Revenue	Operating revenue	Revenue Contribution (%)
Pharmaceutical and Healthcare Products	5,590,311	95
Service Fees and Royalties	303,536	5
Total	5,893,847	100

3. Current Product and Service Portfolio

The Company's operations encompass pharmaceutical manufacturing, sales, and research and development:

(1) Core Products

Product Categories	Key Applications	Flagship Products
Oncology Drugs	Anticancer and Adjunctive Therapies	Lipo-Dox, Lonsurf, UFUR, TS-1, Pexeda, Gemmis, Oxalip, Irino, Epicin, Tynen, Anazo, Folina, Thado, Andason, Ivic, Asadin, Leavdo, Painkyl, Megest, Yondelis, Pemazyre, Minjuvi, Fustron

Anti-infective Drugs Anesthetics	Second-line Antimicrobial Agents, Influenza Vaccines, and Anesthetics	Brosym, Bobimixyn, Colimycin, Cubicin, Lipo-AB, Flusine, Maxtam, Metacin, Flucelvax, Fluad, Byfavo
Healthcare Products	Gastrointestinal Health, Bone Health, and Metabolic Regulation Drugs	Algitab, Alginos, Bio-Cal Plus, Sulfin

For detailed information on the Company's full product portfolio, please refer to the Company's official website.

(2) Contract Development and Manufacturing (CDMO) Services

The Company provides end-to-end manufacturing solutions across the pharmaceutical value chain. Services include formulation design and development, scale-up production, analytical method development and validation, preparation and submission of Common Technical Documents (CTDs), and even customized design of production facilities and equipment. In addition to small-scale clinical trial manufacturing, commercial-scale production is also available.

(3) PIC/S GMP-Compliant Manufacturing Services

● Contract Manufacturing

The Company is capable of producing injectable and capsule dosage forms containing cytotoxic APIs, as well as non-cytotoxic formulations including lyophilized powders, injectables, oral tablets, and capsules. Equipped with automated filling and lyophilization lines, the Company ensures consistent and high-quality production. Technology transfer, scale-up planning, quality control, and validation processes are executed in accordance with the regulatory requirements of the client's target markets, enabling full commercial production.

● GMP Consulting Services

With successful inspections under Taiwan's PIC/S GMP framework and audit experience from regulatory agencies in the EU, United States, Japan, Australia, and other countries, the Company possesses a robust quality management system and expert team. These resources are deployed to support domestic and international clients in preparation for GMP inspections and the establishment of quality management systems. This capability is also a critical enabler for export-oriented pharmaceutical partnerships.

● Contract Testing Services

The Company's quality control laboratories are equipped with comprehensive microbiological, sterility, and stability testing facilities. The labs possess advanced analytical capabilities for specialised formulations such as liposomes, lyophilised liposomes, and microspheres. Analytical methods and instrumentation are continuously updated in alignment with pharmacopeial standards from the United States, Europe, and Japan. The Company also offers capabilities in analytical method development, method validation, and technology transfer. Chemical and microbiological testing services are available on a contract basis, along with method development and technical consulting.

4. New Product (Service) Development Pipeline

- (1) The Company is actively engaged in the development of innovative pharmaceuticals, including anticancer agents, therapies for severe infections, cell therapies, and other healthcare-related products.
- (2) R&D efforts continue to focus on novel liposome- or microsphere-encapsulated drug formulations designed for efficient, targeted delivery to enhance therapeutic efficacy and reduce side effects.
- (3) Manufacturing technologies and quality validation documentation for small molecule drugs are dynamically updated to meet global regulatory standards, with parallel optimisation of scale-up manufacturing processes.

(II) Industry Overview

1. Current Status and Developments in the Pharmaceutical Industry

The pharmaceutical industry is characterised by high technological intensity, high added value, low pollution, low energy consumption, extended R&D timelines, long product life cycles, strict regulatory oversight, and strong localisation requirements. Its products are primarily used to treat or alleviate human diseases, closely tied to public health, quality of life, and national well-being. As such, safety, efficacy, and consistent quality are of paramount importance. The development of a country's pharmaceutical sector often reflects its overall level of advancement. Nations with higher per capita income—such as the United States, those in Europe, and Japan—tend to have more mature and sophisticated pharmaceutical manufacturing capabilities.

Global Pharmaceutical Industry Outlook and Trends:

- (1) In response to increasingly rigorous regulations governing drug development and manufacturing, compliance with Good Manufacturing Practices (GMP) has become more demanding. The growing complexity and stringency of pharmaceutical laws and standards continue to drive up the time and cost required for both new drug and generic drug development. This has led to extended R&D timelines, declining productivity, and significant increases in development expenditures, with a concurrent slowdown in the rate of successful innovation output.
- (2) Facing intensified global competition, more pharmaceutical companies are shifting toward niche drug development strategies. These include targeting smaller, underserved markets with specialised products or concentrating R&D efforts on therapies for specific diseases. This approach aims to capture emerging disease market dynamics, enhance product value, and increase the likelihood of regulatory approval and commercial success.
- (3) Global competition in the pharmaceutical industry is increasingly shaped by full-scale international integration — spanning the raw material supply chain, manufacturing, regulatory compliance, and market promotion. The industry has evolved into a globalized pharmaceutical network characterized by specialized divisions of labor across professional domains. In recent years, advancements in protein-based drugs, biosimilars, cell therapies, and RNA/DNA vaccines — combined with the rise of precision medicine — have further diversified and refined pharmaceutical classifications and specializations. In this context, a company's ability to strategically select qualified partners for collaboration and market entry into targeted regions will directly influence its future

positioning and development trajectory within the industry.

2. Upstream, Midstream, and Downstream Industry Linkages

The pharmaceutical manufacturing industry can be broadly segmented into upstream, midstream, and downstream stages. The upstream and midstream stages involve the preparation and production of active pharmaceutical ingredients (APIs), and the downstream stage focuses on the formulation of final pharmaceutical products and the management of distribution channels for sales and marketing.

Upstream: Raw material preparation stage for pharmaceutical processing. Western pharmaceutical raw materials include general chemicals, natural plants, animals, minerals, microbial strains, macromolecular protein drugs and related biological derivatives. General chemicals constitute the majority of raw materials. Current quality requirements must meet Good Manufacturing Practice (GMP) standards and obtain regulatory approval through Active Pharmaceutical Ingredient (API) licensing verification. Traditional Chinese medicine upstream materials primarily use plants with smaller portions derived from animals and minerals. Due to biotechnology advances, scientists have achieved numerous successful examples of transgenic animals and plants through gene transfer. Currently, pharmaceutical raw materials can be produced through direct plant tissue cultivation or large-scale animal cell culture, representing a major breakthrough in upstream pharmaceutical production technology.

Midstream: Primarily involves the API industry and traditional Chinese medicine processing. The API industry encompasses organic chemical synthesis, natural product extraction and purification, microbial or animal cell fermentation cultivation or semi-synthesis after fermentation, and purification/concentration from genetically engineered improved cell fermentation. Traditional Chinese medicine processing focuses mainly on the processing and preparation of medicinal plants.

Downstream: Encompasses the pharmaceutical manufacturing industry, which primarily combines APIs with excipients such as fillers, disintegrants, adhesives, and lubricants to create convenient dosage forms. Production at this stage must comply with PIC/S GMP (The Pharmaceutical Inspection Convention and Co-operation Scheme Good Manufacturing Practice) requirements. Finished products are supplied to patients through medical channels including hospitals, clinics, and pharmacies. Drug transportation must also comply with Good Distribution Practice (GDP). In Taiwan, pharmaceutical companies can be simply classified into three types: original drug developers, import agents, and manufacturers of either general generic drugs (Non-BE Generics) or bioequivalent generic drugs (BE Generics). Currently, Taiwan's pharmaceutical industry predominantly operates downstream, with most engaged in manufacturing and selling generic drugs. However, numerous startups are attempting to advance into new drug development. Despite the high risks associated with new drug development, these efforts have gradually begun to bear fruit.

3. Pharmaceutical Industry Development Trends

Global pharmaceutical expenditure from 2020 to 2027 is projected to exceed earlier forecasts by USD 497 billion, primarily due to COVID-19 vaccines and new therapies. Global growth is expected to return to pre-pandemic levels by 2024.

According to IQVIA's report "2024 Global Pharmaceutical Market Review and Outlook," global pharmaceutical market spending will exceed USD 1.1 trillion by 2024. By 2028, pharmaceutical expenditure is projected to increase by 2 percentage points, reaching a compound annual growth rate of 5-8% and a total market size of approximately USD 2.3 trillion. Additionally, the Generic Drugs Market Report indicates that the global generic drug market reached USD 389 billion in 2024 and is projected to grow at a compound annual growth rate (CAGR) of 5.66% from 2025 to 2033, reaching USD 674.9 billion. Growth factors include patent expirations and increased pharmaceutical demand.

IQVIA's "Global Use of Medicines 2024: Outlook to 2028" report forecasts global market changes, noting that China's pharmaceutical spending growth is expected to slow. While adoption of new original drugs will have a positive impact, pricing pressure on non-patented and generic drugs will offset this growth. Japan's pharmaceutical expenditure growth is projected to range between -1% and 2%, as strong growth in branded drugs is offset by annual price reductions and continued shift toward generic medications. Eastern European expenditure is projected to increase by 55%, while volume will grow by 8%. This follows the peak disruption caused by the Ukraine conflict and reflects anticipated adoption of new drugs, albeit later than in Western Europe and other developed markets.

In pharmaceutical R&D, the US remains the market leader, maintaining focus on oncology and orphan drug development, but its share has dropped below 50% for the first time to 49.1%. This indicates the rise of other regions, including China and Japan. European countries such as the UK, Germany, and France continue to hold significant positions in R&D activities, focusing on gene therapy and biologics. The rise of Artificial Intelligence (AI) is aiding drug development, with 350 Novel Active Substances (NAS) expected to be introduced in the next 5 years.

National sample policies profoundly impact the pharmaceutical industry. Looking ahead to 2025 policy planning: The US government continues to encourage innovative drug development, with FDA fast-track approval providing pharmaceutical companies quicker market entry opportunities; China's government is promoting domestic production and innovative drug development, offering tax incentives and financial support, while volume-based procurement lowers prices; EU policies emphasize drug safety and efficacy, supporting gene therapy and biologics

From a medical treatment perspective, cancer treatment is projected to grow at a compound annual growth rate exceeding 10.2% between 2025 and 2037, driven by increasing cancer cases and new technology applications. The Asia-Pacific region is expected to grow fastest due to aging populations and increased demand for advanced treatments. The autoimmune treatment market continues to grow, primarily in North American and European markets. Gene therapy market growth is driven by rare disease demands and technological advancements. Cell therapy and precision medicine fields are driving growth in North American, European, and Asia-Pacific markets due to applications in cancer and chronic diseases. Global expenditure on novel drugs is expected to rise from USD 10 billion in 2023 to USD 33 billion.

Future global pharmaceutical product development trends can be summarized as follows:

- (1) Global population concentration in cities, urban lifestyles, refined diets, and deteriorating environmental quality, coupled with significant growth in the elderly population, have led to rapid growth in diseases such as hypertension, high cholesterol, diabetes, depression, autoimmune imbalances, and cancer. This stimulates increased pharmaceutical market demand for medications targeting chronic diseases, mental illness, autoimmune diseases, cancer, and biopharmaceutical products.
- (2) In recent years, beyond new pathogen strains causing explosive infectious diseases like COVID-19, avian influenza, Ebola virus, and Zika virus, globalization trends have facilitated easier spread of infectious diseases. Future pharmaceutical industry research will focus on developing drugs or vaccines related to infectious diseases.
- (3) Research on gene therapy, cell therapy, and protein drugs remains a competitive focus for R&D departments of new drug companies. Their significant impact on disease treatment and increasingly complete regulatory frameworks for biosimilars, coupled with artificial intelligence applications in medical research and clinical use, are expected to bring considerable profits and significantly influence the future development of the pharmaceutical industry.
- (4) In recent years, major pharmaceutical companies have also moved toward treating diseases specific to Asia, such as viral hepatitis, or developing herbal medicines for specific diseases. Additionally, development in central nervous system diseases, personalized precision medicine, and research into new mechanisms of existing drugs for indications continues to progress.
- (5) Emerging pharmaceutical markets (such as mainland China, Brazil, India, Russia, Turkey, Pakistan, South Korea, etc.) have increased demand for pharmaceuticals due to economic growth and healthcare system reforms, serving as another important driver for future growth in the pharmaceutical market.
- (6) AI assists pharmaceutical product development by rapidly and precisely screening novel active substances to shorten development cycles and reduce costs. AI is also being applied in clinical trials to accelerate data analysis and report generation.

4. Competitive Situation

In recent years, Taiwan's pharmaceutical industry has been affected by regulatory system reforms in advanced countries, impacting new drug development and increasing production costs after PIC/S GMP implementation. Following multiple drug price surveys, reduced National Health Insurance drug reimbursement prices, and hospital procurement competition, Taiwan has become one of the lowest-priced pharmaceutical markets globally, squeezing domestic pharmaceutical manufacturers' revenue and profits. Furthermore, due to patent linkage implementation, even when patents have expired in export markets, manufacturers cannot manufacture and export products that are still under patent protection in Taiwan. For domestic pharmaceutical manufacturers, developing Taiwan's pharmaceutical market has become extremely challenging.

Facing a difficult overall business environment and lacking market economies of scale, Taiwan's pharmaceutical industry confronts significant challenges. Developing new drugs requires global considerations, challenging “standard therapies,” and completing clinical trials that meet registration requirements in major markets. This demands substantial financial and human resources investment and comprehensive patent protection to create suitable business

opportunities. To compete in the new formulation market, companies must develop new formulations with pharmaceutical economic value to offer clinical medical benefits and compete with original developers.

This company's product formulation processes fully comply with the Pharmaceutical Inspection Co-operation Scheme Good Manufacturing Practice (PIC/S GMP). Currently, multiple pharmaceutical products have been submitted for market approval or have already obtained marketing authorization in various target countries in accordance with relevant regulations, enabling the company to maintain domestic and international market competitiveness. Additionally, this company's liposome technology platform, long-acting microsphere sustained-release injection technology platform, and lyophilization processes have reached maturity. The company has successively established pharmaceutical manufacturing facilities that comply with international regulatory quality requirements. Existing production lines regularly undergo and pass official inspections from the United States, European Union, Japan, and other countries' pharmaceutical regulatory authorities. Therefore, leveraging our commercializable mature technologies and high-specification facilities and equipment, numerous large or innovative domestic and foreign pharmaceutical companies have actively sought cooperation in recent years. This company has also selected suitable strategic partners for alliances to enhance competitiveness in domestic and international markets.

Regarding new drugs, this company will continue to launch several self-manufactured specialty generic drugs and niche new drugs, benefiting Taiwanese patients while contributing to company profits. Simultaneously, by licensing products undergoing or having completed Phase III clinical trials, the company strengthens its product portfolio and disease treatment coverage in target therapeutic areas. The company also continuously evaluates external pre-clinical products with potential and suitability to enhance internal new drug development pipeline through strategic business cooperation models.

(III) Technology and R&D Overview

1. Research and Development Expenditures for FY2024 up to Q1 FY2025

Unit: NTD Thousands

Item	2024	Q1 2025 (Note)
R&D Expenditure	271,392	48,919

Note: Figures for Q1 FY2025 are unaudited.

2. Successful Technology or Product Developments

In addition to ongoing enhancements in liposomal formulation technologies and long-acting microsphere sustained-release injectables, the Company has also advanced the development of novel fixed-dose combination drugs and explored new indications for existing products. Key product developments include the following:

Product name	Indications
Lipo-Dox	Metastatic breast cancer, Kaposi's sarcoma associated with AIDS, multiple myeloma, ovarian cancer.
UFUR	Gastric cancer, colorectal cancer, breast cancer; in combination with cisplatin for the treatment of metastatic and late-stage lung cancer, head and neck cancer; adjuvant therapy for patients with stage IB (T2) lung adenocarcinoma following surgery.

Product name	Indications
Thado	Multiple myeloma, erythema nodosum leprosum
Lipo-AB	<ul style="list-style-type: none"> ● Treatment of cryptococcal meningitis in HIV-positive patients. ● Severe systemic and/or deep fungal infections. ● Visceral leishmaniasis. Amphotericin B Liposome for Injection: Despite initial parasitic clearance, patients with visceral leishmaniasis and immunodeficiency exhibit a high relapse rate post-treatment. ● Empirical therapy for possible fungal infections in febrile patients with severe neutropenia.
Brosym	Antibacterial Indications: Indicated for the treatment of infections caused by susceptible bacterial strains, including upper and lower respiratory tract infections, upper and lower urinary tract infections, peritonitis, cholecystitis, cholangitis, and other intra-abdominal infections; pelvic inflammatory disease, endometritis, and other genital tract infections; as well as secondary infections following trauma, burns, or surgical procedures.
Bobimixyn	Polymyxin B-sensitive Multidrug-resistant Gram-negative Infections: Indicated for severe infections in adult patients caused by multidrug-resistant Gram-negative organisms susceptible to Polymyxin B. Not indicated for treatment of urinary tract infections.

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

1. Short-term Strategic Direction

(1) R&D strategy

- Ensure the timely market launch of core products in targeted territories to meet near-term profit objectives and maintain product lifecycle durability.
- Leverage proprietary high-barrier technology platforms to establish a differentiated drug portfolio and achieve commercial economies of scale.
- Select innovative drug candidates with high commercial potential for co-development with international marketing partners, while pursuing selective out-licensing opportunities. Retain direct commercialization rights in key territories to expand the portfolio of long-lifecycle, in-house managed products.

(2) Production strategy

- In alignment with evolving pharmaceutical manufacturing regulations, the Company continues to implement regular GMP training and quality education programs, while successfully passing both domestic and international facility inspections to maintain stable, high-quality production operations.
- Manufacturing lines, production planning, and supply chain logistics are strategically coordinated to optimize capacity utilization and align with commercial demand.
- Emphasis is placed on internal control and vertical integration of raw materials, functional excipients, and specialized packaging materials, alongside the

qualification of suppliers in compliance with quality standards, to ensure cost efficiency and supply chain reliability.

(3) Marketing strategy

- A. The Company actively identifies and introduces therapeutics that address unmet clinical needs, offering physicians comprehensive treatment solutions and reinforcing its position as a trusted clinical partner.
- B. BRIM aims to deepen integration across product commercialization and the pharmaceutical value chain, positioning itself as a global partner of choice for Specialty Pharmaceuticals under CRO/CMO/CDMO collaboration models.

(4) Business strategy

- A. Revenue from established sales channels in both Taiwan and international markets supports future product development and regional expansion.
- B. Contract manufacturing and co-development income from international specialty drug projects help offset ongoing facility maintenance and operational expenditures.
- C. The Company seeks to bring R&D outcomes to global markets through overseas licensing agreements. Licensing income, combined with returns from product development, will be reinvested into future product pipelines and business growth initiatives, fostering a self-sustaining innovation cycle.
- D. BRIM Biotechnology, Inc. is committed to globalising its R&D output through successful overseas licensing, while reinvesting both product and development revenues into new product pipelines and future business ventures—creating a sustainable, positive innovation cycle.
- E. The Company focuses on identifying high-value global biotech investment opportunities by closely monitoring changes in healthcare systems within targeted countries, with the objective of maximizing group profitability and securing medium- to long-term growth prospects.
- F. Rapid recruitment and development of localized talent with entrepreneurial spirit is a strategic priority. BRIM continues to strengthen in-house capabilities across scientific research, regulatory affairs, and corporate operations to ensure each functional unit is prepared for internationalization and long-term scalability.

2. Long-Term Development Plans

(1) R&D strategy

- A. To maintain competitiveness across key therapeutic areas—including specialty pharmaceuticals, biologics, and innovative drugs—BRIM balances early-, mid-, and late-stage development targets. This portfolio strategy aims to meet both immediate and long-range organisational growth needs while enabling seamless value chain integration.
- B. The Company actively targets high-barrier, high-value generic drugs, new chemical entities, and niche clinical products addressing unmet medical needs. Development is pursued independently or through strategic global partnerships, with emphasis on accelerated timelines.

(2) Production strategy

- A. BRIM continues to upgrade and maintain its manufacturing infrastructure in full compliance with international pharmaceutical regulations, reinforcing its capability as a global production base.

- B. Construction of dedicated new drug production lines is underway, enabling commercial-scale integration of specialized formulations and novel therapies to support the Company's globalization goals.
- C. Through mergers and acquisitions, strategic alliances, and joint ventures, BRIM aims to expand manufacturing capacity, optimize supply chain management, and improve both production quality and operational efficiency.

(3) Marketing strategy

- A. Continues to execute optimized commercial strategies and lifecycle management tailored to each target market, ensuring alignment with regional regulatory environments and market dynamics.
- B. Through a portfolio of competitive in-house and co-developed specialty pharmaceuticals, the Company has established a robust co-development and manufacturing business model. This approach is further supported by cross-border resource integration and strategic marketing planning for both novel and specialty drugs, enhancing the international business footprint of the Group.
- C. Accelerating the establishment of overseas commercial operations and strengthening performance management in self-operated international markets. These efforts aim to expand BRIM's core market presence and drive sustained mid- to long-term revenue growth through international diversification.

(4) Business strategy

- A. BRIM is dedicated to the development and manufacturing of new drugs, specialized formulations, biologics, and medical technologies, with the objective of building a comprehensive and competitive product portfolio.
- B. Continues to invest in the advancement of its high-barrier drug delivery technology platforms, extending their clinical and commercial applicability across multiple therapeutic areas.
- C. Ongoing R&D focuses on oncology, critical care, anti-infectives, and specialised drug formulations, with deeper penetration into global markets as a core objective.
- D. BRIM aspires to become one of the world's most innovative biopharmaceutical companies and a preferred strategic partner for international biotech firms.

II. Market and Production/Sales Overview

(I) Market analysis

1. The Company's Main Products (Services) Sales (Provision) Regions

BRIM Biotechnology, Inc. primarily generates revenue from the domestic market, which accounts for approximately 87% of net sales. Overseas sales contribute the remaining portion and include markets across Southeast Asia, the Americas, and Northeast Asia. The Company's distribution channels are focused on major medical centers and private clinics, which collectively comprise around 70% of net revenue.

2. Market Demand Outlook and Growth Potential

Driven by an ageing global population, increasing prevalence of chronic diseases, expansion into emerging markets, and the integration of data analytics and artificial intelligence in drug development, the demand for healthcare solutions is rising. Innovations in biotechnology, gene therapy, and precision medicine are improving treatment accuracy and patient outcomes, contributing to increased pharmaceutical utilization. These trends point to a continued growth

trajectory for the pharmaceutical industry, although sustained advancement will require ongoing innovation and the ability to adapt to rapidly evolving market conditions. According to IQVIA's Global Use of Medicines 2024: Outlook to 2028 report, global pharmaceutical spending is projected to exceed USD 1.1 trillion in 2024, with total expenditures expected to reach USD 2.3 trillion by 2028. Key factors influencing spending patterns include the launch and adoption of innovative therapies, the expiration of drug patents, the rise of biosimilars, and regional variations in medication usage practices. According to available data, global pharmaceutical expenditures by 2028 will be concentrated in oncology, immunology, diabetes, cardiovascular, and central nervous system (CNS) disorders. Oncology is projected to lead all categories, with spending expected to reach USD 440 billion, representing a compound annual growth rate (CAGR) of 14–17%.

3. Competitive advantage

(1) Core Strengths of BRIM Biotechnology, Inc.:

- A. Clear strategic positioning.
- B. Fully integrated pharmaceutical value chain.
- C. Ongoing development of competitive, high-barrier specialty formulations targeting international markets.
- D. Proven track record of successful pharmaceutical plant inspections by health authorities across multiple global jurisdictions.
- E. Deep and longstanding engagement within targeted therapeutic areas, resulting in comprehensive partnerships with healthcare providers and extensive patient education and care experience.

(2) Competitive Niche in Chinese-speaking Markets

- A. Deep domain knowledge and clinical experience addressing cancers prevalent among Chinese populations.
- B. Clinical Trial and Marketing Advantages in Chinese-speaking Markets.

4. Favorable and Unfavorable Factors Affecting Long-term Outlook, and Response Strategies

(1) Favorable factors

A. Strategic Environment of Taiwan's Pharmaceutical Industry

- Taiwan offers a supportive environment for pharmaceutical innovation. The government encourages capital markets to facilitate new drug development and has launched the "Ten-Year Plan to Foster the Biotechnology Industry," targeting trillion-dollar production value by 2025.
- The government has implemented the "Biotech and Pharmaceutical Industries Development Act" to encourage Contract Development and Manufacturing Organizations (CDMO), benefiting international pharmaceutical manufacturing outsourcing.
- Integration of technical expertise and industrial capabilities has advanced significantly.
- Taiwan's major medical centres host clinical trial units with extensive experience and international regulatory accreditation.
- The Taiwan Food and Drug Administration (TFDA) has significantly improved both review timelines and regulatory clarity, accelerating the path to market for new drugs.

B. Strong R&D Integration

BRIM Biotechnology, Inc. is committed to the recruitment of external talent and continuous investment in research and development. The Company possesses full-spectrum capabilities spanning formulation development, preclinical studies, clinical protocol drafting, execution of human trials, completion of clinical study reports, and new drug application (NDA) submissions. BRIM also has in-house expertise to generate regulatory-compliant Chemistry, Manufacturing, and Controls (CMC) documentation and quality assurance dossiers. This rare end-to-end integration of pharmaceutical development and manufacturing capabilities within Taiwan's industry landscape is a core engine driving the Company's sustained competitive advantage.

(2) Unfavorable factors and Mitigation Strategies

A. Healthcare Reimbursement System Reforms

Taiwan's global budget payment system has undergone multiple rounds of drug price adjustments, placing downward pressure on pharmaceutical pricing and prescription volumes. This mechanism not only limits domestic pricing and utilization of certain drugs but also impacts the pricing benchmark for international markets, thereby compressing both revenue and profit margins across the industry.

Countermeasures:

In addition to establishing a comprehensive sales network throughout Taiwan that provides timely service to hospitals and clinics and increases sales coverage, this company also enhances the effectiveness of company resource utilization. For pharmaceuticals with certain market scale and value, the company strengthens strategic cooperation, collaborates with clinical healthcare experts to enhance patient care, and continuously improves healthcare institutions' and physicians' confidence in its products to increase opportunities for reasonable prescription use. Through licensing late-stage clinical new drugs in target therapeutic areas and aligning with advanced countries' certification timelines, the company shortens domestic certification time. Combined with advantageous marketing teams and resources, this creates optimal product revenue to avoid decreased company revenue and profits due to drug price adjustments.

B. Small manufacturer scale with comprehensive upgrade to PIC/S GMP.

Taiwan's pharmaceutical sector remains dominated by small- to mid-sized enterprises primarily focused on the production of generic drugs and the distribution of foreign pharmaceuticals. Many of these traditional manufacturers face structural limitations in expanding beyond domestic markets due to insufficient expertise in international regulations, limited access to global regulatory intelligence, and a lack of organisational presence or influence in overseas markets. This has constrained their ability to capitalise on international opportunities and limited growth potential. Following Taiwan's accession to the World Trade Organization (WTO), foreign pharmaceutical companies have entered the local market with competitively priced products, intensifying pressure on domestic players—particularly those reliant on domestic sales—by eroding price margins and market share.

To align with global regulatory standards and improve overall drug quality, Taiwan implemented the Drug Master File (DMF) system in 2013 and, beginning in 2015, fully enforced compliance with the Pharmaceutical Inspection Co-operation Scheme's Good Manufacturing Practice standards (PIC/S GMP). As a result, both

domestic and imported pharmaceutical manufacturing facilities are now required to comply with PIC/S GMP. Manufacturers failing to meet these standards face progressive market exit and regulatory exclusion.

Countermeasures:

In response, companies like TTY Biopharm Company Limited have evolved from their roots in generic drug manufacturing and distribution to invest in the development of differentiated generics and therapeutic optimization. These efforts are accompanied by systematic upgrades to production facilities, ensuring full compliance with international quality regulations and sustaining global competitiveness.

In addition to continuously developing business in Taiwan's core channels (medical centers, regional hospitals, district hospitals with development potential), to more effectively leverage drug development value, this company specializes in oncology, critical care, and anti-infection domains. TTY Biopharm strives to become a biotech pharmaceutical company specializing in special formulation drug development with strong international market positioning. TTY Biopharm continues to introduce new drugs while forming product portfolios with self-developed generic drugs, and strategically partners with original manufacturers to distribute their post-patent products. Due to long-term investment and experience in the aforementioned fields, TTY Biopharm's presence helps domestic and international pharmaceutical company partners develop drugs more efficiently and create effective market benefits, thereby creating win-win situations.

C. **Insufficient Brand Recognition and Regulatory Barriers**

Compared to international pharmaceutical giants, generic drug manufacturers typically have lower brand recognition, which may affect consumer trust in their products, especially in treating serious diseases or high-risk situations. Additionally, in some countries, generic drug market access requires passing stringent approval procedures, which may increase market entry barriers and raise entry costs for new entrants.

Countermeasures:

In addition to deeply cultivating the Taiwan market, this company actively expands overseas business by independently developing specialty formulation generic drugs with high technical barriers. By utilizing the development of high-barrier, clinically proven specialty formulation drugs through international manufacturers' contract design and manufacturing model, the company brings products into international markets. Alternatively, this is accomplished through collaborating with pharmaceutical companies having high-coverage marketing channels in major markets for product development through registration and launch. The company has successfully introduced liposome products internationally and continues to enter the Americas, Europe, Asia, and emerging developing countries with partners owning multinational sales channels. This is supplemented by establishing marketing teams in target countries to expand business, becoming the best partner for companies strong in pharmaceutical business marketing in major global markets, thereby building international recognition.

On another front, the company develops the Greater China market (including Taiwan and mainland China) and Southeast Asian markets. In response to the government's

southward policy, TTY Biopharm has signed three-party MOUs with relevant Taiwanese medical centers and large Vietnamese hospitals to enhance healthcare in northern and southern Vietnam, expand international industry chains, and cultivate local capabilities.

For international biotech innovation companies planning to enter Taiwan and Asian markets without being able to grasp actual market dynamics for profitable operations, TTY Biopharm can serve as the best local partner for drug development and marketing in oncology, critical care, and anti-infection fields, thereby creating win-win situations.

(II) Main Products' Important Uses and Manufacturing Processes

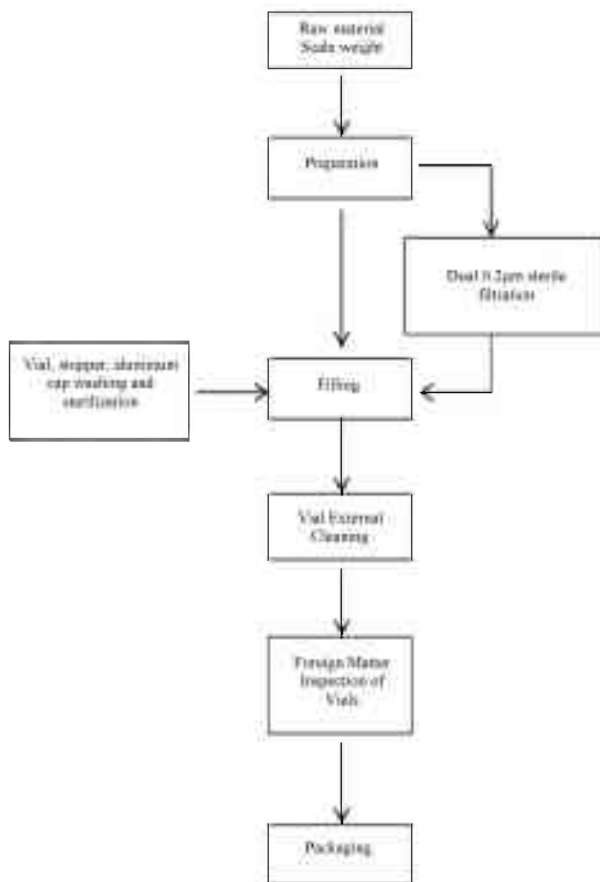
1. The Company's product applications are categorized as follows:

- (1) Oncology Pharmaceuticals: anticancer and Adjunctive Therapies.
- (2) Anti-infective and Critical Care Medications: Advanced antimicrobial agents, influenza vaccines, and critical care clinical medications.
- (3) Healthcare Medications and Other Medical Supplies: Gastrointestinal health, bone health, and metabolic drugs.

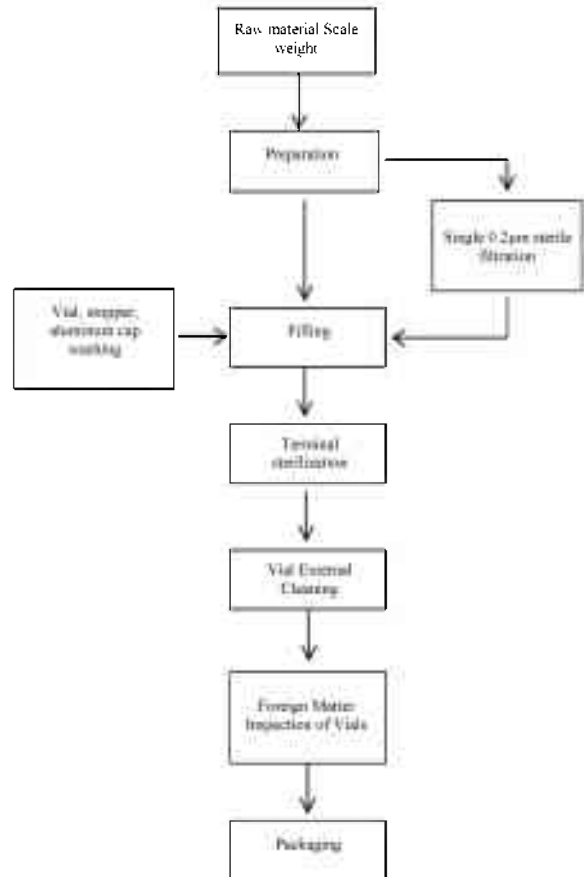
2. Manufacturing Processes:

Injectable Production Process

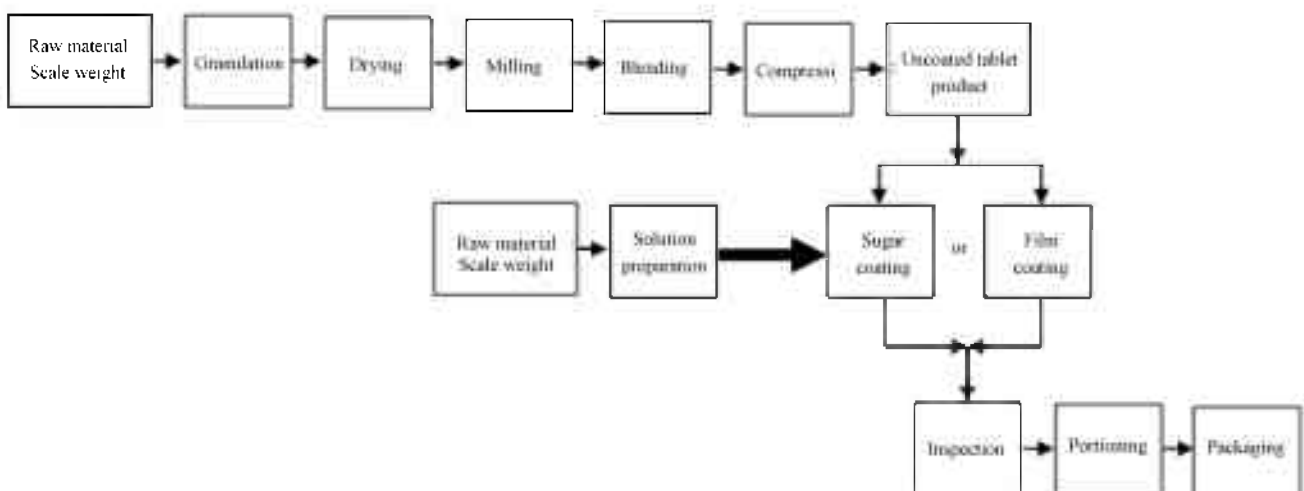
©Asceptic Processing - Production Flow



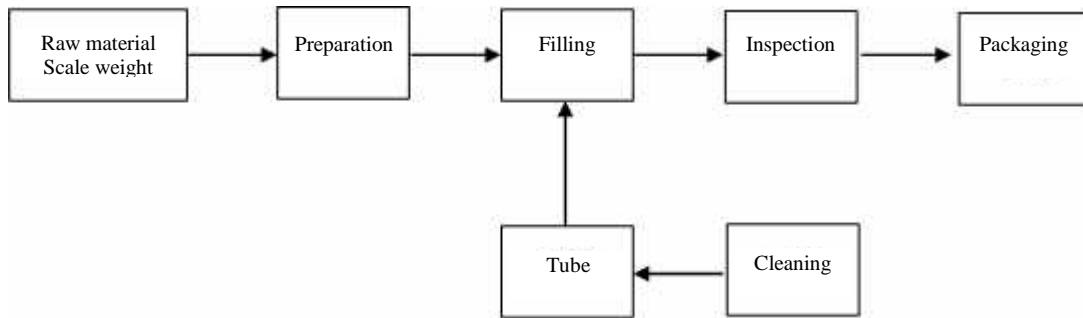
©Terminal Sterilization - Production Flow



Tablet Production Process



Ointment Production Process



(III) Main Raw Material Supply Status

The Company's raw materials are sourced from domestic and international manufacturers. To maintain stable raw material sources, our company maintains close cooperative relationships with existing manufacturers while actively developing new suppliers.

(IV) Any customer or supplier accounting for 10% or more of total annual purchases or sales

1. Major suppliers

Data on major suppliers for the past two years

Unit: NTD Thousands

Item	2023				2024			
	Name	Amount	Percentage of Total Annual Net Purchases (%)	Relationship with the issuer	Name	Amount	Percentage of Total Annual Net Purchases (%)	Relationship with the issuer
1	Company A	224,885	14.02	None	Company A	236,185	12.43	None
2	Company B	224,606	14.00	None	Company B	195,091	10.27	None
	Other	1,154,612	71.98		Other	1,468,431	77.30	
	Net Purchases	1,604,103	100.00		Net Purchases	1,899,707	100.00	

Note: Suppliers accounting for more than 10% of total purchases in the past two years are listed with their purchase amounts and percentages. However, supplier names may be coded when prohibited by contractual agreements or when transactions involve unrelated individuals.

2. Major customers

Information on major customers in the last two years

Unit: NTD Thousands

Item	2023				2024			
	Name	Amount	Percentage of Total Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Percentage of Total Annual Net Sales (%)	Relationship with the issuer
1	Company D	274,098	4.98	None	Company D	348,944	5.92	None
	Other	5,231,444	95.02		Other	5,544,903	94.08	
	Net sales	5,505,542	100.00		Net sales	5,893,847	100.00	

Note: Customers accounting for more than 10% of total sales in the past two years are listed with their sales amounts and percentages. However, customer names may be coded when prohibited by contractual agreements or when transactions involve unrelated individuals.

III. Number of employees, Average years of service, Average age, and Educational Background Distribution for the Past Two Years and as of the date of publication of the annual report

Year		2023	2024	2025, as of March 31
Employee Count (Persons)	Management personnel	89	92	94
	R&D Technical personnel	62	50	48
	Other employees	363	381	366
	Total	514	523	508
Average age		41.73	41.87	42.09
Average years of service		8.44	8.09	8.10
Education Background Distribution (%)	Doctorate	2.92	2.87	2.76
	Master's	34.44	33.27	33.86
	College/University	55.83	57.17	56.50
	High School	6.03	5.93	6.10
	Below High School	0.78	0.76	0.79

IV. Environmental Protection Expenditure Information

Losses due to environmental pollution in the most recent year and up to the printing date of the annual report, including current and potential estimated amounts and response measures: None.

V. Labor Relations

- (I) Company welfare measures, continuing education, training, retirement systems and their implementation, as well as labor-management agreements and measures to protect employee rights.

1. Employee Welfare Measures

Our company established an Employee Welfare Committee on March 19, 1998, approved by the competent authority (Taipei City Labor Department Letter No. 8720781200), to strengthen the relationship between the company and colleagues, encourage dedication, create greater welfare, care for colleagues' lives, and establish a positive corporate culture and spirit. This committee was established in accordance with the Employee Welfare Fund Regulations and Welfare Committee Organization Rules issued by the competent authorities. The company legally allocates welfare funds to the committee to implement various welfare measures. The details are as follows:

Subsidy Items	Explanation	Notes
Birthday gift money	Colleagues receive NT\$1,000 as birthday gift money in their birth month, distributed on the 15th of each month	
Marriage Gift Money	1. Colleagues who have served less than one year but more than three months and have contributed to the welfare fund for three months before the distribution date receive NT\$3,600	1. Marriage Gift Money Application: Required documents: Copy of marriage certificate or household registration and expense application form approved by supervisor

Subsidy Items	Explanation	Notes
	<ol style="list-style-type: none"> Colleagues who have served for more than one year receive NT\$6,000 If both spouses are company employees, each receives a gift 	<ol style="list-style-type: none"> Application deadline: Within three months from the date of marriage registration
Childbirth Gift Money (including miscarriage after 20 weeks of pregnancy)	<ol style="list-style-type: none"> NT\$3,600 for each childbirth by employee or spouse If both spouses work for the company, limited to one payment Payment calculated based on number of newborns 	<ol style="list-style-type: none"> Required documents: Copy of child's birth certificate, doctor's certificate, or household registration and expense application form approved by supervisor Application deadline: Within three months of childbirth; for miscarriage after 20 weeks of pregnancy, within three months of occurrence with doctor's certificate
Holiday Gift Money, Vouchers, Gifts	<p>Distributed annually for Dragon Boat Festival and Mid-Autumn Festival</p> <p>Eligibility: Employees who have contributed to the welfare fund for three full months before the distribution date</p>	Amounts determined in accordance with the individual budgets of the respective fiscal year.
Hospital Consolation Payment for Illness or Work Injury	<ol style="list-style-type: none"> NT\$3,000 consolation payment, limited to once per year (based on discharge date) Visitation gift limited to NT\$1,000 (once per year, receipt required and must be submitted with consolation payment application) 	<ol style="list-style-type: none"> Required documents: Original hospitalization certificate and expense application form approved by supervisor Application Deadline: Within three months from the date of occurrence.
Condolence Payment	<ol style="list-style-type: none"> For employee's parents, children, spouse, or spouse's parents: NT\$3,100 condolence payment and NT\$2,000 floral wreath (no cash alternative if wreath not needed) For employee's grandparents, maternal grandparents, siblings, grandchildren, maternal grandchildren, great-grandparents, or maternal great-grandparents: NT\$1,500 condolence payment OR NT\$2,000 floral wreath (choose one) If multiple company employees qualify for the same event, only one may apply 	<ol style="list-style-type: none"> Application: Copy of obituary and expense application form (receipt required for floral wreath), approved by supervisor Application Deadline: Within three months from the date of occurrence.
Disaster relief fund	<ol style="list-style-type: none"> Established to provide emergency financial assistance to colleagues facing disasters Definitions of Disaster <ul style="list-style-type: none"> Natural disasters including floods, windstorms, earthquakes, etc. 	<ol style="list-style-type: none"> Definition of Family Members <ul style="list-style-type: none"> Employee's spouse and children Employee's parents Employee's grandparents Residence: Employee's actual place of residence

Subsidy Items	Explanation	Notes
	<ul style="list-style-type: none"> ● Fire: Certified by relevant units that the cause was not suicide-related, or being affected by such incidents <p>3. Applicable scope, relief funds, and required documentation as per Attachment 1</p>	<p>3. Disaster Relief Fund: Each employee is eligible for a maximum of NT\$100,000 per incident for categories 1-5 combined, regardless of cause</p> <p>4. Application Deadline: Within three months from the date of occurrence.</p> <p>5. Application: Employee must submit original receipts/proof and expense application form approved by supervisor</p>
Education Subsidies	<p>1. Eligible Recipients: To encourage employees and their children to pursue further education, education subsidies are divided into “Tuition Assistance” and “Scholarships”</p> <p>2. Scholarship Requirements</p> <ul style="list-style-type: none"> ● Domestic universities: Schools must be government-approved public or private regular educational institutions (such as middle schools and supplementary schools, universities, etc.) and public open universities, open business colleges, open administration colleges, etc. High school, university, graduate school academic achievement with overall average score of 80 or above ● Foreign universities: GPA (Grade Point Average) of 3.5 or above, or equivalent GPA grade of A (including A-) or above <p>3. Tuition Assistance: Those certified as low-income households by local authorities who also meet scholarship grade requirements</p> <p>4. Students attending fully government-funded schools (including military schools) are not eligible for tuition assistance, but may apply for scholarships according to equivalent school standards</p> <p>5. Education subsidies paid according to standards in Attachment 2</p>	<p>1. Scholarship Application Requirements: Within 30 days after the beginning of semester (limited to one application per semester)</p> <p>2. Scholarship Application Requirements: Employee must submit domestic/foreign transcript and expense application form approved by supervisor</p> <p>3. Tuition Assistance Application Requirements: Employee must submit registration payment receipt or student ID stamped by school, low-income household certification from local authorities, and previous semester transcript</p> <p>4. For applications for employee's children, copy of ID card or household registration required</p>
travel subsidies	<p>1. Eligible: Employees entitled to travel leave</p> <p>2. New employees receive prorated subsidies based on hire date; employees who resign after participating have subsidies recovered proportionally</p> <p>3. Those unable to participate in annual employee travel forfeit the subsidy</p>	<p>1. Application: Requires expense application form and supporting documents as announced</p> <p>2. Subsidy Calculation Example: 2006 overseas travel subsidy: NT\$20,000. New employee A hired on March 1, 2006: Subsidy of NT\$16,666 ($20,000 \times 10/12$) If</p>

Subsidy Items	Explanation	Notes
	4. Calculation period: January 1 to December 31 of current year 5. Subsidy amount according to annual company announcement, limited to one application	resigned on October 31: NT\$3,333 recovered (20,000 × 2/12)
Year-end banquet	All company employees may freely participate	
Year-End Lucky Draw	Lucky Dar Eligibility: 1. Based on annual regulations, announced separately, for example: Full-time employees who joined the company by September 30 (inclusive) of the banquet year. 2. Full-time employees on business trips or working overtime on the banquet date (must provide pre-approved workflow documentation to the Welfare Committee) 3. Expatriate full-time employees (those receiving salary from the company).	1. Full-time employees who do not win any prize in the lucky draw will receive a Consolation Prize. 2. Full-time employees who have submitted resignation but are still employed on the banquet date remain eligible. 3. Full-time employees returning from unpaid leave before the banquet must have contributed to the welfare fund three times in the banquet year to be eligible. 4. Consolation Prize amount depends on the annual budget.
Recreational Activities: Family Day, Sports Day, Cultural and Recreational Activities, etc.	2. Participation Eligibility: All company employees may freely participate 3. Lucky Draw Eligibility: Full-time employees who have contributed to the welfare fund for at least three months before the activity	Family members at Family Day: Number of accompanying family members determined by annual activity budget
Employee Health Examination	Eligibility: Full-time employees who have contributed to the welfare fund for at least three months before the announced start date of employee health examination	
Labor Day (Gift money)	Eligibility: Employees who have contributed to the welfare fund for at least three months before the distribution date.	Amounts determined in accordance with the individual budgets of the respective fiscal year.

Appendix I

Category	Applicable Scope	Relief Fund (NTD)	Required Documentation
I	Employee hospitalized for treatment for more than three days due to disaster	NTD 6,000	Hospitalization certificate
II	Employee's family member hospitalized for treatment for more than three days due to disaster	NTD 5,000	Hospitalization certificate
III	Employee death due to disaster	NTD 30,000	Death certificate
IV	Employee's family member death due to disaster	NTD 15,000	Death certificate
V	Employee's residence damaged by fire, windstorm, flood, earthquake or other natural disasters resulting in damage to house and furniture	Upper Limit NTD 10,000	Documentation required by local government for the current year - photos of damaged items, copies of replacement invoices

Appendix II

Category	Tuition Assistance (NTD)	Scholarship (NTD)
High School (including equivalent schools)	NTD 4,000	NTD 1,000
University (including equivalent schools)	NTD 6,000	NTD 2,000
Graduate School	NTD 10,000	NTD 4,000

2. Employee Continuing Education and Training

To fulfill our company's corporate vision and promote healthy career development for our employees, we conduct various training and development activities for current staff to strengthen their expertise and skills, achieving organizational goals while creating opportunities for personal achievement. The company provides various educational training programs including internal training for new employees, specialized courses offered by different departments, and online courses covering various aspects. Required online courses include “Pharmacovigilance,” “SDG Sustainable Development Goals,” “Information Security,” “Intellectual Property Concepts and Protection,” “Corporate Integrity Management,” and “Good Distribution Practice (GDP).” In 2024, 100% of all colleagues completed these course readings and assessments. Additionally, all staff members in specific departments (Cancer Science Development Business Group, Critical Care Business Group, Key Account Management Department, and Public Affairs Department) achieved 100% completion of the “Pharmaceutical Advertisement Submission and Verification Practices” online course. External training is provided based on needs assessment with company subsidies, offering employees more growth opportunities in their careers while enhancing employee quality and company loyalty.

Employee Education and Training Status for 2024

Category	Item	Number of Trainees	Training Hours	Average training hours
Administration and Management		92	9,515	103.39
Sales and marketing		134	16,134	120.40
R&D		50	5,330	106.60
Plant		247	24,947	101.00
Total		523	55,923	106.92

3. Workplace Environment and Employee Safety Protection Measures

❖ Establishment of Occupational Safety and Health Management Organization

To ensure employee safety and health in the workplace, the company has established an Occupational Safety and Health Management Committee as required by law. Due to the staff count at the Neihu Formulation R&D Center falling below the statutory threshold, a “Safety and Health Management System Implementation Team” has been established instead. The dedicated occupational safety unit convenes quarterly meetings to review relevant occupational safety issues. This unit is primarily responsible for supervising and recommending occupational health and safety-related planning, with labor representatives constituting more than one-third

of the total committee membership. In accordance with the Occupational Safety and Health Act and related regulations, the company has established “Occupational Safety and Health Work Rules” and an “Occupational Safety and Health Management Plan.” Each factory has legally appointed occupational safety and health units, management personnel, and first aid personnel.

❖ Implementation of ISO 45001 Occupational Safety and Health Management System

The implementation of the ISO 45001 Occupational Safety and Health Management System is led by senior executives and department heads who conduct hazard identification and risk assessment in accordance with ISO 45001 standards. This process identifies hazards and risks resulting from changes in organization, occupational safety and health management systems, or related activities. Management programs or risk opportunity tracking and control measures are established with the goal of creating a safe and hygienic work environment. This enables the organization to identify and prevent risks, protect and provide employees with a safe and reliable workplace, reduce the likelihood of accidents and illnesses, and improve regulatory compliance.

❖ Various Measures to Ensure Employee Safety and Health

To safeguard employee health and safety, in addition to providing labor and health insurance for all employees, the company also offers group insurance, accident insurance, occupational hazard insurance, cancer insurance, and business travel insurance. Annual health examinations are arranged for all employees. Furthermore, in response to autumn and winter influenza threats, the company provides free influenza vaccinations represented by the company to all employees and their first-degree relatives (4 slots per employee).

The company has public liability insurance for all operational locations to protect the safety of all employees. Qualified fire management personnel have been assigned to each factory to establish workplace fire plans according to legal requirements. Regular inspections of fire safety equipment and public building fire evacuation facilities are conducted and reported to the competent authorities.

Additionally, the company employs on-site nurses and physicians as required by regulations to provide professional medical assistance to employees. New employee orientation includes information about the company's health services, medical assistance, and occupational disease prevention. In 2024, health information was disseminated via email on 10 health topics including: “Is Lower Back Pain Caused by Waste Accumulation?”, “Sudan Red Crisis! 4 Detox Methods for Self-Protection”, “8 Warning Signs of Diabetes”, “Chronic Inflammation! 10 Major Inflammation Indicators”, “Famous Doctor's 8-Second Jump for Anti-Aging and Blood Pressure Reduction”, “Anti-Cancer Vegetable - Broccoli”, “Timing Your Runs for More Effective Fat Burning and Weight Loss”, “Understanding Body Warning Signs from Urine Color”, “3 Traditional Chinese Medicine Methods for Throat Care During Seasonal Changes”, and “Abdominal Zipper Exercise to Reduce Visceral Fat and Tone the Waist” - all aimed at maintaining employees' physical and mental health. Nursing services are provided three times per month, and physician services three times per year. At the Neihu Formulation R&D Center, where the number of workers is below 99, nursing services are provided once per month and physician services once per year.

Beyond product safety emphasis and protection, personal protective equipment (PPE) used by on-site operators is a key focus of the company's occupational safety hazard control. For example, glove boxes are installed in factory production areas, allowing on-site operators to

conduct manufacturing processes in sealed and isolated environments, effectively preventing potential chemical exposure hazards. Additionally, chemical spill response carts are available on-site for emergency handling to minimize incident risks. Furthermore, personal protective equipment is updated according to process requirements and usage conditions to provide maximum occupational safety protection for production line employees. Items such as masks and protective clothing are single-use equipment, while respiratory protective devices are replaced based on dust absorption levels.

4. To enhance internal benefits, incentivize employee financial planning, and increase employee participation in the company, thereby achieving mutual benefits for both labor and management, the “TTY Biopharm Company Limited Employee Stock Ownership Plan” was established in 2023. Through this employee stock trust program, employees can contribute agreed amounts from their salaries and festival bonuses according to their job grade. The company provides matching contributions equal to 100% of the employee contributions as incentives.
5. Employee retirement qualifications and pension payment standards are stipulated in the company's employee retirement regulations as follows:
 - (1) Employees may request voluntary retirement under any of the following conditions:
 - ① Having worked for fifteen years or more and reached the age of fifty-five (as recorded in household registration).
 - ② Having worked for twenty-five years or more.
 - ③ Having worked for ten years or more and reached the age of sixty.
 - ④ Work seniority is limited to service with this company, calculated from the date of employment. However, for employees transferred by the company, or retained by agreement with a new company during reorganization or transfer, their work seniority shall be calculated cumulatively.
 - (2) The company may impose mandatory retirement under the following condition
 - ① When an employee reaches the age of sixty-five (as recorded in household registration).
 - ② When employee is physically disabled and unable to perform the job.
 - ③ For the aforementioned age limit of sixty-five, the company may apply to the central competent authority for adjustment for employees performing work of a dangerous or physically demanding nature, but the adjusted age may not be less than fifty-five.
 - (3) Employee Pension Payment Standards
 - ① For work seniority after the application of the Labor Standards Act, pension payment standards are as follows:
 - a. Based on years of service, two base units are given for each full year worked. For years of service exceeding fifteen years, one base unit is given for each full year, with a maximum total of forty-five base units. Periods less than half a year are calculated as half a year; periods of half a year or more are calculated as one year.
 - b. For workers forced to retire due to physical or mental disability resulting from the performance of their duties, an additional 20% is added to the payment calculated according to item a. above.
 - c. The standard for pension base units refers to the average monthly wage at the time retirement is approved.
 - ② For work seniority prior to the application of the Labor Standards Act, pension payment standards are calculated according to the laws and regulations applicable at that time. Where no laws or regulations were applicable, calculations are based on

company regulations or negotiations between employees and the company.

③ Effective July 1, 2005, in response to the implementation of the “Labor Pension Act,” pension payment standards are as follows:

- a. For workers who choose to continue under the Labor Standards Act pension regulations, their pensions are paid according to the previously mentioned “Work Seniority After the Application of the Labor Standards Act” standards.
- b. For work seniority after choosing to apply the “Labor Pension Act,” the “Individual Retirement Account System” is adopted, with pension receipt and calculation methods as follows:

- | | |
|-----------------------------|--|
| ➤ Monthly Pension: | The principal and accumulated earnings in the worker's individual pension account are calculated based on the annuity life table, average remaining life expectancy, interest rates, and other factors to determine the amount of periodic pension payments. |
| ➤ Lump-Sum Pension: | One-time receipt of the principal and accumulated earnings in the worker's individual pension account. |
| ➤ Annuity insurance system: | Payment amounts are determined according to the insurance contract. |

6. Status of labor-management agreements and measures for the protection of employee rights

All amendments or new measures related to labor relations at BRIM Biotechnology, Inc. are finalized only after thorough consultation and mutual agreement between labor and management. As a result, no labor disputes have arisen.

- (II) Losses incurred due to labor disputes in the most recent fiscal year and up to the publication date of this annual report, with disclosure of current and potential estimated amounts and corresponding response measures.

The relationship between labor and management in our company is harmonious. In the most recent fiscal year and up to the publication date of this annual report, we have not suffered any losses due to labor disputes.

VI. Information Security Management

- (I) Information Security Risk Management Framework, Information Security Policy, Specific Management Programs and Resources Invested in Information Security Management

1. Information Security Risk Management Framework

- The Company’s information security governance is led by the Information Technology Department, which serves as the designated authority for cybersecurity oversight. A dedicated Chief Information Security Officer (CISO) and one full-time cybersecurity specialist are responsible for formulating internal information security policies, planning and executing cybersecurity operations, and implementing the Company’s security governance framework. Regular updates on the status of cybersecurity risk management are reported to the Sustainable Development Committee and the Board of Directors to ensure oversight, alignment with corporate governance, and compliance with relevant standards.
- The Audit Office of BRIM Biotechnology, Inc. functions as the supervisory unit for

cybersecurity governance. It is staffed with an audit supervisor and dedicated auditors responsible for overseeing the implementation of internal information security controls. In the event of identified deficiencies, audited units are immediately required to submit corrective action plans along with specific remediation measures. The Audit Office conducts regular follow-ups to evaluate improvement effectiveness and reduce internal cybersecurity risks.

- The Company adopts a PDCA (Plan-Do-Check-Act) cyclical management model to ensure the achievement of reliability objectives and the continuous improvement of its information security framework.

2. Information Security Policies and Management Measures

➤ Cybersecurity Governance Mechanism

- Policy Framework: Establishment of a company-wide cybersecurity management system that sets clear rules governing employee conduct and operational procedures.
- Technology Deployment: Implementation of cybersecurity infrastructure and systems to ensure the effectiveness of technical controls and risk mitigation.
- Personnel Training: Regular information security awareness and education programs to enhance cybersecurity literacy across all employees.

➤ Cybersecurity Management Measures

- System specifications:

BRIM maintains comprehensive measures encompassing regulatory compliance, technical safeguards, organizational oversight, and user behavior management to ensure data integrity, confidentiality, and availability across all operations.

(1) Implementation of Taiwan Intellectual Property Management System:

To strengthen intellectual property (IP) governance, BRIM Biotechnology, Inc. adopted the Taiwan Intellectual Property Management System (TIPS) in 2015. Since then, the Company has conducted regular internal audits and convened TIPS management review meetings on an annual basis. In alignment with corporate governance evaluation guidelines, the Company discloses its IP management plan on the corporate website and reports implementation status to the Board of Directors.

(2) Enhanced Trade Secret Protection Measures:

To reinforce internal trade secret management, BRIM collaborated with an external cybersecurity consulting firm in 2020 (Year 109) to conduct a comprehensive audit and classification of trade secrets. Based on this assessment, the Company refined its internal control framework and implemented tiered access and protection protocols corresponding to the sensitivity level of trade secret data. These controls govern the usage, transmission, and storage of confidential information to ensure secure handling across all operational layers.

(3) Periodic Cybersecurity Risk Assessment

BRIM adheres to ISO 27005 principles in conducting periodic internal cybersecurity risk assessments. These assessments evaluate the value, vulnerabilities, threats, and impact associated with each information asset to determine overall risk exposure. Based on these findings, the Company formulates targeted enhancement measures to continuously improve its information security posture and safeguard its digital infrastructure.

- Technology Deployment:

To defend against external cybersecurity threats, BRIM Biotechnology, Inc. has implemented a multi-layered network architecture alongside a suite of advanced security systems, significantly enhancing the overall resilience of its information infrastructure. In parallel, internal personnel operations are governed by well-defined

procedural protocols and supported by security tools to ensure compliance with corporate information security policies. Specific Implementation Measures:

(1) External threats

To guard against external intrusion and malware risks, the Company has deployed key cybersecurity systems including firewalls and anti-virus/anti-ransomware solutions. Additionally, vulnerability scanning tools are used to identify and remediate system weaknesses, ensuring robust threat prevention. BRIM also conducts periodic enterprise-wide cybersecurity exposure assessments to establish a comprehensive and quantifiable risk evaluation framework. These assessments analyze various categories of organizational risk, producing consolidated risk scores and grading levels to accurately gauge the Company's cybersecurity defense maturity. The Company also benchmarks its performance against peer industry ratings to identify gaps relative to market standards, ensuring the effectiveness, adaptability, and competitiveness of its information security strategies.

(2) Access Rights Management

BRIM Biotechnology, Inc. adheres to the principle of least privilege in managing internal system and data access rights. Personnel are restricted from using system functions without prior authorization and are unable to access information unrelated to their assigned duties. To ensure appropriate access configurations, the Company conducts an annual access rights audit to review and verify the accuracy of system permission assignments.

(3) Access control

To strengthen access control measures, BRIM employs a multi-layered network architecture that segregates systems by function and limits external connectivity. An information activity monitoring system is deployed to log user behavior, detect abnormal access patterns in real time, and immediately alert system administrators for prompt response and resolution.

(4) System availability

To maintain operational stability and minimise service disruption during system anomalies, BRIM has implemented a continuous availability monitoring system that performs 24/7 automated status checks. In the event of irregularities, the system automatically notifies relevant personnel for immediate intervention. Additionally, disaster recovery protocols are established based on the criticality of each information system, including data backup, redundancy mechanisms, and offsite recovery solutions. Annual disaster recovery drills are conducted to validate the functionality and readiness of these contingency measures.

● Personnel training:

BRIM Biotechnology, Inc. conducts quarterly cybersecurity training sessions for new employees, covering practical information security practices. In addition, a series of e-learning modules on cybersecurity have been developed to enhance internal staff knowledge and technical competency. In 2024, all newly onboarded employees successfully passed the required assessments. A total of 523 general employees (excluding those hired in December without mandatory online training requirements) completed all assigned online courses and passed the corresponding examinations.

3. Investment in Information Security Management

In the post-pandemic era, cyberattacks on enterprises remain persistent and increasingly sophisticated. In response, BRIM Biotechnology has restructured its information security strategy to meet evolving global threats. Key areas of implementation include:

(1) Data Center Infrastructure Security

To strengthen access control and operational safety of core systems and file servers,

BRIM has deployed a hyper-converged infrastructure alongside an enterprise-grade file server solution. Offsite backup systems have also been established to ensure robust, flexible, and real-time disaster recovery capabilities, supporting the Company's ongoing business expansion and continuity requirements.

(2) External Access Control

To mitigate the risk of credential leakage through employee use of VPN services, BRIM Biotechnology, Inc. has implemented multi-factor authentication (MFA) to strengthen user identification and access security for external connections.

(3) Internal and External Network Management

- Internal Network Security

According to reports from domestic cybersecurity agencies, approximately 80% of breaches originate from improper internal network usage. In response, BRIM has deployed a leading internal network security monitoring solution that screens all endpoint devices connected to the internal network. Unauthorized devices are denied access, thereby preventing ransomware and other internal threat vectors and ensuring secure internal network operations.

- External Network Security

To enhance defense against external threats, BRIM continues to upgrade to next-generation firewall systems. These systems enable more efficient inspection and filtering of inbound and outbound traffic and provide effective prevention mechanisms to block potential threats, reducing the risk of external breaches.

(4) Professional Cybersecurity Testing

To reduce the risk of system vulnerabilities being exploited, BRIM maintains up-to-date operating systems and conducts regular vulnerability scans on critical servers. Identified vulnerabilities are promptly remediated based on scan results to prevent exploitation by malicious actors.

(5) Implementation of Preventive Drills

BRIM Biotechnology, Inc. conducts annual recovery exercises for both local and offsite backup environments. Automated backup and redundancy mechanisms are in place for critical systems and data to ensure operational continuity in the event of a disaster. In 2024, the Company successfully completed one disaster recovery drill and one offsite restoration exercise, verifying the effectiveness of its recovery protocols.

(6) Information security awareness for personnel

To strengthen employee awareness of cybersecurity risks, BRIM carries out annual social engineering drills to heighten vigilance against suspicious emails and mitigate the risk of data breaches. These drills are supplemented with online security training modules and post-training assessments to ensure that personnel are informed of the latest cybersecurity threats and countermeasures. In 2024, all employees completed the cybersecurity e-learning program and passed the associated examinations.

Beyond the aforementioned core initiatives, BRIM is also actively evaluating the adoption of the ISO 27001 international information security standard. This effort aims to enhance the Company's operational procedures through a rigorous compliance framework, with the objective of achieving certification and aligning with global best practices.

- (II) In the most recent fiscal year and up to the publication date of this annual report, there have been no losses incurred due to major information security incidents, potential impacts, or response measures. If reasonable estimation is not possible, the fact of such inability to reasonably estimate should be stated: None.

VII. Material contracts

Nature of Contract	Counterparty	Contract Term Start	Main content	Restrictive clauses
Sales	Towa Pharmaceutical Co. Ltd	From May 2012	Product Development, Manufacturing and Sales	—
Contract Manufacturing	Mentholatum Taiwan Ltd.	From March 2014	Acquisition of manufacturing rights of Mentholatum-branded products	—
Contract Manufacturing	TSH Biopharm Corporation Limited	From January 2015	Contractual manufacturing of designated medical products	—
Distribution	Pharma Mar S.A.	From July 2015	Exclusively Licensed Product Listed in Taiwan	—
Authorization	Taiwan Otsuka Pharmaceutical Co., Ltd.	From May 2016	Exclusively Licensed Product Listed in Taiwan	—
Distribution	SEQIRUS UK LIMITED	From October 2016	Exclusively Licensed Product Listed in Taiwan	—
Authorization	Pharmaceutical Company A	From June 2016	Joint Product Development, Manufacturing, and Sales	—
Authorization	Pharmaceutical Company B	From March 2021	Joint Product Development, Manufacturing, and Sales	—
Distribution	PAION UK Ltd.	From March 2021	Exclusively Licensed Product Listed in Taiwan	—
Authorization	Pharmaceutical Company G	From March 2021	Joint Product Development, Manufacturing, and Sales	—
Authorization	Pharmaceutical Company E	From December 2021	Joint Product Development, Manufacturing, and Sales	—
Authorization	Pharmaceutical Company F	From March 2023	Joint Product Development, Manufacturing, and Sales	—
Authorization	Pharmaceutical Company J	From May 2023	Exclusively Licensed Product Listed in Taiwan	—
Authorization	Pharmaceutical Company I	From December 2023	Exclusively Licensed Product Listed in Taiwan	—
Authorization	Pharmaceutical Company S	From May 2024	Products Exclusively Licensed for Marketing in Australia and New Zealand	—
Authorization	Pharmaceutical Company H	From May 2024	Products Exclusively Licensed for Marketing in Brazil	—
Authorization	Pharmaceutical Company V	From July 2024	Products Exclusively Licensed for Marketing in South Korea	—
Authorization	Pharmaceutical Company P	From January 2025	Products Non-Exclusively Licensed for Marketing in Multiple Middle Eastern Countries	—

Five. Analysis of Financial Position, Financial Performance, and Risk Factors

I. Financial Position Analysis

Unit: NTD Thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	5,370,434	5,793,068	422,634	7.87
Property, plant and equipment	2,278,114	2,235,004	(43,110)	(1.89)
Other assets	115,213	129,219	14,006	12.16
Total assets	9,874,909	10,862,766	987,857	10.00
Current liabilities	2,583,745	2,862,409	278,664	10.79
Non-current liabilities	785,022	489,417	(295,605)	(37.66)
Total liabilities	3,368,767	3,351,826	(16,941)	(0.50)
Share capital	2,486,500	2,486,500	—	—
Capital reserve	316,618	317,036	418	0.13
Retained earnings	3,182,007	3,888,224	706,217	22.19
Total Shareholders' Equity	6,506,142	7,510,940	1,004,798	15.44

(I) Main Reasons for Significant Changes:

1. Increase in other assets: Primarily due to increased prepayments for equipment to support future capacity requirements, including plant renovation and production line installation.
2. Increase in current liabilities and decrease in long-term liabilities: Mainly due to reclassification of long-term loans maturing within one year to short-term loans.

(II) Impact of Significant Changes and Future Response Plans: None.

II. Financial Performance Analysis

Unit: NTD Thousands

Item \ Year	2023	2024	Amount of Increase / Decrease	Percentage Change %
Net Operating Revenue	5,505,542	5,893,847	388,305	7.05
Operating Costs	2,218,466	2,479,113	260,647	11.75
Add: Realized Gross Profit from Affiliated Companies	8,544	13,490	4,946	57.89
Less: Unrealized Gross Profit from Affiliated Companies	13,490	12,053	(1,437)	(10.65)
Operating Gross Profit	3,282,130	3,416,171	134,041	4.08
Operating Expense	1,909,697	2,022,315	112,618	5.90
Operating Profit	1,372,433	1,393,856	21,423	1.56
Non-operating Income and Expenses	47,032	491,831	444,799	945.74
Net Income before Tax from Continuing Operations	1,419,465	1,885,687	466,222	32.84
Income Tax Expense	300,864	366,333	65,469	21.76
Net Income after Tax from Continuing Operations	1,118,601	1,519,354	400,753	35.83
Cumulative Effect of Changes in Accounting Principles	—	—	—	—
Net Income after Tax from Divested Units	—	—	—	—
Net Income for the Period	1,118,601	1,519,354	400,753	35.83

(I) Major Reasons for Significant Changes:

Increase in Non-operating Income and Expenses, Net Income Before and After Tax from Continuing Operations: Primarily due to increased operating revenue in 2024 driving overall growth in operating profit and net income. Additionally, the Company's affiliated enterprises recognized sales milestone licensing income, resulting in increased investment gains recognized under the equity method.

(II) Expected Sales Volume and Basis:

For 2025, the company forecasts sales of 422,410 thousand oral dosage units and 6,030 thousand injectable units. The company's expected sales volume is based on IQVIA

statistical reports, while also considering potential future market supply and demand changes, new product development speed, and national health insurance policies.

(III) Potential Impact on Future Financial Operations and Response Plans:

The Company currently maintains a stable profitable state, which should have a positive impact on future financial operations and will facilitate the expansion of operational scale and the continuation of internationalization plans.

III. Cash Flow Analysis

Unit: NTD Thousands

Initial Cash Balance	Annual Net Cash Flow from Operating Activities	Annual Cash Outflow	Cash Surplus (Deficit) Amount	Remedial Measures for Cash Shortfall	
				Investment plan	Financial Management Plans
2,621,020	1,349,376	1,197,781	2,772,615	—	—

(I) Cash Flow Analysis for the Most Recent Year:

1. Operating Net Inflow of NT\$1,349,376 thousand, primarily due to cash generated Activities: from operations amounting to NT\$1,528,319 thousand.
2. Investment Net Outflow of NT\$243,563 thousand, mainly due to the Company's activities: subsidiary, TSH Biopharm, acquiring shares of the TOP Pharma Medical-ware Group to expand its sales territory and integrate upstream and downstream manufacturers.
3. Financing Net Outflow of NT\$954,218 thousand, primarily due to the distribution Activities: of cash dividends for fiscal year 2023 amounting to NT\$891,665 thousand.

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

(III) Cash Flow Analysis for the Coming Year:

Unit: NTD Thousands

Initial Cash Balance	Expected Annual Net Cash Flow from Operating Activities	Expected Annual Cash Outflow	Expected Cash Surplus (Deficit) Amount	Expected Remedial Measures for Cash Shortfall	
				Investment plan	Financial Management Plans
2,772,615	1,602,011	(1,400,468)	2,974,158	—	—

1. Estimated Annual Net Cash Flow from Operating Activities: NT\$1,602,011 thousand, primarily due to estimated profits generated from operations in 2025, resulting in positive cash flow from operating activities.
2. Estimated Annual Cash Outflow: NT\$1,400,468 thousand, mainly due to distribution of cash dividends, acquisition of property, plant and equipment, and intangible assets.

IV. Recent Major Capital Expenditures and Their Impact on Financial Operations

Unit: NTD Thousands

Project Items	Actual or Expected Source of Funds	Actual or Expected Completion Date	Total Required Funds	Actual or Planned Fund Utilization	
				2024	2025
Zhongli Plant B1 Area Liquid Injection Production Line Upgrade	Own Funds and Bank Loans	2024	45,302	35,445	—
Lioudu Plant B3 Microsphere Preparation Production Area Renovation Project	Own Funds and Bank Loans	2026	195,098	—	—
Lioudu Plant B1 Injection Plant 2nd Freeze Dryer Purchase	Own Funds and Bank Loans	2027	193,040	36,237	66,116
System Implementation	Own Funds and Bank Loans	2025	56,117	56,117	—

The Company's profits are stable; the funds required for the aforementioned capital expenditures have no significant impact on the Company's financial operations.

V. Recent Year's Investment Policy, Major Causes of Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year

(I) Recent Year's Investment Policy

1. Strategic alliances for new drug research and development, such as: PharmaEngine Inc.
2. Strategic alliances to expand existing overseas distribution channels, such as: TTY Biopharm Korea Co., Ltd. (Korean distribution), American Taiwan Biopharm Co., Ltd. (Thailand distribution), and American Taiwan Biopharma Philipines Inc. (Philippines distribution).

(II) Major Causes of Investment Profit or Loss and Improvement Plans:

1. PharmaEngine Inc. recognized sales, profit-sharing, and milestone payment revenues in 2024, with after-tax net profit of NT\$1,751,030 thousand. Our company recognized an investment gain of NT\$315,186 thousand.
2. Regarding strategic alliances for existing overseas distribution channels, TTY Biopharm Korea Co., Ltd., primarily a marketing team, reported an after-tax net loss of NT\$8,130 thousand in

2024; American Taiwan Biopharm Co., Ltd. maintained stable profitability with after-tax net profit of NT\$136,374 thousand in 2024. American Taiwan Biopharma Philippines Inc. is still expanding its distribution portfolio and strengthening existing brand market share, with after-tax net profit of NT\$774 thousand in 2024.

(III) Investment Plan for the Coming Year:

IN THE FUTURE, OUR COMPANY WILL CONTINUE TO ADHERE TO THE PRINCIPLE OF LONG-TERM STRATEGIC INVESTMENT, CAREFULLY EVALUATING INVESTMENT PLANS.

VI. Risk Factor Assessment and Analysis for the Most Recent Fiscal Year and up to the Annual Report Publication Date

(I) Impact of Interest Rate, Exchange Rate, and Inflation Fluctuations on Profit and Loss, and Future Mitigation Measures:

1. Impact on Profit and Loss of the Company:

ITEM	2024	
	INTEREST INCOME (EXPENSE)	FOREIGN EXCHANGE GAIN (LOSS)
NET AMOUNT	47,021	24,966
AS A PERCENTAGE OF NET REVENUE	0.80%	0.42%
AS A PERCENTAGE OF PRE-TAX PROFIT	2.49%	1.32%

2. Future Mitigation Measures:

- (1) Interest rate: In alignment with the Company's mid- to long-term development and financial planning, medium- and long-term borrowings will be considered to meet strategic capital needs, while short-term borrowings will be used for operating liquidity to reduce overall financing costs.
- (2) Exchange rate: The Finance Department continuously monitors exchange rate trends and forecasts foreign currency needs for the coming three months. In the event of a net short position, the Company will purchase foreign currencies on the spot market based on trend-based reference rates provided by various foreign exchange banks. Foreign exchange gains accounted for 1.32% of annual revenue in 2024, representing a relatively low impact.
- (3) Inflation: Current inflationary conditions have not had a material impact on the Company's profit and loss performance.

(II) Policy on High-Risk and High-Leverage Investments, Lending to Others, Endorsements, and Derivative Product Transactions; Main Reasons for Profit or Loss; and Future Response Measures:

Our company does not engage in high-risk or high-leverage investments. All investments are executed according to company regulations after careful evaluation. Regarding lending to others and endorsement guarantees, funds are only lent to invested companies and are managed according to the company's operational procedures for lending funds to others. Furthermore, the company does not provide endorsement guarantees for others, and derivative financial instrument operations are primarily for hedging purposes. All operations have carefully considered risk conditions and are executed according to company regulations, having minimal impact on the company.

(III) Future R&D Plans and Projected R&D Expenditures:

Our company's main r&d directions include specialty formulation drugs (patentable or with high-barrier characteristics), biologics and new drug development, and obtaining licenses for new indications. The company plans to invest ntd 163,824 thousand in research and development for the 2025 fiscal year. The expenditures will primarily support the expansion of product indications, conduct of clinical trials aimed at overseas market entry, and scale-up batch testing of newly developed products.

(IV) Impact of Major Domestic and International Policy or Regulatory Changes on Company Operations and Financials, and Corresponding Measures:

Taiwan's implementation of the Global Budget Payment System has led to multiple rounds of drug price adjustments. Under this system, both drug prices and volumes are tightly regulated, placing downward pressure on the pricing and sales of certain pharmaceutical products. This, in turn, affects international pricing benchmarks and compresses revenue and profit margins for domestic manufacturers.

Countermeasures:

The Company actively participates in policy-related discussions, including regular involvement in drug pricing and healthcare policy committees. The Company also engages in ad hoc policy forums organized by public and private sector entities. In collaboration with industry associations, medical societies, and pharmaceutical professional organizations, the Company advocates on pricing and access issues and plays an active role in both policy dialogue and legislative consultations. In addition, the Company has established a comprehensive nationwide sales network across Taiwan, enabling real-time service delivery to hospitals and clinics. This enhances market coverage and optimizes resource utilization. For pharmaceutical products with defined market scale and value, the Company reinforces strategic partnerships and collaborates closely with clinical professionals to improve patient care. These efforts aim to strengthen trust among healthcare institutions and physicians, thereby increasing the likelihood of appropriate and rational prescribing. Additionally, the Company actively pursues in-licensing opportunities for late-stage targeted therapies, aligning regulatory approval timelines with those in advanced markets. This approach shortens domestic time-to-market and leverages the Company's experienced marketing team and resource infrastructure to maximize product revenue. These measures are designed to offset

profitability pressures resulting from continued drug price adjustments.

(V) Impact of Technological Change (Including information security Risks) and Industry Shifts, and Mitigation Measures:

1. The launch of competing products poses pricing pressures and may erode market share, negatively impacting the company's financial and operational performance.

Countermeasures:

The company closely monitors new drug launches via sources such as fda/ema newsletters, taiwan fda's drug registration database, and national health insurance administration meeting agendas. By tracking these developments in real time, the company formulates defensive strategies for core products and formulary positioning of generics, thereby reducing the impact of competitive entries on revenue.

2. Losses Caused by Information Security Breaches, Malware, Computer Viruses, and Hacker Intrusions

Countermeasures:

(1) Management Guidelines

Information security management system and system permissions management.

(2) Prevention system

- Firewall/Ransomware prevention tools/Antivirus software/Endpoint management/Multi-factor authentication.
- Regular vulnerability scanning and remediation of critical internal systems to mitigate system risks. Implementation of privileged account management systems to prevent unauthorized access to system administrator accounts. Effective management of company-issued and employee-owned devices (computers/phones/tablets) through antivirus software and endpoint management to prevent internal connection access risks.
- Implementation of multi-factor authentication mechanisms to effectively verify employee identity when accessing critical company systems from external connections, preventing risks associated with stolen account credentials.
- Establishment of automatic backup and redundancy mechanisms for critical host systems and data, with regular local and off-site disaster recovery drills to ensure normal system recovery during anomalies.

(3) Educational Training

Implementation of information security education training courses and engagement of external consulting firms to conduct periodic security seminars, establishing risk awareness among colleagues.

(VI) Impact of Corporate Image Changes on Crisis Management and Response Measures:

Sudden or external events that may threaten corporate image and reputation.

Countermeasures:

Our company continues to strengthen corporate governance, fulfill social responsibilities, and is committed to developing sound internal control systems and capital structure to maintain stable operations and a positive corporate image. Additionally, we have implemented external sentiment monitoring systems to track market dynamics and key stakeholder opinions in real time, strengthening internal and external communication mechanisms. Based on this information, we develop response strategies and action plans for sudden events to effectively mitigate potential risks and ensure corporate credibility and sustainable development.

(VII) Expected Benefits, Potential Risks, and Response Measures for Acquisitions: None.

(VIII) Expected Benefits, Potential Risks, and Response Measures for Plant Expansion:

Plant expansion will enhance our company's production capacity, allowing us to manufacture our own products and perform contract manufacturing for other pharmaceutical companies, thereby increasing revenue.

Capital expenditures for plant expansion have been meticulously planned by our company and do not pose operational risks.

(IX) Risks and Response Measures for Concentrated Procurement or Sales:

In 2024, only two suppliers individually accounted for more than 10% of our company's total procurement value. The combined procurement from these suppliers represented only 22.70% of our company's total procurement. These suppliers are globally renowned international manufacturers, with extremely low possibility of risk. Additionally, in 2024, no single customer's sales amount accounted for 10% or more of our company's annual net sales, eliminating risks of sales concentration.

(X) Impacts, Risks, and Response Measures Related to Major Transfer or Replacement of Shareholding by Directors, Supervisors, or Major Shareholders with More Than 10% Ownership:

Our company's directors have not experienced any major transfer or replacement of shareholding during the most recent fiscal year and up to the printing date of the annual report.

(XI) Impacts, Risks, and Response Measures for Changes in Management Control:

There were no changes in management control during the most recent fiscal year and up to the printing date of the annual report, therefore this is not applicable.

(XII) The Company discloses the following material litigation, non-litigation, or administrative proceedings involving TTY Biopharm Company Limited, its directors, supervisors, general manager, de facto responsible persons, shareholders holding more than 10% of shares, or subsidiaries, that have been adjudicated or remain pending and may materially impact shareholder equity or the price of the Company's securities. Relevant case facts, claims, initiation dates, principal parties, and the status as of the date of this annual report are as follows:

1. On 8 May 2017, TTY Biopharm Company Limited entered into a joint venture agreement with Netherlands-based 2-BBB MEDICINES BV ("2-BBB") to establish EnhanceX, Inc.

Subsequently, disputes arose regarding the execution of the joint venture agreement. 2-BBB alleged breaches of the agreement by the joint venture entity and filed an arbitration claim for damages on May 23, 2024. The case is currently under arbitration proceedings administered by the Chinese Arbitration Association, Taipei. The actual impact on the Company will depend on the final outcome of the arbitration.

2. Following the receipt of a whistleblower report, the Company conducted an internal investigation and proactively referred the matter to the Criminal Investigation Bureau of the National Police Agency. On 18 April 2024, the Shilin District Prosecutors Office indicted Mr. Shih Chun-Liang and others in connection with the case. The matter has been forwarded to the Shilin District Court for trial. On 25 December 2023, the Shilin District Prosecutors Office issued an official notice requesting that the Company return NTD 53,900 thousand in donation funds previously recorded under “collection and payment on behalf of others.” Upon consultation with external legal counsel, it was advised that the underlying legal dispute remains unresolved. After assessing the likelihood of recourse and potential avenues for legal remedy, the Company has recognized a partial provision for loss in its financial statements.
3. With respect to the “Risperidone Drug Development Agreement” entered into between TTY Biopharm Company Limited and Center Laboratories, Inc. (“Center Labs”), the Company maintains that the agreement was executed without proper procedural compliance and in violation of applicable legal requirements, and is therefore invalid. On July 1, 2016, Center Labs filed a civil lawsuit with the Taipei District Court seeking confirmation of the existence of the contractual relationship. The case has undergone multiple instances of appeal and remand. On December 24, 2024, the Taiwan High Court dismissed the Company’s appeal and upheld the existence of a contractual relationship between the parties. The Company has filed a subsequent appeal with the Supreme Court within the statutory period to safeguard its legal rights.
4. On May 14, 2021, the Company received a ruling from the Fair Trade Commission (FTC), which determined that the exclusive distribution agreement for the product “Furil Capsules” entered into with Lotus Pharmaceutical Co., Ltd. on February 4, 2009 constituted concerted action in violation of fair trade regulations. The Company was accordingly fined by the FTC. On July 12, 2021, the Company filed an administrative lawsuit with the Taipei High Administrative Court seeking revocation of the aforementioned disposition by the Fair Trade Commission. The case is currently under trial at the Taipei High Administrative Court.
5. On May 31, 2016, the Company filed a civil lawsuit with the Zug District Court in Switzerland against Inopha AG, seeking a declaratory judgment invalidating thirteen licensing agreements between the parties and demanding the return of unjust enrichment. On 21 January 2025, the Company reached an out-of-court settlement with Inopha AG and its beneficial owner, Mr. Denis Opitz. A formal settlement agreement was executed, and the Zug District Court issued an order of case dismissal on 22 January 2025.

6. At the Company's request, Janssen Pharmaceutica NV initiated a tripartite arbitration proceeding on 30 May 2016 with the World Intellectual Property Organization (WIPO) Arbitration and Mediation Center, naming Inopha AG and TTY Biopharm Company Limited as parties, seeking clarification on the allocation of contractual payments. On 21 January 2025, the Company entered into an out-of-court settlement with Inopha AG and Mr. Denis Opitz, and a formal settlement agreement was executed accordingly.
7. On February 28, 2020, our company filed a civil damage compensation lawsuit against Denis Opitz, the original beneficial owner of Swiss company Inopha AG, at the Dresden Labor Court in Germany. On January 21, 2025, our company reached an out-of-court settlement with Inopha AG and its beneficial owner, Mr. Denis Opitz, and formally signed a settlement agreement. The case was officially dismissed by the Dresden Labor Court in Germany on January 31, 2025.

The final rulings and outcomes of the aforementioned legal proceedings are not expected to have a material impact on shareholder equity or the market price of the Company's securities.

(XIII) Other Material Risks and Mitigation Measures:

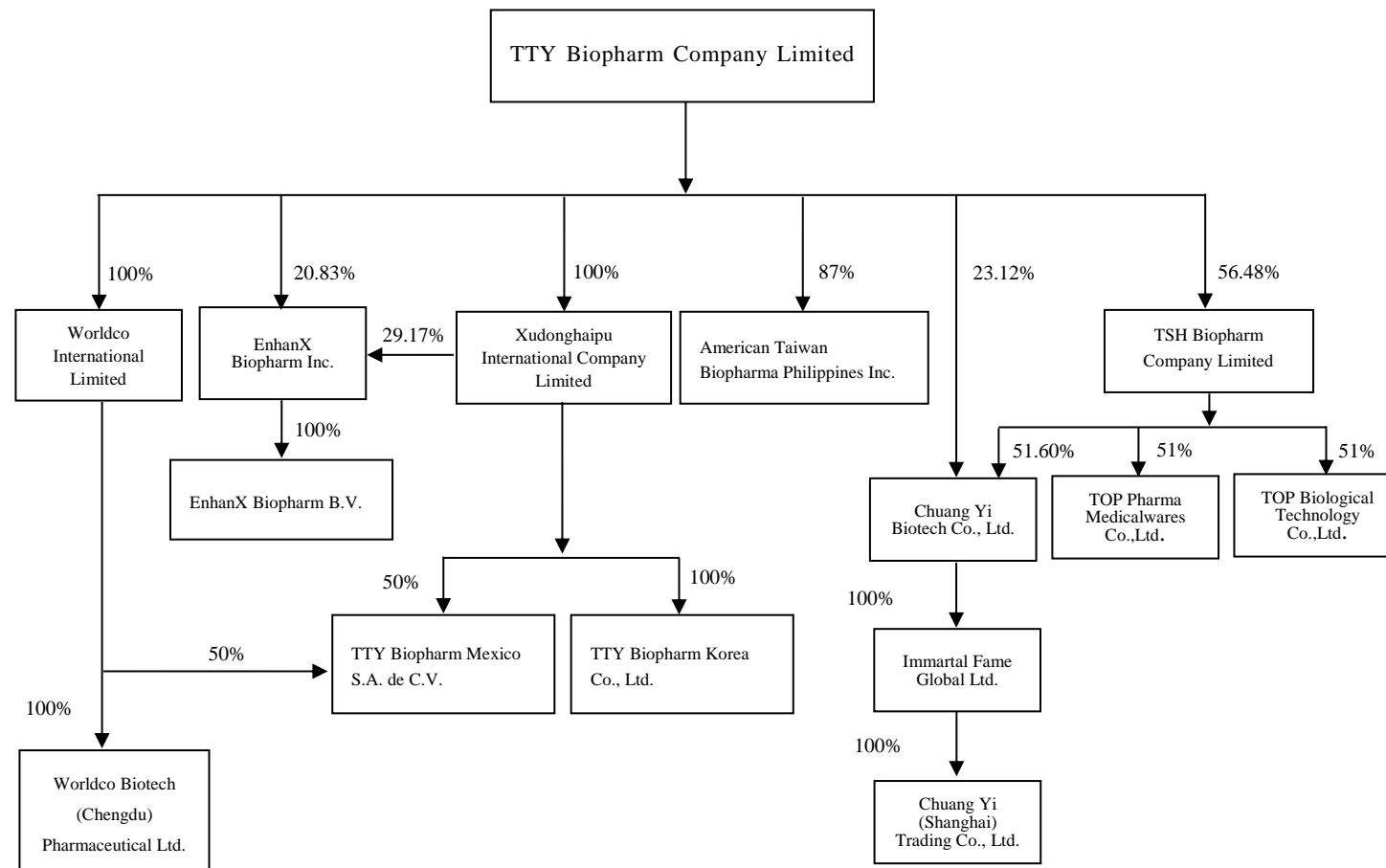
In response to potential uncertainties that could pose risks to the Company's operations, and to ensure stable business management aligned with long-term sustainability goals, the Board of Directors approved the "Risk Management Policies and Procedures" on December 28, 2020. This policy defines various categories of risk in line with the Company's overarching operational strategies and establishes mechanisms for risk identification, assessment, mitigation, supervision, and ongoing review. The aim is to prevent or minimize the operational impact of risk events and safeguard the Company's sustainable development.

VII. Other Material Matters: None

Six. Special Disclosure

I. Information on Affiliated Enterprises

(I) Organization chart of affiliated enterprises



(II) Basic information of affiliated enterprises

UNIT: NTD THOUSAND; DECEMBER 31, 2024

Enterprise name	Date of Establishment	Address	Paid-in capital	Main business activities
Xudong Haipu International Co., Ltd.	2009.04	4th Floor, Harbour Place, 103 South Church Street P.O. Box 10240, Grand Cayman KYI 1002, Cayman Islands	NTD 14,542	Investment
Worldco International Co., Ltd.	2004.09	Room B22, 9/F, Billion Plaza 2, 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong	HKD 1,980	Investment, marketing of western drugs
Worldco Biotech (Chengdu) Pharmaceutical Ltd.	2012.02	Room 3~4, 7F., Unit 2, Jinniu Civic Center Building 1, No. 999, Yipin Tianxia Dajie, Jinniu Dist., Chengdu City, Sichuan Province	RMB 11,900	Sales of western drugs
American Taiwan Biopharma Philippines Inc.	2003.08	Unit 1009 10 Floor One Corporate Center CU, Julia Vargas Corner Meralco Avenue, Ortigas Center, San Antonio, Pasig City, Philippines	PHP 55,305	Sales of western drugs
TSH Biopharm Company Limited	2010.09	3F.-1, No. 3-1, Yuanqu St., Nangang Dist., Taipei City	NTD 383,981	Sales of western drugs
EnhanX Biopharm Inc.	2017.08	3F., No. 124, Xingshan Road, Neihu Dist., Taipei City	NTD 240,000	R&D of western drugs
EnhanX Biopharm B.V.	2019.07	J.H. Oortweg 19 2F, Room 2213, 2333 CH Leiden, the Netherlands	EUR 100	R&D of western drugs
Chuang Yi Biotech Co., Ltd.	2011.04	3F.-1, No. 3-1, Yuanqu St., Nangang Dist., Taipei City	NTD 321,522	Sales of functional food
Immortal Fame Global Ltd.	2012.03	Level 2, Lotemau Centre, VAEA Street, APIA, SAMOA	USD 568	General import and export trading and various production business investment
Chuang Yi (Shanghai) Trading Co., Ltd.	2012.03	Room 106, Building 3, No. 507, Huajing Road, Shanghai City	USD 500	Trading of functional food
TTY Biopharm Korea Co. Ltd.	2018.09	12th floor, Teheran-ro 146, Gangnam-gu, Seoul, Korea	KRW 2,245,250	Sales of western drugs
TTY Biopharm Mexico S.A de C.V.	2018.09	Patricio Sanz 1239 Col. Del Valle, Alcaldia Benito Juarez Zip Code 03100, Mexico City.	MXN 35,000	Sales of western drugs
TOP Pharma Medicalwares Co.,Ltd	2006.11	20F., No. 499, Zhongming S. Rd., West Dist., Taichung City	NTD 42,300	Selling of medicine and dietary supplement
TOP Biological Technology Co.,Ltd.	2017.11	20F., No. 497, Zhongming S. Rd., West Dist., Taichung City	NTD 10,000	Food manufacturing industry

(III) Presumed to have Control and Subordination Relationships: None.

(IV) Information on Directors, Supervisors, and General Managers of Each Affiliated Enterprise

DECEMBER 31, 2024

Enterprise name	Title	Name or Representative	Number of shares held	
			Number of shares (shares)	Shareholding percentage
Xudong haipu Pharmaceutical Co., Ltd.	Chairman	Ching-Lan Hou	—	—
	Director	Carl Hsiao	—	—
	Director	Jui-Wen Wu	—	—
	Director	Tze-Kaing Yang	—	—
	Director	Kuo-Chiang Chang	—	—
American Taiwan Biopharma Philippines Inc.	Chairman	Ching-Lan Hou	—	—
	Director	Carl Hsiao	—	—
	Director	Jui-Wen Wu	—	—
	Director	Kuo-Chiang Chang	—	—
	Director	Jui-Hsun Cheng	—	—
Worldco International Limited	Chairman	Ching-Lan Hou	—	—
	Director	Jui-Wen Wu	—	—
	Director	Hsiu-Chi Chang (Note 1)	—	—
	Director	Tze- Kaing Yang	—	—
	Director	Carl Hsiao	—	—
Worldco Biotech (Chengdu) Pharmaceutical Ltd.	Director	Ching-Lan Hou	—	—
	Supervisor	Jui-Wen Wu	—	—
EnhanX Biopharm Inc.	Chairman	Representative of TTY Biopharm Company Limited: Yu-Fang Hu	5,000,000	20.83%
	Director	Representative of TTY Biopharm Company Limited: Ying-Chun Hsiao	5,000,000	20.83%
	Director	Pieter Jaap Gaillard	—	—
	Supervisor	Ching-Lan Hou	—	—
	Supervisor	2-BBB Medicines BV	12,000,000	50.00%

Enterprise name	Title	Name or Representative	Number of shares held	
			Number of shares (shares)	Shareholding percentage
EnhanX Biopharm B.V.	Director	EnhanX Biopharm Inc.	100,000	100.00%
Chuang Yi Biotech co. ltd.	Chairman	Representative of TSH Biopharm Corporation Limited: Sze-Yuan Yang	16,590,279	51.60%
	Director	Representative of TSH Biopharm Corporation Limited: Carl Hsiao	16,590,279	51.60%
	Director	Lai-Shou Su	—	—
	Supervisor	Representative of TSH Biopharm Corporation Limited: Kuo-Chiang Chang	7,432,299	23.12%
	President	Sze-Yuan Yang	—	—
Immortal Fame Global Ltd.	Director	Sze-Yuan Yang	—	—
Chuang Yi (Shanghai) Trading Co., Ltd.	Director	Representative of Immortal Fame Global Ltd.: Sze-Yuan Yang	—	—
TSH Biopharm Corporation Limited	Chairman	Representative of TTY Biopharm Company Limited: Chuan Lin	21,687,177	56.48%
	Director	Representative of TTY Biopharm Company Limited: Carl Hsiao	21,687,177	56.48%
	Director	Representative of TTY Biopharm Company Limited: Kang-Chi Chou	21,687,177	56.48%
	Director	Representative of TTY Biopharm Company Limited: Yong-Liang Wu	21,687,177	56.48%
	Independent Director	Te-Yu Chou	—	—
	Independent Director	Rwei-Syun Chen	—	—
	Independent Director	Yaw-Bin Huang	—	—
	Independent Director	Shiow-Ming Wu	—	—
	Independent Director	Yuen-Liang Lai	—	—
	President	Sze-Yuan Yang	13,000	0.03%
TOP Pharma Medicalwares Co.,Ltd	Chairman	Corporate Representative of TSH Biopharm Corporation Limited: Sze-Yuan Yang	2,157,300	51.00%
	Director	Jui-Wen Wu	—	—
	Director	Lai-Shou Su	—	—

Enterprise name	Title	Name or Representative	Number of shares held	
			Number of shares (shares)	Shareholding percentage
	Director	Min-Li Wei	180,000	4.26%
	Independent Director	Shih-Cheng Lai	—	—
	Independent Director	Ching-Hua Gu	5,000	0.12%
	Independent Director	Jung-Liang Kao	—	—
TOP Biological Technology Co.,Ltd.(Note 2)	Chairman	Corporate Representative of TSH Biopharm Corporation Limited: Sze-Yuan Yang	510,000	51.00%
	Director	Jui-Wen Wu	—	—
	Director	Lai-Shou Su	—	—
	Director	Min-Li Wei	—	—
	Director	Shih-Cheng Lai	—	—
	Supervisor	Ching-Hua Gu	24,500	2.45%
	Supervisor	Jung-Liang Kao	—	—
TTY Biopharm Korea Co., Ltd.	Chairman	Ching-Lan Hou	—	—
	Director	Wen-Hua Chang	—	—
	Director	Woosik Jung (Note 3)		
	President	Woosik Jung	—	—
	Supervisor	Kuo-Chiang Chang	—	—
TTY Biopharm Mexico S.A. de C.V.	Chairman	Ying-Chun Hsiao	—	—
	Director	Wen-Hua Chang	—	—
	Director	Ching-Lan Hou	—	—
	Supervisor	Kuo-Chiang Chang	—	—

Note 1: In march 2025, the company appointed a new director representative. Mr. Hsiu-Chi Chang stepped down and mr. Kuo-Chiang Chang assumed the position of director.

Note 2: Top biological technology company limited was dissolved on January 1, 2025, upon completion of merger procedures.

Note 3: By resolution of the annual general shareholders' meeting on March 27, 2025, the board of directors was restructured. Original director mr. Woosik jung stepped down, and mr. Chiao-Sung Chen was appointed as the new director.

(V) Operational Overview of Affiliated Enterprises

Unit: NTD Thousands; December 31, 2024

Enterprise name	Capital	Total assets	Total liabilities	Net Amount	Operating revenue	Operating profit	Profit or loss for current period	Earnings Per Share (NT\$)
Xudong haipu Pharmaceutical Co., Ltd.	14,542	1,302,951	108	1,302,843	—	(8,703)	59,323	Not applicable
Worldco International Limited	1,970	216,468	80,624	135,844	117,872	(1,048)	2,113	Not applicable
Worldco Biotech (Chengdu) Pharmaceutical Ltd.	53,288	78,452	26,095	52,357	—	(788)	651	Not applicable
American Taiwan Biopharma Philippines Inc.	31,363	5,979	10,051	(4,072)	8,145	701	774	Not applicable
TSH Biopharm Corporation Limited	383,981	1,842,193	219,225	1,622,968	1,115,716	169,856	113,092	2.95
EnhancX Biopharm Inc.	240,000	2,155	181	1,974	—	(1,896)	(640)	(0.03)
EnhancX Biopharm B.V.	3,538	275	—	275	—	(825)	(852)	Not applicable
Chuang Yi Biotech co. ltd.	321,526	378,827	49,716	329,111	277,367	(1,746)	1,284	0.04
Immortal Fame Global Ltd.	16,820	2,056	47	2,009	—	(255)	(227)	Not applicable
Chuang Yi (Shanghai) Trading Co., Ltd.	14,818	1,975	9	1,966	—	(255)	(233)	Not applicable
TTY Biopharm Korea Co., Ltd.	63,472	2,991	108	2,883	—	(8,150)	(8,130)	Not applicable
TTY Biopharm Mexico S.A. de C.V.	—	—	—	—	—	0	(2,746)	Not applicable
TOP Pharma Medicalwares Co.,Ltd	42,300	204,634	80,804	123,830	273,913	46,885	36,515	8.63
TOP Biological Technology Company Limited	10,000	35,821	12,945	22,876	49,497	6,428	5,186	5.19

Note: Except for capital amount and earnings per share, information for Tsh Biopharm Corporation Limited Is Calculated at the Group consolidation level.

		Balance Sheet	Income Statement
Foreign currency exchange rate:	RMB	4.4780	4.4582
	Philippines Peso	0.5671	0.5601
	USD	32.7850	32.0788
	Korean Won	0.0222	0.0236
	Mexican Peso	1.6095	1.7710
	HKD	4.2220	4.1106
	EUR	34.1400	34.7217

(VI) Consolidated financial statements of affiliated companies

Consolidated Financial Report Statement of Affiliated Enterprises

For the fiscal year 2024 (from January 1, 2024 to December 31, 2024), the companies that should be included in the preparation of the consolidated financial statements of affiliated enterprises under the “Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Reports on Affiliations” are identical to those that should be included in the preparation of parent-subsidary consolidated financial reports in accordance with IFRS 10 as recognized by the FSC. Furthermore, the relevant information that should be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned parent-subsidary consolidated financial reports. Therefore, a separate consolidated financial statement of affiliated enterprises will not be prepared.

Declaration Hereby Declared

Company name:	TTY Biopharm Company Limited
Chairman:	Chuan Lin
Date:	February 25, 2025

II. Private Placements of Securities for the Most Recent Fiscal year and up to the Date of the Annual report Publication: None.

III. Other supplementary information:

- (I) The Company's unfulfilled OTC market listing commitments: None.
- (II) The Company's Assessment Basis and Foundation for Asset and Liability Valuation Items

1. Accounts receivable impairment assessment:

Consider any changes in credit quality of accounts receivable and notes receivable from the original credit date to the reporting date. Historical experience shows that overdue accounts exceeding 180 days, or accounts not yet past due but with relevant information confirming low probability of future collection, are recognized with 100% allowance for doubtful accounts. For accounts receivable and notes receivable overdue between 1-180 days, they are categorized into four groups: oem, export customers, hospitals, and others. Impairment is assessed based on historical loss experience.

2. Inventory Price Decline and Obsolescence Allowance Assessment:

Price Decline Loss:

Merchandise: Net realizable value is calculated as estimated selling price minus promotional expenses; assessment is made using individual comparison method by product category.

Finished Goods: Net realizable value is calculated as estimated selling price minus promotional expenses; assessment is made using individual comparison method by product category.

Work in Progress and Semi-Finished Products: Net realizable value is calculated as estimated selling price minus promotional expenses and additional input costs; assessment is made using individual comparison method by product category.

Raw materials: For finished goods with price decline, replacement cost is used to evaluate potential price decline.

Obsolescence Loss:

Obsolete inventory warehouse: 100% provision

Unused for over one year: 100% provision

Expired Products: 100% provision

Products with Less than Six Months Shelf Life: 50% provision

3. Valuation of other Financial Assets:

After initial recognition, single or multiple events causing reduction in estimated future cash flows of financial assets are considered impairment amounts.

Fair value assessment depends on whether financial assets have active market transactions.

(1) Assets with active markets: Fair value measured by market quotation on balance sheet date.

(2) Assets without active markets: Fair value measured using observable market data when possible; if unavailable, specific estimates are used.

4. Valuation of Financial Liabilities:

(1) Financial liabilities at fair value through profit or loss are measured at fair value at the end of the reporting period.

(2) Financial liabilities not held for trading and not designated at fair value through profit or loss are measured at amortized cost at the end of subsequent accounting periods. The carrying amount of financial liabilities measured at amortized cost is determined by the effective

interest method.

5. Impairment Valuation of Non-Financial Assets:

The Company evaluates non-financial assets (excluding inventory, deferred tax assets, and assets arising from employee benefits) for impairment indicators at the end of the reporting period. If impairment indicators exist, the recoverable amount of the asset is estimated to determine the impairment amount to be recognized. When the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs to assess impairment.

IV. Recent Significant Matters Affecting Shareholders' Equity or Securities Prices in Accordance with Article 36, Paragraph 3, Item 2 of the Securities and Exchange Act (as of the Annual Report Printing Date):

Date of occurrence	Event Description	Impact
May 30, 2024	The Company's 2024 Annual Shareholders' Meeting conducted a complete re-election of directors, resulting in a change of one-third of the director seats.	This was a scheduled re-election due to the expiration of directors' terms and has no significant impact on shareholders' equity or securities prices.
January 21, 2025	The Company has reached an out-of-court settlement with Inopha AG Company and its beneficial owner, Mr. Denis Opitz, and has signed a settlement agreement.	More than half of the settlement amount allocated to the Company will be reserved for anticipated litigation expenses and other expenditures. The settlement is expected to be recognized in the financial statements in the first half of 2025. Additionally, the termination of 13 drug licensing agreements signed with Inopha AG Company since 2008 will facilitate the Company's development, contract manufacturing, and overseas licensing operations for these 13 pharmaceutical products.

TTY BIOPHARM COMPANY LIMITED

Chairman : Chuan Lin