

Stock Code: 4169



# 2025 Annual Report

Published on May 15, 2026

Website for accessing this annual report: <http://mops.twse.com.tw>  
Company website: <http://www.tcmbio.com>

## **I. The Company spokesperson and acting spokesperson**

Name of spokesperson: Wang, Ya-Chun  
Title: General Manager  
Telephone: (02) 2697-2628  
Email address: yachunwang@tcmbio.com  
Name of acting spokesperson: Wei, Hsiu-Min  
Title: Chief Financial Officer  
Telephone: (02) 2697-2628  
Email address: bryan.wei@tcmbio.com

## **II. Addresses and contact numbers of the Head Office, branches, and factory sites**

Head office address : 24 F.-8, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist.,  
New Taipei City  
Tel.: : (02) 2697-2628  
Xinying Plant address : Building B, No. 37, Siwei Rd., Xinying Industrial  
Park, Yanshui Dist., Tainan City  
Tel.: : (06) 652-1390  
Medical device plant : 18 F.-5, No. 93, Sec. 1, Xintai 5th Rd., Xizhi Dist.,  
address New Taipei City  
Tel.: : (02) 2697-2628  
Branch office : None

## **III. Stock Transfer Agency**

Name: CTBC Bank Agency Department  
Address: 5 F., No. 83, Sec. 1, Chongqing S. Rd., Taipei City  
Website: [http:// www.ctbcbank.com](http://www.ctbcbank.com)  
Telephone: (02) 6636-5566

## **IV. Independent Auditors of the Most Recent Annual Financial Statements**

Name of accountants: Eleanor Juanlu, Feng, Min-Chuan  
Firm name: PricewaterhouseCoopers Taiwan  
Address: 27th Floor, No. 333, Keelung Road, Section 1, Taipei City  
Website: <http://www.pwc.com/tw>  
Telephone: (02) 2729-6666

## **V. Name of overseas exchange where securities are listed, and the methods for inquiring the foreign-listed securities: None.**

## **IX. Company website**

<http://www.tcmbio.com>

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## One. Message to Shareholders

### I. 2025 Business Report

#### (I) Business plan implementation results

The increase in annual revenue in 2025, driven by continued product promotion, resulted in higher operating profit compared to the previous year. However, overall profit slightly decreased compared to the previous year due to higher non-operating income in 2024 (specifically, the original manufacturer recalled products, thereby compensating for the loss of sales profit caused by the stock shortage).

The Company is an R&D-oriented biotech new drug development company. In terms of R&D, the Company has invested in new indication drug U101 for the prevention of recurrent lower urinary tract infections, which is currently undergoing a Phase 3 clinical trial at various medical centers. Meanwhile, the "CATCHIMERA liver cancer detection platform" developed through technology transfer from Professor Pei-Jer Chen of NTU has received Laboratory Developed Test Service (LDTs) certification for precision medicine from the Taiwan Food and Drug Administration of the Ministry of Health and Welfare. Subsequently, once the implementation plans submitted by the Company and the respective medical institutions are approved by the Ministry of Health and Welfare, the CATCHIMERA platform will be able to provide liver cancer detection services and generate revenue; other R&D projects are proceeding as planned; regarding business operations, the Company continues to introduce potential new products and is actively expanding sales in overseas markets.

#### (II) Financial income and expense and profitability analysis

Net income after tax was NT\$19,170 thousand, and earnings per share were NT\$0.32. Net income after tax decreased compared to the previous year, primarily due to a decrease in net non-operating income and expenses relative to last year, which resulted in lower overall profit.

Financial income and expenditure unit: NTD thousand

Item \ Year	2025	2024
Operating revenues	685,491	666,530
Operating costs	368,502	339,221
Operating expenses	298,335	316,613
Operating profits	18,654	10,696
Non-operating incomes and expenses	3,644	14,321
Net profits after tax	19,170	21,010

Profitability analysis

Item \ Year	2025	2024
Return on assets (%)	1.67%	1.78%
Return on equity (%)	1.81%	1.99%
Net profit before tax to paid-in capital ratio (%)	3.78%	4.24%
Net profit margin (%)	2.80%	3.15%
Earnings per share	0.32	0.36

Note 1: The amounts in the table above are based on the consolidated financial statements prepared by the Company in accordance with the IFRS.

### (III) Progress in developing major innovative products

#### 1. U101 for the prevention of recurrent urinary tract infections

Urinary tract infections (UTIs) are common infections caused by bacteria entering the urinary system and are more prevalent in women. Infections are usually treated with antibiotics to kill pathogens and relieve symptoms. However, after treatment, clinical observation shows that about 20 to 50% of patients will still experience recurrence or reinfection. If the recurrence frequency is higher than three times within a year or higher than twice within six months, it is called "recurrent urinary tract infection (rUTI)." When urinary tract infections occur frequently and repeatedly, symptoms like frequent urination and pain can seriously affect a patient's physical and psychological health, as well as their overall quality of life. TCM is currently developing U101 with the goal of launching a new drug for a new indication. The project is in Phase 3 clinical trials at medical centers across Taiwan. Once new indication approval is obtained, U101 will be the world's first non-antibiotic oral drug for preventing recurrent urinary tract infections. Clinical trials are currently underway in various hospitals.

#### 2. HCC ctDNA Biomarker: Early liver cancer detection and postoperative tracking technology

Using our patented liquid biopsy technology, liver cancer can be screened early in chronic hepatitis B patients, and residual tumor assessment and recurrence monitoring after hepatitis B-related liver cancer surgery can be conducted through blood tests, thereby providing a liver cancer detection service. Given the limited treatment options and high recurrence rate for liver cancer, early detection and treatment of tumors in the early stages have greatly improved treatment outcomes and increased survival rates for patients with the disease. At present, the development project, "CATCHIMERA liver cancer detection platform" has completed clinical research on postoperative residual tumor tracking for liver cancer at four medical centers in Taiwan. In addition to its ISO 17025 accreditation as a testing laboratory, the Company's molecular testing laboratory has also obtained Laboratory Developed Test Service (LDTS) certification for precision medicine from the Taiwan Food and Drug Administration of the Ministry of Health and Welfare in 2024. Once implementation plans are approved by various medical institutions, testing services can be provided and revenue can be generated. In addition to the Taiwanese market, the Company has also been actively negotiating collaboration and technology licensing opportunities with Chinese and international companies.

#### 3. Health product approval numbers for anti-alcoholic fatty liver and anti-non-alcoholic fatty liver

The Company has obtained approval for the prevention of alcoholic/non-alcoholic fatty liver and liver fibrosis. To strengthen its domestic and international marketing efforts, the Company's products are currently undergoing human trials at three hospitals: National Taiwan University Hospital, Taipei Veterans General Hospital, and Taipei Medical University. These trials are expected to generate data supporting wider promotion of the products both domestically and abroad.

## II. The 2026 business plan overview

### (I) Operating strategy

1. The main focus of the Company's future development is on new drugs for preventing lower urinary tract infections, technologies for early detection and postoperative tracking of liver cancer, and new drugs for preventing and treating liver disease.
2. By leveraging existing pharmaceutical channels and sales teams in Taiwan, the Company has attracted international and domestic biotechnology companies to

collaborate on specialty generic drugs and promising medical devices and products, introducing them to the Taiwanese market and expanding product lines to generate revenue and earnings.

3. The Company is actively expanding collaboration with China. In addition to collaborating with those that have commercially available generic drugs or products with existing channels in China, it is gradually expanding its network of partners in China and Southeast Asia.

(II) Business targets – Expected sales volume and its basis

In 2026, the Company used revenue from medical equipment and western pharmaceutical products, functional foods, and raw materials to finance research and development and new product development. The main sales revenue for the year is based on estimates of important distribution agreements, customer channels, and market demand.

(III) Major production and sales policies

1. In addition to maintaining its core product line, the Company has leveraged its existing strengths in orthopedic channels to actively promote new distribution products, focusing on high-margin self-pay products with growth potential and those with consistent sales.
2. Actively seek and secure agency and distribution rights for marketable medical equipment and pharmaceutical products, develop a strong presence in the long-term care market, and collaborate with leading companies to expand market reach.
3. The procurement of various raw materials shall be adjusted in accordance with sales orders while taking into account economic order quantities and minimizing inventory buildup as guiding principles.
4. We identify and pursue potential clients, fostering long-term partnerships and offering comprehensive product-related support, including education and training, to stabilize and grow client sales, thereby ensuring company performance and driving growth.
5. Plan and actively participate in overseas exhibitions and marketing to pursue export opportunities for existing products in markets such as Japan, Southeast Asia, China, Europe, and the United States.

III. The Company's future development strategy

(I) The Company's development focus can be divided into three main directions:

1. The main focus of the Company's future development is on new drugs for preventing lower urinary tract infections, technologies for early detection and postoperative tracking of liver cancer, and new drugs for preventing and treating liver disease.
2. By leveraging existing pharmaceutical channels and sales teams in Taiwan, the Company has attracted international and domestic biotechnology companies to collaborate on specialty generic drugs and promising medical devices and products, introducing them to the Taiwanese market and expanding product lines to generate revenue and earnings.
3. The Company is actively expanding collaboration with China. In addition to collaborating with those that have commercially available generic drugs or products with existing channels in China, it is gradually expanding its network of partners in China and Southeast Asia.

Using these three strategic areas, we are planning the Company's short-, intermediate-, and long-term operations and developing a future development plan with a steady and practical approach.

(II) R&D Goals:

1. New drug development:

New drug indication U101: Prevention of recurrent lower urinary tract infections

Address clinical needs and maximize the value of existing assets. The Company has invested in developing new indications for Urosan, an oral generic drug for interstitial cystitis, and it is applying its pharmacological mechanism of action to the prevention of recurrent lower urinary tract infections (project code U101). Compared with new chemical entity development, new indication development for marketed drugs has a shorter development timeline and lower risks, and it allows for marketing authorization to be obtained within a relatively short period.

2. CatCHimera: A platform for detecting liver cancer recurrence after surgery.

Using our exclusive liquid biopsy patent testing technology, this platform can evaluate residual liver cancer tumors and provide continuous recurrence tracking for chronic hepatitis B patients through blood draws. Given the limited treatment options and high recurrence rate of liver cancer, early detection of tumors at the initial stage of carcinogenesis can greatly improve treatment outcomes. The platform received Laboratory Developed Test Service (LDTS) certification for precision medicine from the Taiwan Food and Drug Administration in 2024, and the following plans have been established:

- a. The technology is applied to the assessment of residual tumors after surgical resection of hepatitis B-related liver cancer, as well as to the continuous tracking of recurrence. In the Taiwan market, implementation plans will be submitted to various medical institutions. Once the implementation plans of each institution are approved, services can be provided. On the other hand, the overseas market will primarily utilize technology licensing; we are in discussions with foreign companies regarding potential partnerships.
- b. In addition to tracking residual tumors following surgery, the core technology of this platform has also been applied to prognosis and recurrence tracking after liver transplants, electrocautery, and other hepatitis B-related liver cancer treatments. The relevant research work is underway. Once the results are available, implementation plans will be submitted to each medical institution to provide testing services domestically, and licensing cooperation will be negotiated with overseas companies.

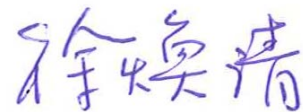
3. Health foods: We have primarily focused on the development of preventive health foods for liver diseases and have successively obtained various health endorsements. We have also conducted human clinical trials with health-endorsed products to gather more comprehensive data to support product promotion in Taiwan and overseas markets.

4. Western pharmaceutical products and medical equipment: In addition to actively seeking overseas export opportunities for our own products, we have continued to evaluate and introduce featured western pharmaceutical products and potential medical equipment, expanding our business by utilizing existing channels.

#### IV. Impact of the competitive environment, regulatory environment, and macroeconomic environment

As the structure of the Taiwanese biotechnology industry becomes more complete, a robust capital market has injected funding into the sector, leading to year-over-year increases in biotechnology industry investment. The government's Biomedical Industry Innovation Program has driven the transformation and innovation of Taiwan's biomedical industry through various strategies. These include optimizing the industrial environment, integrating and connecting park clusters, improving the integrated platform for biological information, advancing biomedical cross-domain industrial technology, and strengthening international connections. The program has promoted the development of the biomedical industry toward precision health, encompassing healthcare, prevention, diagnosis, treatment, and care. As a result, Taiwan's biotechnology industry has become more competitive.

Chairman Hsu, Huan-Chin



## Two. Corporate Governance

### I. Profiles of Directors, General manager, Deputy general manager, Senior Manager, Heads of the Departments and Branches:

#### (I) Directors:

##### 1. Information on the directors:

As of April 7, 2026 Unit: Shares

Title	Nationality or place of registration	Name	Gender (Age)	Date of (elected to) office	Tenure	Initial date of elected to office	Quantity of shareholding at the time of elected to office		Quantity of shareholding at present		Shareholding of spouse and dependents at present		Shareholding in the name of a third party		Major academic qualification and experience	Holding other positions of the Company and other companies at present	Other executive, director who is a spouse or kindred within the 2nd tier under the Civil Code			Remarks
							Quantity	Shareholding percentage	Quantity	Shareholding percentage	Quantity	Shareholding percentage	Quantity	Shareholding percentage			Title	Name	Relationship	
Chairman	R.O.C.	Hsu, Huan Chin	Male (61-70)	2023.06.12	3	2010.06.23	7,244,809	15.22%	7,466,500	12.64%	0	0	0	0	Executive Management Program, Guanghua School of Management, Peking University Business Manager, Jinrong Pharmaceutical Marketing Co., Ltd. General Manager, Pao Kun Pharmaceutical Agency & Marketing Co., Ltd. Chairman, Ocean Bright	Director, TOTAL TECH LTD, Samoa Director, Taiwan Cogentide Novel Drug Corp. Director, TCM Biotech (Suzhou) Co., Ltd.	-	-	-	
Corporate director and its representative	British Virgin Islands	Green Partner Investments Limited	NA	2023.06.12	3	2012.02.15	6,259,700	13.15%	3,851,546	6.52%	0	0	0	0	-	-	-	-	-	
	Singapore	Huang, Chih-Yang	Male (51-60)	2023.06.12	3	2012.02.15	0	0	0	0	0	0	0	0	Bachelor of Laws (Honours), National University of Singapore Master of Laws, University of London Lawyer, Rajah & Tann Asia	Legal Director, Singapore Petroleum Company Limited				
Director	R.O.C.	Chen, Tzu-Pei	Female (41-50)	2023.06.12	3	2012.10.30	2,010,970	4.225%	2,112,505	3.57%	0	0	0	0	Master of Computer Science, University of British Columbia Bachelor's degree with a double major in mathematics and arts, University of British Columbia Person in charge, Korigin Enterprise Co., Ltd. Senior Planner, International Business Group, Institute for Information Industry	Person in charge, Korigin Enterprise Co., Ltd.	-	-	-	
Director	R.O.C.	Chen, Chin-Chi	Male (41-50)	2023.06.12	3	2010.06.24	0	0	0	0	0	0	0	0	PhD in Industrial Economics, Tamkang University Master of Science in Economics, London School of Economics and Political Science Professor and Director of the Graduate Institute of Financial Management, CTBC Business School	Independent Director, TransGlobe Life Insurance Inc. Independent Director, Simula Technology Inc. Independent Director, Century Iron And Steel Industrial Co., Ltd.	-	-	-	
Director	R.O.C.	Wang, Ya-Chun	Male (51-60)	2023.06.12	3	2011.05.23	252,048	0.426%	259,760	0.44%	34,988	0.06%	0	0	PhD in Biological Systems Engineering, University of Wisconsin, USA R&D Manager, PhytoHealth Corporation Manager, Bio-Tech Business Division, Allianz Biotechnologie	General Manager of the Company Chairman, Taiwan Cogentide Novel Drug Corp. Director, Instant Nanobiosensors Co., Ltd.				



2. Corporate shareholders' main shareholders:

April 7, 2026

Names of Corporate Shareholders	Major Shareholders of Corporate Shareholders
Green Partner Investments Limited	DAI XIAOCHANG(28%), SEE Ian Hua Yen (72%)

3. Where the major shareholders are institutions, the major shareholders: None.

4. The professional knowledge and independence of the directors:

Qualification Name	Professional qualifications and experience	Independence	Number of other public companies concurrently served as an independent director
Hsu, Huan Chin Chairman	Own decades of experience in medical distribution with a career path starting from a pharmaceutical sales and manager to an entrepreneur. He is an expert in pharma management, marketing and new product commercialization. He is the current Chairman of TCM Biotech International Corp., the political advisor at the Executive Yuan, the counseling president of the National Innovation and Entrepreneurship Association, and is not subject to any circumstances prescribed in Article 30 of the Company Act.	<ul style="list-style-type: none"> <li>(1) Not an employee of the Company or any of its affiliates.</li> <li>(2) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act.</li> <li>(3) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.</li> <li>(4) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.</li> <li>(5) Not a director (or governor), supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</li> <li>(6) Not a professional individual who, or an owner, partner, director (or governor), supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.</li> <li>(7) Not a spouse or relative within the second degree of kinship of other directors.</li> <li>(8) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.</li> </ul>	None
Green Partner Investments	He has more than 5 years of work experience, works as	(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse,	None

<p>Limited Representative: Huang, Chih-Yang</p>	<p>the legal director of Singapore Petroleum Company Limited, and is not under any circumstances prescribed in Article 30 of the Company Act.</p>	<p>minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</p> <p>(2) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.</p> <p>(3) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(4) Not a professional individual, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the company for which the provider has received cumulative compensation exceeding NT\$500,000 in the past 2 years, or a spouse thereof.</p> <p>(5) Not a spouse or relative within the second degree of kinship of other directors.</p> <p>(6) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act</p>	
<p>Chen, Tzu-Pei Director</p>	<p>She has more than 5 years of work experience, acts as the responsible person of Gong Neng Company, and is not under any circumstances prescribed in Article 30 of the Company Act.</p>	<p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act.</p> <p>(4) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.</p> <p>(5) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.</p> <p>(6) Not a director (or governor), supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(7) Not a professional individual who, or an owner, partner, director (or governor), supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the</p>	<p>None</p>

		<p>company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.</p> <p>(8) Not a spouse or relative within the second degree of kinship of other directors.</p> <p>(9) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.</p>	
Wang, Ya-Chun Director	<p>After receiving his Ph.D. in the US, he returned to Taiwan and has worked in the biotechnology industry there for two decades. He has extensive experience in pre-clinical test planning, new drug development, clinical trials, and patent applications. He is also the industry mentor and a review committee member of the Innovation and Startup Program hosted by the Ministry of Science and Technology. He is currently the General manager of the Company. He is not under any circumstances prescribed in Article 30 of the Company Act.</p>	<p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</p> <p>(2) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act.</p> <p>(3) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.</p> <p>(4) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.</p> <p>(5) Not a director (or governor), supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(6) Not a professional individual who, or an owner, partner, director (or governor), supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.</p> <p>(7) Not a spouse or relative within the second degree of kinship of other directors.</p> <p>(8) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.</p>	None
Chen, Chin-Chi Director	<p>He has more than 5 years of work experience and currently works as a professor at CTBC Business</p>	<p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a director or supervisor of the Company or any of its affiliates.</p>	3

	School, as well as the director of the Financial Management Graduate School. He is, at the same time, the independent director of TransGlobe Life Insurance Inc., Taiwan Land Development Corporation, Simula Technology Inc., and Century Iron & Steel Industrial Co., Ltd. He is not under any circumstances prescribed in Article 30 of the Company Act.	(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs. (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act.	
Hsu, Yi-Fang Director	She has over 5 years of work experience and was a CPA at Ernst & Young and BDO Taiwan. She is currently a practicing accountant at Ting Li CPA Firm and serves as the independent director of FitTech Co., Ltd. She is not under any circumstances prescribed in Article 30 of the Company Act.	(6) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (7) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.	2
Kuo, Cheng-Hung Independent Director	He has more than 5 years of work experience. He was the Chairman of Deloitte Taiwan and is currently the supervisor of Taiwan Carbon Solution Exchange, the director of Choice Development Inc. and the director of Airoha Technology Corp. He is not under any circumstances prescribed in Article 30 of the Company Act.	(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (9) Not a professional individual, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the company for which the provider has received cumulative compensation exceeding NT\$500,000 in the past 2 years, or a spouse thereof.	3
Chen, Hui-Yu Independent Director	He has more than 5 years of work experience. He acts as the President of the Life Insurance Association of the Republic of China, the director of TransGlobe Life Insurance Inc. and the Chairman of Choice Development Inc. He is not under any circumstances prescribed in Article 30 of the Company Act.	(10) Not a spouse or relative within the second degree of kinship of other directors. (11) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.	2
Liu, Heng-Yi Independent Director	He has more than 5 years of work experience. He is currently a full-time associate professor in the International Corporation Cluster at the College of Management, Yuan Ze University. He acts as the independent director of WHA YU Industrial Co., Ltd., the independent director of Top Star Textile Limited		1

	and the independent director of Leofoo Group. He is not under any circumstances prescribed in Article 30 of the Company Act.		
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## 5. Diversity and Independence of the Board of Directors.

### (1) Board diversity:

Based on the diversity policy and the aim of strengthening corporate governance and promoting the development of a sound board of directors, the Company adopts a candidate nomination system for director elections and carefully reviews the qualifications of each nominated candidate, including education, experience, professional background, ethics, and other professional qualifications. Upon resolution of the board, a list of candidates is submitted to the shareholders' meeting for election. An appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs is formulated and includes, without being limited to, the following:

- A. Basic requirements and values: gender, age, nationality, and culture.
- B. Professional knowledge and skills: ability to make operational judgments; ability to perform accounting and financial analysis; ability to conduct management administration; ability to manage crises; knowledge of the industry; an international market perspective; ability to lead; ability to make policy decisions.

The Company's board is composed of nine directors, many of whom have practical experience in business management in listed companies or in management positions within government agencies. In addition to ability to lead, to conduct crisis management and an international market perspective, three independent directors on the board possess professional abilities – Independent Director Kuo, Cheng-Hung was the Chairman of Deloitte Taiwan, Independent Director Chen, Hui-Yu is the President of the Life Insurance Association of the Republic of China, and Independent Director Liu, Heng-Yi is the full-time associate professor of the International Corporation Cluster at College of Management, Yuan Ze University. Among other non-independent directors, Chairman Hsu, Huan Chin and Director Wang, Ya-Chun both have worked in the biotechnology industry for many years and possess rich industry knowledge and related management experience; Director Huang, Chih-Yang is a professional lawyer; Director Chen, Chin-Chi was the Director of Finance in Yunlin County Government; Director Hsu, Yi-Fang is a practicing accountant of Ting-Li CPA firm. Directors have abilities in marketing, management administration, laws, regulations, finance, accounting and making operational judgment, and knowledge of the industry.

The specific management goals and achievement of the Company's board diversity policy are described below:

Management goals	Achievement
The number of independent directors shall not be less than one-third of the total number of directors	Achieved
The number of directors concurrently serving as company officers shall not exceed one-third of the total number of the board members	Achieved
Appropriate and diverse professional knowledge and skills	Achieved

The Company also pays attention to the gender composition of board members and aims to increase the number of female directors to one-third of the total number of board members, that is 33%. Currently, male directors account for 78% (7 seats) while female directors account for 22% (2 seats), and the Company is working on increasing the number of female directors to achieve the goal in the future.

Implementation of the board diversity policy is described below:

Core of diversity Name		Basic requirements						Professional background			Professional skills						
		Nationality	Gender	Is an employee of the Company	Age			Accounting and finance	Industry	Law	Ability in making operational judgment	Ability to conduct management administration	Ability to lead	Ability to conduct crisis management.	Knowledge of the industry	An international market perspective.	
					41~50 years old	51~60 years old	61~70 years old										
Director	Hsu, Huan Chin	R.O.C.	Male			✓		✓			✓	✓	✓	✓	✓	✓	
	Huang, Chih-Yang	Singapore	Male		✓				✓		✓	✓	✓	✓	✓	✓	
	Chen, Tzu-Pei	R.O.C.	Female	✓				✓			✓	✓	✓	✓	✓	✓	
	Chen, Chin-Chi		Male	✓				✓			✓	✓	✓	✓	✓	✓	
	Wang, Ya-Chun		Male	✓		✓			✓			✓	✓	✓	✓	✓	✓
	Hsu, Yi-Fang		Female			✓		✓				✓	✓	✓	✓	✓	✓
Kuo, Cheng-Hung	Male					✓	✓				✓	✓	✓	✓	✓	✓	
Independent Director	Chen, Hui-Yu				✓			✓			✓	✓	✓	✓	✓	✓	
	Liu, Heng-Yi				✓		✓				✓			✓		✓	

(2) Board independence:

The Company's current board of directors is composed of nine directors, including three independent directors and two directors without shareholding. The number of independent directors and directors without shareholding accounts for 55% of the total number of board members, while one director is an employee of the Company, representing 11.11% of the total board members. As of the end of 2024, all independent directors complied with the regulations governing independent directors of the Securities and Futures Bureau, Financial Supervisory Commission, and there were no circumstances set forth in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act between the directors and independent directors. The Company's Board of Directors is independent (please refer to page 12 of this annual report – Professional Qualifications of Directors and Disclosure of Independence Information of Independent Directors), and each director has a diverse educational background, gender, and work experience (please refer to page 10 of this annual report – Directors Information).

(II) Profiles of General manager, Deputy general managers, Asst. VP, and supervisors of the various departments and branches:

As of April 7, 2026 Unit: Shares; %

Title	Name	Gender	Nationality	Date of Appointment	Shareholding		Shareholding by spouse or dependents		Shareholding in the name of a third party		Major academic qualification and experience	Holding positions in other companies at present	Spouse or kin within the second pillar under the Civil Code and who is a manager			The acquisition of ESO by managers	Remarks
					Quantity	Shareholding percentage	Quantity	Shareholding percentage	Quantity	Shareholding percentage			Title	Name	Relationship		
General manager	Wang, Ya-Chun	Male	R.O.C.	2015.04.01	278,760	0.42%	34,988	0.05%	0	0	PhD in Biological Systems Engineering, University of Wisconsin, USA R&D Manager, PhytoHealth Corporation Manager, Bio-Tech Business Division, Allianz Biotechnologie	Chairman, Taiwan Cogentide Novel Drug Corp. Director, Instant Nanobiosensors Co., Ltd.	-	-	-	-	-
Deputy General Manager of Business	Chen, Sheng-Chung	Male	R.O.C.	2014.01.01	482,811	0.72%	8,782	0.01%	0	0	Master, Graduate Institute of Project Management, Kainan University Deputy General Manager of Business, TCM Biotech	None	-	-	-	-	-
Chief R&D Officer and Deputy General Manager	Chen, Chen-Yao	Male	R.O.C.	2023.12.27	14,000	0.02%	0	0	0	0	PhD, Graduate Institute of Molecular Medicine, College of Medicine, National Taiwan University R&D Head, TCM	Director and General Manager, Taiwan Cogentide Novel Drug Corp.	-	-	-	-	-
Production Department Deputy General Manager	Chang, Chih-Cheng	Male	R.O.C.	2015.04.01	48,193	0.07%	13,242	0.02%	0	0	Graduate Institute of Biotechnology, Department of Food Science, Da-Yeh University	None	-	-	-	-	-
Chief Financial Officer	Wei, Hsiu-Min	Male	R.O.C.	2023.09.01	7,000	0.01%	0	0	0	0	Department of Finance: Department of Law, California State University	None	-	-	-	-	-

											Manager, PharmaEssentia Corporation						
Associate Vice President, Functional Food Department	Wu, Ssu- Neng	Male	R.O.C.	2009.01.01	8,694	0.01%	0	0	0	0	Department of Business Administration, Shih Chien University Manager, Union Group Business Co., Ltd.	None	-	-	-	-	-
Accounting Manager	Yang, Shu- Ya	Female	R.O.C.	2008.08.26	62,503	0.09%	0	0	0	0	Department of Accounting, National Taipei University Manager, PwC Taiwan	None	-	-	-	-	-
Manager, Administration Department	Tu, Ping- Jung	Female	R.O.C.	2020.09.07	26,214	0.03%	0	0	0	0	Department of Applied Chinese, National Taichung Institute of Technology Director, TCI CO., LTD.	None	-	-	-	-	-
Senior Manager, Audit Office	Huang, Shang- Wu	Male	R.O.C.	2009.10.07	63,598	0.09%	0	0	0	0	Master's Degree, National Chengchi University Project Manager, Audit Office, Foxconn Technology Group	None	-	-	-	-	-

(III) If the Chairperson and the General Manager or an equivalent position holder (highest managerial officer) are the same person, are spouses, or are relatives within the 1st degree of kinship, the reasons, reasonableness, necessity, and corresponding measures shall be explained: None.

## II. Remunerations paid to directors, general manager and deputy general manager in the most recent year

### (I) Remuneration for directors

Unit: In thousands of NTD; %, thousands of shares

Title	Name	Remuneration for directors								A, B, C and D as a % of the net profits after tax (Note 10)		Remuneration for employees with concurrent positions								A, B, C, D, E, F and G as a % of the net profits after tax (Note 10)		Remuneration received from the invested companies other than the subsidiaries and the parent company (Note 11)
		Director fees (A) (Note 2)		Severance payment and pension (B)		Remuneration to directors (C) (Note 3)		Fees for performance of works (D) (Note 4)				Salaries, bonus, and special allowance (E) (Note 5)		Severance payment and pension (F)		Profit sharing remuneration to employees (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)		
															Amount in cash	Amount in stock	Amount in cash	Amount in stock				
Chairman	Hsu, Huan Chin																					
Director	Green Partner Investments Limited (BVI)																					
Director	Green Partner Investments Limited (BVI) represented by Huang, Chih-Yang	3,810	3,810	-	-	560	560	360	360	4,730/24.67%	4,730/24.67%	3,465	3,465	108	108	41	-	41	-	8,344/43.53%	8,344/43.53%	-
Director	Hsu, Yi-Fang																					
Director	Wang, Ya-Chun																					
Director	Chen, Tzu-Pei																					
Director	Chen, Chin-Chi																					
Independent Director	Kuo, Cheng-Hung	1,200	1,200	-	-	-	-	260	260	1,460/7.62%	1,460/7.62%	-	-	-	-	-	-	-	-	1,460/7.62%	1,460/7.62%	-
Independent Director	Chen, Hui-Yu																					
Independent Director	Liu, Heng-Yi																					

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid; as follows:  
2. In addition to the figures disclosed above, the remunerations received by the board directors in the most recent year for providing services (such as serving as a non-employee consultant for any and all reinvested affiliates listed in the parent company's financial report): None.

- Note:
- Business execution expenses refer to transportation allowances for attending meetings of the Board of Directors and in-kind provisions such as company cars.
  - The Company contributes 6% of the salaries of appointed managerial officers as pension, and the contributed amount shall not exceed the highest bracket under the "Labor Pension Act."
  - The Company's remuneration payment policy, system, standards, and structure for general directors and independent directors, and the correlation between such policy and the amount of remuneration paid based on factors such as responsibilities assumed, risks, and time invested:
    - Remuneration for directors executing business is authorized by the Board of Directors to be determined based on the degree of their participation in the Company's operations and the value of their contributions, with reference to industry standards
    - The Articles of Incorporation expressly stipulate that no more than 3% of annual profit shall be allocated as directors' remuneration. The payment of remuneration to the Company's directors shall be handled in accordance with the "Rules Governing Payment of Directors' Remuneration," and the principles are as follows: For general directors, remuneration for directors executing business is higher than that for non-executive directors; independent directors do not participate in the distribution of directors' remuneration for the year approved by the Board of Directors, and conveners of functional committees receive slightly higher remuneration than independent directors who do not serve as conveners due to their heavier responsibilities.

Payment scale

Payment scale of remuneration to the Directors of the Company	Name of director			
	Sum of the said four types of remunerations (A+B+C+D)		Sum of the said seven types of remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Less than NT\$1,000,000	Green Partner Investments Limited; Hsu, Yi-Fang; Wang, Ya-Chun; Chen, Tzu-Pei; Chen, Chin-Chi; Tun, Cheng-Hung; Chen, Hui-Yu; Liu, Heng-Yi	Green Partner Investments Limited; Hsu, Yi-Fang; Wang, Ya-Chun; Chen, Tzu-Pei; Chen, Chin-Chi; Tun, Cheng-Hung; Chen, Hui-Yu; Liu, Heng-Yi	Green Partner Investments Limited; Hsu, Yi-Fang; Chen, Tzu-Pei; Chen, Chin-Chi; Tun, Cheng-Hung; Chen, Hui-Yu; Liu, Heng-Yi	Green Partner Investments Limited; Hsu, Yi-Fang; Chen, Tzu-Pei; Chen, Chin-Chi; Tun, Cheng-Hung; Chen, Hui-Yu; Liu, Heng-Yi
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	-	-	Wang, Ya-Chun	Wang, Ya-Chun
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Hsu, Huan Chin	Hsu, Huan Chin	Hsu, Huan Chin	Hsu, Huan Chin
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	9 people	9 people	9 people	9 people

Note 1: The names of directors shall be listed separately (for corporate shareholders, the name of the corporate shareholder and the representative shall be listed separately), and general directors and independent directors shall also be listed separately, while the amounts of each payment shall be disclosed on an aggregate basis. If a director concurrently serves as General Manager or Deputy General Manager, this table and Table (3-1), or Tables (3-2-1) and (3-2-2), shall be completed.

Note 2: Refers to directors' remuneration for the most recent year (including directors' salaries, position allowances, severance pay, various bonuses, incentive payments, etc.).

Note 3: Refers to the amount of directors' remuneration distributed for the most recent year as approved by the Board of Directors.

Note 4: Refers to directors' related business execution expenses for the most recent year (including transportation allowances, special expenses, various allowances, dormitories, company cars, other in-kind provisions, etc.). If housing, cars, and other transportation vehicles or expenses exclusively for personal use are provided, the nature and cost of the assets provided, actual rent or rent calculated based on fair market value, fuel expenses, and other payments shall be disclosed. In addition, if a driver is provided, please specify in the notes the related remuneration paid by the Company to such driver, but it shall not be included in remuneration.

Note 5: Refers to the remuneration received in the most recent year by directors concurrently serving as employees (including concurrently serving as General Manager, Deputy General Manager, other managerial officers, and employees), including salaries, position allowances, severance pay, various bonuses, incentive payments, transportation allowances, special expenses, various allowances, dormitories, company cars, other in-kind provisions, etc. If housing, cars, and other transportation vehicles or expenses exclusively for personal use are provided, the nature and cost of the assets provided, actual rent or rent calculated based on fair market value, fuel expenses, and other payments shall be disclosed. In addition, if a driver is provided, please specify in the notes the

related remuneration paid by the Company to such driver, but it shall not be included in remuneration. In addition, salary expense recognized in accordance with IFRS 2 “Share-Based Payment,” including employee stock option warrants, new restricted employee shares, and participation in share subscription through cash capital increase, shall also be included in remuneration.

- Note 6: This refers to directors who also served as employees—including those concurrently serving as General Manager, Deputy General Manager, other managerial officers, and employees—in the most recent year and received employee remuneration (including stock or cash). The amount of employee remuneration distributed as approved by the Board of Directors in the most recent year shall be disclosed. If it cannot be estimated, the proposed amount to be distributed for the current year shall be calculated based on the ratio of the actual amount distributed in the previous year, and Attachment 1-3 shall also be completed.
- Note 7: The total amount of remuneration paid to the directors of the Company by all companies included in the Consolidated Financial Statements (including the Company) shall be disclosed.
- Note 8: The total amount of remuneration paid by the Company to each director shall be disclosed, and the names of the directors shall be disclosed within the applicable remuneration band.
- Note 9: The total amount of remuneration paid to each director of the Company by all companies included in the Consolidated Financial Statements (including the Company) shall be disclosed, and the names of the directors shall be disclosed within the applicable remuneration band.
- Note 10: Net income after tax refers to the net income after tax in the Parent Company Only Financial Statements or separate financial statements for the most recent year.
- Note 11: a. This column shall clearly state the amount of remuneration received by the Company's directors from investee enterprises other than subsidiaries or the parent company (if none, please fill in “None”).
- b. If any director of the Company receives remuneration from investee enterprises other than subsidiaries or the parent company, the remuneration received by the director of the Company from investee enterprises other than subsidiaries or the parent company shall be included in Column I of the remuneration band table, and the column heading shall be changed to “Parent Company and All Investee Enterprises.”
- c. Remuneration refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and related remuneration such as business execution expenses received by directors of the Company for serving as directors, supervisors, or managerial officers of investee enterprises other than subsidiaries or the parent company.

\* The remuneration disclosed in this table differs from the concept of income under the Income Tax Act; therefore, this table is for information disclosure purposes only and not for taxation purposes.

## (II) Remuneration of the General Manager and Deputy General Managers

Unit: NTD thousand, %, shares

Title	Name	Salaries (A)		Severance payment and pension (B)		Bonuses and allowances etc. (C)		Remuneration to employees (D)				A, B, C and D as a % of the net profits after tax		Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General manager	Wang, Ya-Chun	6,841	6,841	378	378	2,940	2,940	145	-	145	-	10,304/ 53.75%	10,304/ 53.75%	None
Business Deputy General Manager	Chen, Sheng-Chung													
Production Department Deputy General Manager	Chang, Chih-Cheng													
R&D Department Deputy General Manager	Chen, Chen-Yao													

### Payment scale

Payment scale of remunerations paid to the General manager and Deputy general manager of the Company	Names of the General manager and Deputy general managers	
	The Company	All companies included in the financial statements (E)
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Chang, Chih-Cheng	Chang, Chih-Cheng
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	Chen, Sheng-Chung; Chen, Chen-Yao	Chen, Sheng-Chung; Chen, Chen-Yao
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Wang, Ya-Chun	Wang, Ya-Chun
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000	-	-
Total	4 people	4 people

## (III) Names of managerial officers receiving employee remuneration and distribution:

Unit: NTD thousand, %

	Title	Name	Amount in stock	Amount in cash	Total	As a percentage of net profit after tax (%)
Managerial officer	General manager	Wang, Ya-Chun	-	224	224	1.17%
	Deputy General Manager of Business	Chen, Sheng-Chung				
	Chief R&D Officer and Deputy General Manager	Chen, Chen-Yao				
	Chief Financial Officer	Wei, Hsiu-Min				
	Deputy General Manager of Production Department	Chang, Chih-Cheng				
	Associate Vice President, Functional Food Department	Wu, Ssu-Neng				
	Accounting Manager	Yang, Shu-Ya				

(IV) Comparative analysis and explanation of the ratio of the total remuneration paid by the Company and all companies in the Consolidated Financial Statements to the Company's directors, General Manager, and Deputy General Managers to net income after tax in the most recent 2 years, and explanation of the policies, standards, and components of remuneration, procedures for determining remuneration, and the relevance to operating performance and future risks.

1. Analysis of the total remuneration paid to the Company's directors, general manager and deputy general manager as a percentage of net profits after tax for the last two years by the Company and all companies in the consolidated financial statements

Unit: NTD thousand

Annual remuneration Company	2024		2025		As of March 31, 2026	
	Total remuneration paid to directors, general managers and deputy general managers	Ratio of net profit after tax (%)	Total remuneration paid to directors, general managers and deputy general managers	Ratio of net profit after tax (%)	Total remuneration paid to directors, general managers and deputy general managers	Ratio of net profit after tax (%)
The Company	16,080	76.53%	16,494	86.04%	6,093	(23.13)%
All companies included in the financial statements	16,080	76.53%	16,494	86.04%	6,093	(23.13)%

2. The Company's policy, criteria and composition for the payment of remuneration, the procedures for setting remuneration, and the correlation with operating performance and future risks.

(1) Director

Directors' remuneration includes compensation, directors' remuneration, and business execution expenses. In terms of compensation, the Remuneration Committee is authorized to determine it based on the degree of participation in the Company's operations and the value of contributions, with reference to industry standards, and submit it to the Board of Directors for resolution; as for directors' remuneration, it shall be distributed after a resolution of the Board of Directors in accordance with Article 31 of the Company's Articles of Incorporation.

(2) General managers and deputy general managers

The remuneration of the General Manager and Deputy General Manager includes salary, bonuses, and employee remuneration. In terms of salary and bonuses, they are handled in accordance with the provisions of the Company's salary-related systems, and are determined by the Remuneration Committee based on the positions held, responsibilities undertaken, degree of contribution to the Company, achievement rate of overall operating objectives, and individual performance, with reference to industry standards, and submitted to the Board of Directors for resolution; as for employee remuneration, it shall be distributed after a resolution of the Board of Directors in accordance with Article 31 of the Company's Articles of Incorporation.

### III. The Pursuit of Corporate Governance

#### (I) The Operation of the Board of Directors:

In the most recent year (2025), the Board of Directors convened 6 meetings (A), and the attendance of directors was as follows:

Title	Name	Attendance in person B	Attendance by proxy	Actual attendance (%) [B/A]	Remarks
Chairman	Hsu, Huan Chin	6	-	100.00%	—
Director	Chen, Tzu-Pei	6	-	100.00%	—
Director	Green Partner-Huang, Chih-Yang	6	-	100.00%	—
Director	Chen, Chin-Chi	6	-	100.00%	—
Director	Wang, Ya-Chun	6	-	100.00%	—
Director	Hsu, Yi-Fang	6	-	100.00%	—
Independent Director	Kuo, Cheng-Hung	6	-	100.00%	—
Independent Director	Chen, Hui-Yu	6	-	100.00%	—
Independent Director	Liu, Heng-Yi	6	-	100.00%	—

Additional information:

I. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:

(I) The matters listed in Article 14-3 of the Securities and Exchange Act.:

Meeting date	Contents of the proposal	Independent Directors' Opinions and the Company's Handling of Independent Directors' Opinions
2025.03.28	<ul style="list-style-type: none"> <li>• Approved the assessment of the independence and suitability of the Company's certifying CPAs and the appointment thereof.</li> <li>• The Company's 2024 proposal for the distribution of directors' remuneration</li> <li>• Approved the Company's 2024 Financial Statements and Business Report.</li> <li>• Approved the Company's 2024 earnings distribution proposal.</li> <li>• Approved the Company's 2024 cash dividend distribution proposal.</li> <li>• Approved the Company's 2024 Internal Control System Statement.</li> <li>• Approved the proposal to obtain directors' and managerial officers' liability insurance from Union Insurance Co., Ltd.</li> <li>• Approved the proposal for renewal of the short-term credit</li> </ul>	Approved by all independent directors

	<p>facility with Taiwan Cooperative Bank.</p> <ul style="list-style-type: none"> <li>• Approved the Company's proposed application for stock listing (OTC).</li> <li>• Approved the proposal for a pre-IPO public offering through the issuance of new shares by cash capital increase and to request that all original shareholders waive their preemptive rights to subscribe to the new shares in the cash capital increase.</li> <li>• Approved the proposal to amend certain provisions of the Company's "Articles of Incorporation."</li> <li>• Approved the motion defining the scope of rank-and-file employees of the Company.</li> <li>• Approved the proposal to amend certain provisions of the Company's "Operational Procedures for Applying for Suspension and Resumption of Emerging Stock Board Trading."</li> <li>• Approved the proposal to establish the Company's "Sustainability Information Management Regulations."</li> <li>• Approved the proposal to amend the Company's internal control system and internal audit implementation rules.</li> <li>• Approved that the overdue payments of the Company as of December 31, 2024 were not in the nature of lending funds.</li> </ul>	Approved by all independent directors	
2025.06.27	<ul style="list-style-type: none"> <li>• Proposal to establish the Company's "Operating Procedures for Financial and Business Transactions Between Related Parties"</li> <li>• Proposal to amend certain provisions of the Company's "Procedures for the Prevention of Insider Trading."</li> <li>• Proposal to establish the Company's "Risk Management Policies and Procedures" and disclose the "Risk Management Organizational Structure."</li> </ul>		
2025.08.12	<ul style="list-style-type: none"> <li>• Approved the Company's financial statements for Q2 2025.</li> <li>• Approved the motion for establishing the record date for cash dividend distribution and related matters.</li> <li>• Approved the proposal to establish the Company's "Corporate Governance Best Practice Principles."</li> <li>• Approved that the overdue payments of the Company as of June 30, 2025 were not in the nature of lending funds</li> <li>• Approved the proposal to amend the Company's internal control system and internal audit implementation rules.</li> <li>• Proposal to approve the distribution of managerial officers' employee compensation for 2024</li> <li>• Approved the motion to appoint a corporate governance officer for the Company.</li> </ul>		
2025.10.02	<ul style="list-style-type: none"> <li>• Approved the agreement on the "Over-allotment and Lock-Up Agreement for Specific Shareholders" to be entered into between the Company and the lead underwriter prior to the Company's initial listing.</li> <li>• Approved the issuance of the Company's financial forecasts for Q4 2025 and Q1 2026.</li> </ul>		

	<ul style="list-style-type: none"> <li>• Approved the Company’s internal control system statement for the period from July 1, 2024 to June 30, 2025.</li> <li>• Approved the Company’s 2024 Sustainability Report.</li> <li>• Approved the proposal to amend the Company’s “Code of Practice for Sustainable Development.”</li> <li>• Approved the proposal to amend the Company’s “Ethical Management Operating Procedures and Code of Conduct.”</li> <li>• Approved the proposal to establish the Company’s “Standard Operating Procedures for Handling Directors’ Requests.”</li> <li>• Approved the proposal to amend the Company’s internal control system and internal audit implementation rules.</li> </ul>		
2025.11.06	<ul style="list-style-type: none"> <li>• Approved the Company’s financial statements for Q3 2025.</li> </ul>		
2025.12.26	<ul style="list-style-type: none"> <li>• Approved the cash capital increase proposal prior to initial listing.</li> <li>• Approved the number of shares available for subscription by managerial officers in the issuance of new shares for cash capital increase prior to the Company’s initial listing.</li> <li>• Approved the number of shares available for subscription by general employees who are not managerial officers in the issuance of new shares for cash capital increase prior to the Company’s initial listing.</li> <li>• Approved the amendment to the renaming of the Company’s Remuneration Committee and certain provisions of its organizational regulations.</li> <li>• Approved the Company’s 2026 audit plan.</li> <li>• Approved the Company’s 2025 Chairperson performance compensation proposal.</li> <li>• Approved the Company’s 2025 year-end bonus proposal for managerial officers.</li> </ul>		

(II) Except for the aforementioned matters, the resolutions reached by the Board of Directors with the objections or reservations of the independent directors documented or declared in writing: None.

II. Implementation of Recusal by Directors from Motions in Which They Have an Interest:

Meeting date	Contents of the proposal	Interested directors	Recusal status
2025.03.28	Approved the proposal to submit to the AGM, for discussion, the lifting of non-competition restrictions on directors.	Kuo, Cheng-Hung Chen, Hui-Yu	Recusal
2025.06.27	Proposal to lift non-competition restrictions on managerial officers.	Wang, Ya-Chun	Recusal
2025.08.12	Approved the proposal for the distribution of employee compensation to managerial officers for 2024.	Wang, Ya-Chun	Recusal
2025.12.26	Approved the proposal for the number of shares that managerial officers may subscribe to in the cash capital increase through the issuance of new shares prior to the initial listing.	Wang, Ya-Chun	Recusal
	The Company’s 2025 Chairperson performance compensation proposal	Hsu, Huan Chin	Recusal

	Approved the Company's 2025 year-end bonus proposal for managerial officers.	Wang, Ya-Chun	Recusal
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III. Assessment of the objectives and implementation of strengthening the functions of the Board of Directors in the current year and the most recent year: The Board of Directors has established the Audit Committee and the Remuneration and Nomination Committee to assist the Board of Directors in performing its supervisory duties. Self-evaluation of the performance of the Board of Directors and directors to strengthen the effectiveness of the Board of Directors. The Company has established a Sustainability Committee to continuously promote corporate sustainability and enhance corporate governance, and has disclosed its operational status on the Market Observation Post System.

IV. Implementation of Board of Directors Evaluations

Evaluation cycle	Once each year
Evaluation duration	Evaluation of performance from January 1, 2025 to December 31, 2025
Evaluation scope	Board of Directors and functional committees
Evaluation method	Internal self-evaluation of the Board of Directors and functional committees
Evaluation content	<p>A. The extent of participation in the Company's operations.</p> <p>B. Understanding of the duties and responsibilities of directors and committees.</p> <p>C. Improvement of the quality of decision-making by the Board of Directors and functional committees.</p> <p>D. Composition and structure of the Board of Directors and committees.</p> <p>E. Election and continuing professional development of directors and committee members.</p> <p>F. Internal control</p>

(II) The operation of the Auditing Committee

The Company's Audit Committee met 6 times (A) in 2025, and the attendance of independent directors is as follows:

Attendance by independent directors is as follows:

Title	Name	Attendance in person B	Attendance by proxy	Actual attendance (%) [B/A]	Remarks
Convener and Independent Director	Kuo, Cheng-Hung	6	-	100 %	—
Independent Director	Chen, Hui-Yu	6	-	100 %	—
Independent Director	Liu, Heng-Yi	6	-	100 %	—

Additional information:

I. If the operation of the Audit Committee is under any of the following circumstances, the date, term, proposal content, independent directors' dissenting opinions, reserved opinions or significant recommendations, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described:

(I) The content of the particulars inscribed in Article 14-5 of the Securities and Exchange Act

Meeting date	Contents of the proposal	The Audit Committee and the Company's handling of the Audit Committee's opinions
2025.03.28	<ul style="list-style-type: none"> <li>• Approved the assessment of the independence and suitability of the Company's certifying CPAs and the appointment thereof.</li> <li>• Approved the Company's 2024 Financial Statements and Business Report.</li> <li>• Approved the Company's 2024 earnings distribution proposal.</li> <li>• Approved the Company's 2024 cash dividend distribution proposal.</li> <li>• Approved the Company's 2024 Internal Control System Statement.</li> <li>• Approved the proposal to obtain directors' and managerial officers' liability insurance from Union Insurance Co., Ltd.</li> <li>• Approved the proposal for renewal of the short-term credit facility with Taiwan Cooperative Bank.</li> <li>• Approved the Company's proposed application for stock listing (OTC).</li> <li>• Approved the proposal for a pre-IPO public offering through the issuance of new shares by cash capital increase and to request that all original shareholders waive their preemptive rights to subscribe to the new shares in the cash capital increase.</li> <li>• Approved the proposal to amend certain provisions of the Company's "Articles of Incorporation."</li> <li>• Approved the motion defining the scope of rank-and-file</li> </ul>	Approved by all members of the Audit Committee

	<p>employees of the Company.</p> <ul style="list-style-type: none"> <li>• Approved the proposal to amend certain provisions of the Company's operational procedures for applying for suspension and resumption of emerging stock board trading.</li> <li>• Approved the proposal for the Company's Sustainable Information Management Regulations.</li> <li>• Approved the proposal to amend the Company's internal control system and internal audit implementation rules.</li> <li>• Approved that the overdue payments of the Company as of December 31, 2024 were not in the nature of lending funds.</li> </ul>	
2025.06.27	<ul style="list-style-type: none"> <li>• Approved the proposal for establishing the Company's operating procedures for financial and business transactions between related parties.</li> <li>• Approved the proposal to amend certain provisions of the Company's procedures for the prevention of insider trading.</li> <li>• Approved the proposal for establishing the Company's "Risk Management Policy and Procedures" and disclosing the "Risk Management Organizational Structure."</li> </ul>	
2025.08.12	<ul style="list-style-type: none"> <li>• Approved the Company's financial statements for Q2 2025.</li> <li>• Approved the motion for establishing the record date for cash dividend distribution and related matters.</li> <li>• Approved the proposal to establish the Company's "Corporate Governance Best Practice Principles."</li> <li>• Approved that the overdue payments of the Company as of June 30, 2025 were not in the nature of lending funds.</li> <li>• Approved the proposal to amend the Company's internal control system and internal audit implementation rules.</li> <li>• Approved the motion to appoint a corporate governance officer for the Company.</li> </ul>	
2025.10.02	<ul style="list-style-type: none"> <li>• Approved the proposal for the Company to sign an overallotment and lock-up agreement for specific shareholders with the lead underwriter before the initial public offering.</li> <li>• Approved the issuance of the Company's financial forecasts for Q4 2025 and Q1 2026.</li> <li>• Approved the Company's internal control system statement for the period from July 1, 2024 to June 30, 2025.</li> <li>• Approved the proposal to amend the Company's "Code of Practice for Sustainable Development."</li> <li>• Approved the proposal to amend the Company's "Ethical Management Operating Procedures and Code of Conduct."</li> <li>• Approved the proposal to establish the Company's "Standard Operating Procedures for Handling Directors' Requests."</li> <li>• Approved the proposal to amend the Company's internal control system and internal audit implementation rules.</li> </ul>	Approved by all members of the Audit Committee
2025.11.06	<ul style="list-style-type: none"> <li>• Approved the Company's financial statements for Q3 2025.</li> </ul>	
2025.12.26	<ul style="list-style-type: none"> <li>• Proposed approval of the cash capital increase before the initial listing.</li> <li>• Proposed approval of the number of shares available for subscription by general employees (excluding managerial officers) in the cash capital increase prior to the Company's initial listing.</li> <li>• Proposal to rename the Company's Remuneration Committee and amend certain provisions of its organizational regulations.</li> <li>• The Company's 2026 operating plan and budget proposal.</li> </ul>	

- The Company's 2026 audit plan proposal.

(II) Except for the preceding matters, other matters not approved by the Audit Committee and approved by two-thirds of all directors: None.

II. In the implementation of an independent director's recusal for being an interested party in a proposal, the director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated: None

III. Communication between the Independent Directors, the head of internal audit, and the accountants:

(I) Communication between the chief internal auditor and independent directors:

1. Routine: The chief internal auditor reports audit findings and progress on improvements for abnormal matters in the Audit Committee's meetings, responds to all queries raised by independent directors, and strengthens the audit following their instructions to ensure the effectiveness of the internal control system.
2. Non-routine: Communication about audit findings through telephone, email or in-person normally, and if there is any material finding of violations, the chief internal auditor informs independent directors immediately.
3. Major matters communicated in 2025 are listed in the table below:

Date	Content	Result
2025.03.28 Audit Committee	Report on the implementation status of the audit plan for the period from December 2024 to March 2025.	No other suggestions
	Review of the Company's "2024 Statement of Internal Control System."	Approved after the review and raised to the Board of Directors' meeting for a resolution.
	Review the Company's "Sustainability Information Management Regulations."	Approved after the review and raised to the Board of Directors' meeting for a resolution.
	Amendment to the Company's internal control system and the Enforcement Rules for Internal Audit.	Approved after the review and raised to the Board of Directors' meeting for a resolution.
2025.06.27 Audit Committee	Report on the implementation status of the Company's audit plan from April to June 2025.	No other suggestions
2025.08.12 Audit Committee	Report on the implementation status of the Company's audit plan in July 2025.	No other suggestions
	Amendment to the Company's internal control system and the Enforcement Rules for Internal Audit.	Approved after the review and raised to the Board of Directors' meeting for a resolution.
2025.10.02 Audit Committee	Report on the implementation status of the Company's audit plan from August to September 2025.	No other suggestions
	Amendment to the Company's internal control system and the Enforcement Rules for Internal Audit.	Approved after the review and raised to the Board of Directors' meeting for a resolution.
2025.11.06 Audit Committee	Report on the implementation status of the Company's audit plan in October 2025.	No other suggestions
2025.12.26	Report on the implementation status of the Company's	Approved after the review

Audit Committee	audit plan from November to December 2025.	and raised to the Board of Directors' meeting for a resolution.
	Review of the Company's 2026 audit plan.	Approved after the review and raised to the Board of Directors' meeting for a resolution.

(II) Separate communication between the CPAs and independent directors:

1. Routine: the external auditors communicate with independent directors regarding audit plans, implementation thereof and the audit or review results semiannually.
2. Non-routine: If there are other cases related to operations or internal control requiring immediate communication, meetings are arranged accordingly.
3. Major matters communicated in 2025 are listed in the table below:

Date	Content	Result
2025.03.28 Meeting on Governance of the Audit Committee	<ol style="list-style-type: none"> <li>1. The external auditors communicated and explained matters regarding key audit matters, materiality and audit findings of the 2024 standalone financial statements and consolidated financial statements.</li> <li>2. The external auditors discussed and communicated about questions raised by independent directors.</li> </ol>	No other suggestions
2025.08.12 Meeting on Governance of the Audit Committee	<ol style="list-style-type: none"> <li>1. The external auditors communicated and explained matters regarding key review matters, materiality and review findings of the consolidated financial statements for the second quarter of 2025.</li> <li>2. The external auditors discussed and communicated about questions raised by independent directors.</li> </ol>	No other suggestions
2025.11.06 Meeting on Governance of the Audit Committee	<ol style="list-style-type: none"> <li>1. The external auditors communicated and explained matters regarding key review matters, materiality and review findings of the consolidated financial statements for the third quarter of 2025.</li> <li>2. The external auditors discussed and communicated about questions raised by independent directors.</li> </ol>	No other suggestions
2025.12.26 Meeting on Governance of the Audit Committee	<ol style="list-style-type: none"> <li>1. Annual audit plan (including audit plan, preliminary opinions on key audit matters).</li> <li>2. The external auditors discussed and communicated about questions raised by independent directors.</li> </ol>	No other suggestions

(III) The performance of corporate governance and the variation with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies", and the reasons for the variation

Items for assessment	Operational status (Note)			The variation with the "Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies," and the reasons for the variation
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company has established the "Corporate Governance Best Practice Principles" and disclosed them on the Company's website and the Market Observation Post System.	No significant difference yet.
II. The Equity Structure and Shareholders Equity of the Company				
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	V		(I) The Company has established a spokesperson and acting spokesperson system, as well as mechanisms for handling shareholder suggestions or disputes.	No significant difference yet.
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(II) The Company continuously monitors changes in the shareholdings of directors, supervisors, managerial officers, and shareholders holding more than 5% of the shares, and discloses such information each month on the information reporting website designated by the securities authority in accordance with regulations.	
(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	V		(III) The Company has established the "Operating Procedures for Financial and Business Matters Between Related Parties" and the internal control system for "Supervision and Management Operations for Subsidiaries," and it has complied with the relevant regulations.	
(IV) Has the Company formulated internal	V		(IV) The Company has established the "Internal	

Items for assessment	Operational status (Note)			The variation with the “Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No	Summary	
regulations to prevent insiders from trading securities using undisclosed information on the market?			Material Information Handling Procedures,” “Procedures for the Prevention of Insider Trading,” and “Ethical Corporate Management Best Practice Principles,” requiring relevant personnel to keep financial and business confidential information confidential; they must not disseminate such information without authorization or obtain improper benefits by taking advantage of their positions. In addition, the “Procedures for the Prevention of Insider Trading” stipulate that directors may not trade the Company’s shares during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report.	
<p>III. The Organization and Function of the Board of Directors</p> <p>(I) Has the Board of Directors formulated and implemented a diversity policy on membership?</p>	V		<p>I. The composition of the Company’s Board of Directors is determined with reference to the scale of the Company’s operations and development and the shareholdings of major shareholders, taking into account practical needs. When considering and screening director candidates, the Company follows the diversity policy and evaluates professional background, education and work experience, integrity, and relevant professional qualifications. Currently, all directors and independent directors of the Company possess comprehensive and extensive education and experience, reflecting a</p>	No significant difference yet.

Items for assessment	Operational status (Note)			The variation with the “Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No	Summary	
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?	V		diversified composition. The Board has 9 directors, including 3 independent directors, meeting the specific management objectives that “independent directors account for more than one-third of the board seats” and “directors concurrently serving as managerial officers do not exceed one-third of the board seats,” thereby enabling the Company to perform its operational decision-making and supervisory functions. Please refer to page 19 for details on the implementation of board member diversity. Details of the principal education and experience of each director are provided on page 16 of this prospectus.	
(III) Has the Company formulated performance evaluation measures and methods for the Board of Directors, conducted performance evaluation annually and periodically, submitted the results of performance evaluation to the Board of Directors, and used them for reference in the remuneration and nomination of individual directors?	V		(II) The Company has established a Sustainability Committee to promote corporate sustainability and strengthen the functions of the Board of Directors and management mechanisms. In the future, the Company will consider whether to establish other functional committees based on the Company’s development trends. (III) The Company conducts performance evaluations on a regular annual basis. The 2025 board performance evaluation was completed by directors through internal self-evaluation and submitted to the Board of Directors on March 12, 2026. The evaluation results for all items were good, and such results may serve as reference for relevant decision-making matters.	
(IV) Does the Company regularly evaluate the	V		(IV) The Company’s certifying CPAs do not serve as	

Items for assessment	Operational status (Note)			The variation with the “Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No	Summary	
independence of the attesting CPAs?			directors of the Company and are not shareholders of the Company. The Company has regularly evaluated the independence of the certifying CPAs.	
IV. Does the Company as a listed enterprise have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?	V		The Company’s finance department has dedicated personnel responsible for corporate governance-related affairs, and the Board of Directors has approved the appointment of the accounting officer, Yang, Shu-Ya as the Company’s corporate governance officer. The information required for directors to perform their duties is provided in a timely manner, and appropriate advice is also provided to assist directors in complying with the laws and regulations. Matters related to the Board of Directors and Annual General Meeting, company registration, and registration of amendments, as well as minutes of the Board of Directors and Annual General Meeting, were handled in accordance with regulations.	No significant difference yet.
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a dedicated stakeholder section on the Company’s website, and appropriately responded to important sustainable development issues of concern to stakeholders?	V		The Company has established a spokesperson and acting spokesperson system, and has set up a stakeholder section on the Company’s website. These measures establish transparent and effective multi-directional communication channels with all stakeholders, allowing the Company to understand their concerns and needs and to respond in a timely manner.	No significant difference yet.
VI. Has the Company appointed a professional	V		The Company has appointed a professional	No significant difference

Items for assessment	Operational status (Note)			The variation with the “Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No	Summary	
stock affairs agency to handle matters for shareholder meetings?			shareholder services agent, CTBC Bank Co., Ltd. Agency Department to handle AGM affairs.	yet.
<b>VII. Disclosure of Information</b>				
(I) Has the Company established a corporate website to disclose information regarding its financial, business, and corporate governance status?	V		(I) The Company has established a website where relevant Company information is continuously disclosed. In addition, relevant financial, business, and corporate governance information of the Company can also be accessed on the Market Observation Post System.	No significant difference yet.
(II) Is there any other means for disclosures (like the installation of an English website, appointment of designated personnel to collect and disclose related information on the Company, proper performance of the spokesperson system, and upload the procedure of investors conference to the website)?	V		(II) Designated personnel are responsible for collecting relevant information and disclosing major Company events, and the spokesperson system has been implemented. Audio and video recordings of the Company’s AGM and investor conferences are also posted on the Company’s website.	
(III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?		V	(III) The Company has publicly announced and filed the annual financial report before the prescribed deadline, and has also publicly announced and filed the Q1, Q2, and Q3 financial reports and monthly operating status before the prescribed deadline.	
<b>VIII.</b> Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing	V		(I) Employee rights and employee care: The Company treats employees with integrity, complies with the Labor Standards Act to protect employee rights, provides equal employment opportunities, conducts various employee training programs, offers employee	No significant difference yet.

Items for assessment	Operational status (Note)			The variation with the “Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No	Summary	
education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company’s purchase of liability insurance for directors and supervisors, etc.)?			<p>group insurance, arranges regular employee health examinations, and has established an employee welfare committee to provide various employee welfare measures and regularly convene labor-management meetings to promote harmonious labor-management relations.</p> <p>(II) Investor relations: A spokesperson and acting spokesperson system has been established to handle related matters. To protect investors’ rights and interests, all shareholders of the Company may gain an understanding of the Company’s operating status or financial report information from the Company’s website or the Market Observation Post System, and investors may communicate with the Company through public information and contact windows.</p> <p>(III) Supplier relations: The Company maintains a good relationship of mutual trust with suppliers.</p> <p>(IV) Rights of stakeholders: Stakeholders may communicate with the Company regarding the need to protect their own rights and interests.</p> <p>(V) Continuing education of directors: See “Five. 30. (IX) 1. The participation of the Company’s directors in continuing education related to corporate governance in the most recent year and up to the date of printing of the annual report.”</p> <p>(VI) Implementation of customer policies: The Company’s internal control system has established “Customer Complaint Handling and</p>	

Items for assessment	Operational status (Note)			The variation with the “Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No	Summary	
			<p>After-Sales Service Operations” to promptly and effectively handle customer complaints and the attribution of responsibility, and the Company has also purchased product liability insurance for products sold to protect consumer rights and interests.</p> <p>(VII) Status of the Company’s purchase of liability insurance for directors: The Company has purchased liability insurance for directors and managerial officers since 2012.</p>	
<p>IX. Please explain the improvements made with respect to the corporate governance evaluation results released by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority strengthening items and measures for those not yet improved: The Company has not yet been included among the evaluated companies.</p>				

(Note 1)

Title	Name	Course date	Organizer	Course name	Course hours	Does the training comply with regulations
Chairman	Hsu, Huan-Chin	2025.08.28	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	Yes
Chairman	Hsu, Huan-Chin	2025.11.13	Taiwan Project Management Association	Analysis of financial statements and financial accounting trends	3	Yes
Director	Wang, Ya-Chun	2025.08.28	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	Yes
Director	Wang, Ya-Chun	2025.07.29	Taipei Exchange	Briefing on insider shareholding for emerging stock companies	3	Yes
Director	Hsu, Yi-Fang	2025.08.28	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	Yes
Director	Hsu, Yi-Fang	2025.05.09	Securities and Futures Institute	Prospects for the U.S.–China economy and Taiwan industries under Trump 2.0	3	Yes
Director	Hsu, Yi-Fang	2025.06.18	Taiwan Institute of Directors	Trends and Practices in Food Industry Sustainability	3	Yes
Director	Chen, Tzu-Pei	2025.08.28	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	Yes
Director	Chen, Tzu-Pei	2025.09.18	Securities and Futures Institute	Digital technology and artificial intelligence trends and risk management	3	Yes
Director	Chen, Chin-Chi	2025.08.28	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	Yes
Director	Chen, Chin-Chi	2025.04.29	Taiwan Institute of Directors	Future trends and opportunities in sustainability issues	3	Yes
Director	Chen, Chin-Chi	2025.05.09	Taiwan Corporate Governance Association	Legal matters that the Board of Directors should understand when supervising enterprises: Beware of inadvertently crossing the red line of concerted action	3	Yes
Director	Chen, Chin-Chi	2025.07.23	Taiwan Corporate Governance Association	New Challenges in AI Finance and Cybersecurity Resilience	3	Yes
Representative of corporate director, Green Partner	Huang, Chih-Yang	2025.08.28	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	Yes
Representative of corporate director, Green Partner	Huang, Chih-Yang	2025.09.19	Taiwan Institute of Directors	Artificial intelligence trend analysis and enterprise risk management strategies	3	Yes

Title	Name	Course date	Organizer	Course name	Course hours	Does the training comply with regulations
Independent Director	Kuo, Cheng-Hung	2025.08.28	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	Yes
Independent Director	Kuo, Cheng-Hung	2025.05.22	Taiwan Corporate Governance Association	Introduction and Discussion of the Global Minimum Tax Regime	3	Yes
Independent Director	Kuo, Cheng-Hung	2025.10.29	Taiwan Corporate Governance Association	Sustainability, Risk, and Cybersecurity in the Age of AI	3	Yes
Independent Director	Chen, Hui-Yu	2025.08.28	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	Yes
Independent Director	Chen, Hui-Yu	2025.02.18	Institute of Financial Law and Crime Prevention	Fair treatment of customers and financial consumer protection	3	Yes
Independent Director	Chen, Hui-Yu	2025.04.29	Taiwan Institute of Directors	Future trends and opportunities in sustainability issues	3	Yes
Independent Director	Chen, Hui-Yu	2025.08.12	Chinese National Association of Industry and Commerce, Taiwan	2025 Taishin Shin Kong Net-Zero Summit	3	Yes
Independent Director	Liu, Heng-Yi	2025.08.28	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	Yes
Independent Director	Liu, Heng-Yi	2025.11.07	Taiwan Corporate Governance Association	Trends in digital technology and artificial intelligence and risk management	3	Yes
Independent Director	Liu, Heng-Yi	2025.11.07	Taiwan Corporate Governance Association	Smart manufacturing trends and the application of digital technology in business management	3	Yes

(IV) If the Company has established a Remuneration Committee, it shall disclose its composition, responsibilities, and operations:

1. On June 26, 2023, the Board of Directors approved the appointment of independent directors Kuo, Cheng-Hung, Chen, Hui-Yu, and Liu, Heng-Yi as members of the 5th Remuneration Committee, and the three independent directors elected Chen, Hui-Yu as the convener of the Remuneration Committee. The Company's Board of Directors approved the renaming of the Remuneration Committee to the "Remuneration and Nomination Committee" on December 26, 2025.
2. The functions of this committee are to evaluate the remuneration policies and systems for the Company's directors and managerial officers in a professional and objective manner; in addition, based on the various elements and standards required for members of the Board of Directors and senior managerial officers, to seek, review, and nominate candidates for directors and senior managerial officers; to construct and develop the organizational structure of the Board of Directors and various committees, conduct performance evaluations, and evaluate the independence of independent directors.
3. Information on Members of the Remuneration and Nomination Committee

Qualification		Professional qualifications and experience	Independence	Number of other public companies where the member is also a member of their Remuneration Committees
Identity and Name				
Independent Director	Kuo, Cheng-Hung	Please refer to the relevant information on disclosure of directors' professional qualifications and independent directors' independence on page 12.	(1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs. (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under	None
Independent Director	Chen, Hui-Yu			3

Independent Director	Liu, Heng-Yi		<p>Article 27, paragraph 1 or 2 of the Company Act.</p> <p>(6) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.</p> <p>(7) If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.</p> <p>(8) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of the shares of a specified company or institution that has financial or business dealings with the Company. (9) Not a professional, sole proprietor, partner, owner of a company or institution, partner, director, supervisor, managerial officer, or spouse thereof that provides audit services or related commercial, legal, financial, accounting, or other services to the Company or its related enterprises, or that has received cumulative remuneration of more than NT\$500,000 in the most recent two years.</p> <p>(10) Not a spouse or relative within the second degree of kinship of other directors.</p> <p>(11) Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.</p>	1
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#### 4. Information on the Operation of the Remuneration and Nomination Committee

(1) The Remuneration Committee of the Company consists of 3 members.

(2) Term of office of the current committee:

The term of the current Remuneration Committee is from June 26, 2023 to June 11, 2026, and the Remuneration and Nomination Committee held 3 meetings in 2025 (A).

Qualifications and attendance of committee members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	% of attendance in person (%) [B/A]	Remarks
Convener	Chen, Hui-Yu	3	0	100 %	—
Member	Kuo, Cheng-Hung	3	0	100 %	—
Member	Liu, Heng-Yi	3	0	100 %	—

Additional information:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): None.
2. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: None.

5. Information on the members and operation of the Nomination Committee: Please refer to the operation of the Company's Remuneration and Nomination Committee for details.

(V) Implementation status of the promotion of sustainable development, the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor:

Promotion item	Status of implementation			Discrepancies from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the causes									
	Yes	No	Summary										
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		In March 2024, the Company established a Sustainability Committee, with the Chairperson serving as the chair of the committee, in order to facilitate the promotion and deepening of the implementation of sustainability goals. The Sustainability Committee is the Company's highest-level internal organization for sustainability management and supervision. The committee currently has 6 members, including 5 directors, of whom more than half are independent directors. It convenes at least once a year. On October 2, 2025, the Sustainability Committee and the Board of Directors, respectively, approved the Company's 2024 Sustainability Report.	No significant difference yet									
II. Does the Company, in accordance with the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations, and formulate relevant risk management policies or strategies.	V		<p>The Company's risk assessment focuses on the Company and includes the Xinying Plant and medical materials plant within the scope. The Company has established the Sustainable Development Best Practice Principles and, based on the principle of materiality, conducts risk assessments on environmental, social, and corporate governance issues related to the Company's operations. It incorporates the issues from each aspect into the decision-making considerations of the Company's operational governance and implements them in the Company's internal daily operational management procedures.</p> <table border="1"> <thead> <tr> <th>Significant issue</th> <th>Description of Risk Assessment Items</th> <th>Management Policy</th> </tr> </thead> <tbody> <tr> <td>Governance Aspects</td> <td>Operational performance</td> <td>Actively develop clients and introduce products with strong market potential while expanding international market opportunities to drive revenue growth</td> </tr> <tr> <td></td> <td>Regulatory compliance</td> <td>Responsible units have tracked trends in regulatory amendments and responded proactively while strengthening employee</td> </tr> </tbody> </table>	Significant issue	Description of Risk Assessment Items	Management Policy	Governance Aspects	Operational performance	Actively develop clients and introduce products with strong market potential while expanding international market opportunities to drive revenue growth		Regulatory compliance	Responsible units have tracked trends in regulatory amendments and responded proactively while strengthening employee	No significant difference yet
Significant issue	Description of Risk Assessment Items	Management Policy											
Governance Aspects	Operational performance	Actively develop clients and introduce products with strong market potential while expanding international market opportunities to drive revenue growth											
	Regulatory compliance	Responsible units have tracked trends in regulatory amendments and responded proactively while strengthening employee											

				education and training to ensure compliance	
				Integrity management and marketing ethics	Implement regulations related to ethical corporate management, strengthen internal and external communication and promotion, and establish whistleblowing mechanisms
				New drug research and development and innovation management	Continue to invest in the research and development of new drugs for the prevention and treatment of lower urinary tract infections and liver diseases, and improve intellectual property management
				Customer relationships	Provide high-quality products and services, maintain open communication channels, and respond to customer needs promptly
				Value chain management	Continue to implement supplier evaluation and audits, and plan to incorporate ESG indicators into the evaluation criteria
			Environmental aspects	Climate change response	Continue to implement and expand greenhouse gas inventories across operating locations, and begin planning carbon reduction initiatives
				Energy management	Continue to improve energy efficiency through operations management optimization, and equipment upgrades and replacements
			Social aspects	Human rights, diversity, and inclusion	Establish a workplace culture of diversity and inclusion, strengthen promotion and prevention efforts, and eliminate workplace gender discrimination and harassment
				Talent development and cultivation	Implement education, training, and performance appraisal systems for all employees, and promote succession plans for key management
				Drug quality and safety	Strictly comply with all the applicable laws and regulations and quality management certification standards to ensure drug quality and safeguard medication safety
III. Environmental issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		The Company's pharmaceutical environmental standards comply with the "Good Distribution Practice (GDP) for Pharmaceutical Distributors" established by the Taiwan Food and Drug Administration of the Ministry of Health and Welfare. The Company's Xinying Plant has obtained TQF certification, the medical		No significant difference yet

		device plant has obtained ISO 13485 medical device quality management certification, the molecular testing laboratory has, respectively, obtained ISO 17025 certification and precision medicine molecular testing laboratory certification from the Taiwan Food and Drug Administration of the Ministry of Health and Welfare, and the Company has established relevant safety and health management systems in accordance with the Occupational Safety and Health Act.																
(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	V	The Company is committed to reducing the impact of its operations on the natural environment. It uses environmentally friendly packaging materials, energy-saving air conditioners, and energy-saving lighting fixtures.	No significant difference yet															
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take countermeasures to respond to climate related issues?	V	The Company engages in pharmaceutical research and development, sales, and technology platform development. This industry generates low carbon emissions and has limited impact on climate change, and therefore, climate change has had a minimal impact on the Company's finances and operations. However, as protecting Earth is a collective responsibility, the Company continues to actively invest in energy conservation and carbon reduction. In recent years, online meetings have primarily replaced physical meetings to reduce air pollution caused by travel; Class 1 energy-saving electrical appliances have been adopted to reduce energy loss; and an electronic approval system has been introduced to save document delivery time, reduce paper-based operations, and lower postage costs—all among other measures to reduce the impact on the environment	No significant difference yet															
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	V	<p>TCM conducted a preliminary inventory and quantification of all direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions within the head office plant in accordance with the ISO 14064-1 greenhouse gas inventory standard.</p> <p>Greenhouse gas emissions in the past two years <span style="float: right;">Unit: tCO<sub>2</sub>e</span></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Emission source</th> <th style="text-align: center;">2024</th> <th style="text-align: center;">2025</th> </tr> </thead> <tbody> <tr> <td>Scope 1 direct emissions</td> <td style="text-align: right;">34.5753</td> <td style="text-align: right;">42.7423</td> </tr> <tr> <td>Scope 2 energy indirect emissions</td> <td style="text-align: right;">451.9858</td> <td style="text-align: right;">332.7946</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">486.56</td> <td style="text-align: right;">375.54</td> </tr> <tr> <td>Emission intensity (tCO<sub>2</sub>e/per NT\$1 million revenue)</td> <td style="text-align: right;">0.71</td> <td style="text-align: right;">0.55</td> </tr> </tbody> </table> <p>In 2025, the Company established the “Corporate Environmental and Energy Saving and Carbon Reduction Management Regulations,” outlining specific measures for internal electricity use, water use, and waste management. The Company regularly conducts employee education and awareness promotion to effectively improve the efficiency of energy and resource use and achieve its management objectives of energy saving and carbon reduction.</p>	Emission source	2024	2025	Scope 1 direct emissions	34.5753	42.7423	Scope 2 energy indirect emissions	451.9858	332.7946	Total	486.56	375.54	Emission intensity (tCO <sub>2</sub> e/per NT\$1 million revenue)	0.71	0.55	No significant difference yet
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Water consumption over the past 2 years

Unit: Tonnes

Water unit	2024	2025
Head office	1,509	1621
Medical device plant	144	117
Xinying Plant	1,388	1387

The Company's main operating locations are in "low-to-medium water stress areas;" however, cherishing natural resources is an obligation for all. Since 2023, TCM has actively promoted water conservation measures, including:

- Installing automatic sensor faucets to reduce tap water consumption.
- Recycling and reusing RO wastewater generated in the RO production process for cleaning and toilet use to reduce tap water consumption.
- Strengthening awareness promotion among employees to develop the habit of turning off faucets and ensuring they immediately notify the responsible unit upon discovering leaks to facilitate prompt repairs.

Waste management

Unit: Tonnes

	2024	2025
Hazardous waste	0	0
Non-hazardous waste	0.057	0.082
Total	0.057	0.082

The Company manages all waste in accordance with the relevant laws and regulations, with preventing environmental pollution as the core principle. Waste removal and disposal are entrusted to qualified professional companies and dedicated personnel. In addition, to reduce the environmental impact caused by waste, the Company has actively promoted waste reduction efforts since 2023. Specific measures include:

- Implementing waste sorting by dividing waste into general waste, plastic bags, paper recycling, and bottle and can recycling.
- Promoting the digitization of forms and establishing a photocopy paper recycling area so that paper can be reused. General reference documents are printed on the reverse side of used paper to reduce paper consumption.
- Strengthening awareness promotion to reduce the use of single-use items such as paper cups, disposable tableware, and bottled water.

<p>IV. Social issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?</p>	<p>V</p>	<p>The Company follows internationally recognized human rights norms and principles, including the spirit of international human rights instruments such as the “Universal Declaration of Human Rights,” the “International Bill of Human Rights,” the “United Nations Global Compact,” the “United Nations Guiding Principles on Business and Human Rights,” the “Responsible Business Alliance Code of Conduct,” and the ILO “Declaration on Fundamental Principles and Rights at Work.” Accordingly, it has established the “TCM Biotechnology Human Rights Policy” in compliance with the laws and regulations of its operating locations. In addition to respecting the protections established by human rights conventions, the Company also ensures that both its internal and external members receive reasonable, equal, and dignified treatment. This policy is published on the Company’s website.</p> <p>The Company’s basic wages, work hours, leave, retirement benefits, labor and health insurance benefits, and occupational accident compensation for employees all comply with the relevant provisions of the Labor Standards Act. An Employee Welfare Committee has been established and operates through representatives elected by employees to handle various welfare matters. Labor-management meetings are convened regularly to understand the views of both parties and achieve a win-win outcome for labor and management.</p> <p>The Company periodically reviews its own potential human rights risks by paying attention to major social issues and conducting questionnaire surveys, and it continues to monitor and improve its performance.</p> <p>A summary of the Company’s human rights policy is as follows:</p> <table border="1" data-bbox="779 858 1671 1228"> <thead> <tr> <th data-bbox="779 858 1173 895">Human rights policy</th> <th data-bbox="1173 858 1671 895">Specific implementation status</th> </tr> </thead> <tbody> <tr> <td data-bbox="779 895 1173 1034">A friendly workplace characterized by equality and freedom from discrimination and harassment</td> <td data-bbox="1173 895 1671 1034"> <ul style="list-style-type: none"> <li>Established the “Measures for the Prevention of Sexual Harassment, Complaint, and Disciplinary Action”</li> </ul> </td> </tr> <tr> <td data-bbox="779 1034 1173 1228">Forced labor is prohibited, and international standards and applicable local laws are strictly followed to provide lawful and reasonable working conditions</td> <td data-bbox="1173 1034 1671 1228"> <ul style="list-style-type: none"> <li>Implement the leave system and encourage employees to value work-life balance.</li> <li>7.5 work hours per day.</li> <li>Flexible work hours</li> </ul> </td> </tr> </tbody> </table>	Human rights policy	Specific implementation status	A friendly workplace characterized by equality and freedom from discrimination and harassment	<ul style="list-style-type: none"> <li>Established the “Measures for the Prevention of Sexual Harassment, Complaint, and Disciplinary Action”</li> </ul>	Forced labor is prohibited, and international standards and applicable local laws are strictly followed to provide lawful and reasonable working conditions	<ul style="list-style-type: none"> <li>Implement the leave system and encourage employees to value work-life balance.</li> <li>7.5 work hours per day.</li> <li>Flexible work hours</li> </ul>	<p>No significant difference yet</p>
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<p>(II) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?</p>	<p>V</p>	<p><u>Employee welfare</u> The Company has established an employee welfare committee to plan and provide various welfare measures for employees, such as employee travel subsidies, birthday cash gifts, marriage subsidies, childbirth subsidies, children's education subsidies, and funeral subsidies. In addition, the Company also provides employees with benefits such as free health checkup programs with official leave.</p> <p><u>Volunteer Leave</u> Upholding the principles of Corporate Social Responsibility (CSR), the Company encourages employees to actively engage in public service, care for society, and give back to the community. Employees who voluntarily participate in public welfare activities or serve as volunteers during weekends or holidays are eligible to apply for one day of CSR Volunteer Leave.</p> <p><u>Employee Care Leave</u> To support employees during urgent family matters, the Company provides 7 days of paid Employee Care Leave per year in addition to regular annual leave. This benefit is designed to help colleagues manage family care and personal needs with peace of mind, fostering a better work-life balance.</p> <p><u>Sports &amp; Fitness Subsidy</u> To encourage the development of healthy exercise habits and promote physical and mental well-being, every employee is entitled to an annual Sports Subsidy of NT\$5,000.</p> <p>The Company's daily work hours are set at 7.5 hours. A flexible start time between 8:30 and 9:00 a.m. is available, provided that the 7.5 hours are completed each day. Flexible adjustments are made for consecutive holidays, and the holiday schedule follows the calendar of government agencies. Any make-up workday is taken directly as a holiday without the need for compensatory leave. For employees who require an extended period of leave due to childcare, major injury or illness, unexpected events, or other circumstances, there is the option to apply for unpaid leave to balance personal and family care needs.</p> <p><u>Workplace Diversity and Equality</u> 2025 Gender Distribution of Labor: Female 56%, Male 44% 2025 Male-to-Female Functional Ratio: Department Managers – Female 29%, Male 71%, Division Chiefs – Female 55%, Male 45%</p>	<p>No significant difference yet</p>
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		<p>Reflect business performance in employee remuneration</p> <p>Article 31 of the Articles of Incorporation: The Company shall, from the amount of the current year's profit before tax prior to the deduction of the distribution of employee remuneration and directors' remuneration, after first reserving an amount to cover accumulated losses, allocate—if there is any remaining balance—no less than 3% (inclusive) as employee remuneration and no more than 3% (inclusive) as directors' remuneration.</p> <p>In the amount of employee remuneration as mentioned in the preceding paragraph, no less than 1% of the amount shall be appropriated as remuneration to the entry-level employees. The determination of the distribution ratio for employee remuneration and directors' remuneration, and whether employee remuneration shall be distributed in shares or cash, shall be resolved by the Board of Directors in a meeting attended by more than two-thirds of the directors and approved by a majority of the directors present, and shall be reported to the Annual General Meeting.</p> <p>The recipients of employee remuneration in shares or cash include employees of subordinate companies meeting certain conditions.</p>																
<p>(III) Does the Company provide employees with a safe and healthy working environment, and related education?</p>	<p>V</p>	<p>The Company has established occupational safety and health work rules, and in compliance with the relevant laws and regulations, the Company provides employees with a safe, comfortable, and healthy environment. In addition to regularly cleaning the workplace, the Company provides regular health checkups for employees in accordance with the law and, from time to time, provides information on health education-related seminars.</p> <p><u>Occupational Safety and Health Policy</u></p> <p>The Company follows the Occupational Safety and Health Act and the regulations of customers and related organizations to establish policies and respect the requirements of related stakeholder groups on occupational safety and health in order to build a healthy and happy workplace.</p> <p>In 2025, the Company's disabling injury frequency rate was 0; there were 0 occupational accidents involving personnel. The target of 0 cases was achieved in 2025.</p> <p><u>The Company's Occupational Safety Education, Training, and Promotion in the Most Recent Three Years</u></p> <table border="1" data-bbox="779 1198 1624 1355"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> <th>2023</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Number of participants</td> <td>126</td> <td>125</td> <td>0</td> <td>251</td> </tr> <tr> <td>Number of hours</td> <td>126</td> <td>125</td> <td>0</td> <td>251</td> </tr> </tbody> </table> <p><u>Health Education</u></p> <p>According to the "Regulations for Labor Health Protection," employers shall regularly</p>		2025	2024	2023	Total	Number of participants	126	125	0	251	Number of hours	126	125	0	251	<p>No significant difference yet</p>
	2025	2024	2023	Total														
Number of participants	126	125	0	251														
Number of hours	126	125	0	251														

		<p>conduct employee health checkups at different frequencies based on different ages. The Company provides regular health checkups exceeding the regulatory requirements, with all employees receiving free health checkups every two years to enhance their health awareness.</p> <p><u>Fire Prevention and Response</u></p> <p>No fires occurred at the Company in 2025. The fire prevention and response measures are as follows:</p> <ol style="list-style-type: none"> <li>1. Fire drills: The Company conducts one self-defense fire brigade drill every six months.</li> <li>2. The Company conducts one fire safety inspection annually.</li> </ol>	
(IV) Has the Company established an effective career development training program for employees?	V	<p>Every year, based on business operations, business direction, and future forward-looking development, the Company plans comprehensive competency training for supervisors and employees at all levels—including new employee training, advanced professional training, and supervisor training—to assist employees in continuous learning and growth through diverse learning methods and to cultivate employees’ professional capabilities. In 2025, career training totaled 399 person-times, with total hours of 791.5 hours. During the regular annual performance interview each year, supervisors and employees jointly discuss and set individual annual capability development plans, and through regular review and feedback, assist employees in tailoring the most suitable development plans.</p>	No significant difference yet
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant customer rights protection policies and complaint procedures?	V	<p>For issues concerning customer health and safety, customer privacy, marketing, and labeling of products and services, the Company strictly complies with relevant standards such as TQF, GDP, ISO 13485, and ISO 17025, and has established a series of policies and complaint procedures to protect customer rights and interests and ensure that customer interests are fully protected. In terms of marketing and labeling, the Company strictly complies with the relevant laws and regulations and ensures the reasonableness of procurement and production processes through a robust internal system. It also maintains positive communication with suppliers to protect the legitimate rights and interests of both parties.</p> <p>The Company’s products comply with relevant product safety standards and the provisions regarding customer health and safety under the Consumer Protection Act, and the Company has appropriately secured product liability insurance to protect customer health and safety. The Company complies with the relevant laws and regulations and international standards concerning customer privacy, marketing, and labeling. If a customer has any questions, the customer may contact the Company through the Company’s business units or the stakeholder complaint channel on the Company’s official website to protect customer rights and interests.</p>	No significant difference yet
(VI) Has the Company formulated	V	The Company has established supplier management operating procedures to ensure the	No significant

<p>supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?</p>		<p>quality and reliability of the supply chain. Prior to engaging in transactions, suppliers are required to provide a Certificate of Analysis (CoA) and other documents as required by the Company's quality procedures to confirm the reliability of quality. The Company also comprehensively evaluates suppliers' historical records and reputation. Furthermore, supplier evaluations are conducted annually based on factors such as product quality, delivery, cooperation, and service. The Company is committed to working with suppliers to enhance social responsibility. If a supplier violates its corporate social responsibility policy and such a violation has a significant impact on the environment and society, the Company will terminate or rescind the contract as appropriate.</p>	<p>difference yet</p>
<p>V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the aforementioned reports?</p>	<p>V</p>	<p>The Company prepared the 2024 Sustainability Report in accordance with the Global Reporting Initiative (GRI) "GRI Standards: 2021," with reference to the United Nations Sustainable Development Goals, TCFD climate-related financial disclosures, and industry-specific metrics of the Sustainability Accounting Standards Board (SASB). However, as the Company has paid-in capital of less than NT\$5 billion, and listed companies shall be subject to greenhouse gas inventory and assurance in the 3rd phase, greenhouse gas assurance has not yet been performed for 2024; the Company will subsequently carry out the relevant operations in accordance with the reference guidelines and regulations of the competent authority</p>	<p>No significant difference yet</p>
<p>VI. If the company has its own code of sustainability based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the implementation and its discrepancies from the best practice principles: no major discrepancy.</p>			
<p>VII. Other important information helpful to understanding the implementation of sustainable development: Implementation of ISO 14064-1 greenhouse gas inventory; disclosure of sustainability-related information in the 2024 Sustainability Report.</p>			

(VI) Climate-related information for TWSE/TPEX listed companies

1. Climate-related information implementation status

項目	執行情形																																								
1. Describe the oversight and governance of the board of directors and management on climate-related risks and opportunities.	<p>The Board of Directors serves as the company's highest decision-making and supervisory body, overseeing the promotion and operation of corporate sustainable development (including climate-related issues). Under the Board, the Sustainability Development Committee has been established, with the Chairman serving as the chairperson. The Committee is responsible for managing and supervising the company's climate risks and opportunities, as well as formulating responsive measures and management decisions for related issues. The Committee reports to the Board of Directors at least once a year to ensure the progress and effectiveness of climate risk</p>																																								
2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short, medium, and long term).	<p>To formulate the company's key strategies for <b>climate change</b>, we first identify critical annual climate-related risks and opportunities. In accordance with the <b>climate-related information requirements for TWSE/TPEX listed companies</b> and international trends, the <b>Sustainability Development Committee</b> has compiled the following climate issues and corresponding response measures:</p> <table border="1" data-bbox="555 555 2141 1426"> <thead> <tr> <th data-bbox="555 555 698 619">Risk categories and opportunities</th> <th data-bbox="698 555 846 619">Issue Content</th> <th data-bbox="846 555 981 619">Probability</th> <th data-bbox="981 555 1115 619">Impact Level</th> <th data-bbox="1115 555 1720 619">Potential Financial Impact</th> <th data-bbox="1720 555 2141 619">Response Strategy</th> </tr> </thead> <tbody> <tr> <td data-bbox="555 619 698 778">Transformation risk</td> <td data-bbox="698 619 846 778">Stricter carbon disclosure regulations increase operational costs.</td> <td data-bbox="846 619 981 778">High</td> <td data-bbox="981 619 1115 778">Low to Medium</td> <td data-bbox="1115 619 1720 778">Compliance with greenhouse gas (GHG) inventory and third-party verification requirements will increase operating expenses.</td> <td data-bbox="1720 619 2141 778">Progressively build internal GHG inventory expertise and optimize data collection/management to reduce inventory costs.</td> </tr> <tr> <td data-bbox="555 778 698 970"></td> <td data-bbox="698 778 846 970">Policies and regulations</td> <td data-bbox="846 778 981 970">Increased costs due to carbon pricing and renewable energy transition.</td> <td data-bbox="981 778 1115 970">High</td> <td data-bbox="1115 778 1720 970">Low</td> <td data-bbox="1720 778 2141 970">Carbon fees, carbon tariffs, or national energy transitions leading to rising electricity prices and supply instability may indirectly increase costs and operating expenses.</td> <td data-bbox="1720 778 2141 970">Conduct GHG inventories to monitor emissions; promote energy-saving measures and evaluate energy management systems to improve efficiency and guide equipment replacement.</td> </tr> <tr> <td data-bbox="555 970 698 1136"></td> <td data-bbox="698 970 846 1136">Market</td> <td data-bbox="846 970 981 1136">Raw material shortages or rising costs.</td> <td data-bbox="981 970 1115 1136">Medium</td> <td data-bbox="1115 970 1720 1136">Medium</td> <td data-bbox="1720 970 2141 1136">Climate change or low-carbon transition requirements may cause fluctuations in raw material yields or prices, driving up procurement costs.</td> <td data-bbox="1720 970 2141 1136">Strengthen partnerships with existing suppliers to ensure volume and quality; evaluate alternative sources and new suppliers to ensure stable supply.</td> </tr> <tr> <td data-bbox="555 1136 698 1295"></td> <td data-bbox="698 1136 846 1295">Reputation</td> <td data-bbox="846 1136 981 1295">Poor climate response performance affecting corporate reputation.</td> <td data-bbox="981 1136 1115 1295">Medium</td> <td data-bbox="1115 1136 1720 1295">Medium</td> <td data-bbox="1720 1136 2141 1295">Under ESG trends, poor performance may lead to a loss of favor among customers and investors, impacting sales revenue and access to capital.</td> <td data-bbox="1720 1136 2141 1295">Taisun focuses on ESG performance and continuous improvement while strengthening information disclosure and stakeholder communication to enhance trust.</td> </tr> <tr> <td data-bbox="555 1295 698 1426">Physical Risk</td> <td data-bbox="698 1295 846 1426">Immediate</td> <td data-bbox="846 1295 981 1426">Extreme weather leading to floods/droughts, causing damage or</td> <td data-bbox="981 1295 1115 1426">High</td> <td data-bbox="1115 1295 1720 1426">Low to Medium</td> <td data-bbox="1720 1295 2141 1426">Flooding from typhoons or extreme rainfall may damage plant machinery and interrupt operations, increasing CAPEX and</td> <td data-bbox="1720 1295 2141 1426">Periodically assess plant response capabilities; establish comprehensive risk warnings and disaster response plans to improve emergency</td> </tr> </tbody> </table>	Risk categories and opportunities	Issue Content	Probability	Impact Level	Potential Financial Impact	Response Strategy	Transformation risk	Stricter carbon disclosure regulations increase operational costs.	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			business interruption.			reducing revenue.	readiness.
	Opportunity	Low-Carbon Production	Promoting low-carbon green production to improve energy/resource efficiency and reduce costs.	Medium	Medium	Implementing new process technologies or equipment may increase short-term spending, but improved efficiency will help lower production costs in the long term.	Evaluate energy management systems and plan the replacement of high-energy-consuming equipment to improve efficiency.
		Market	Potential market opportunities brought by health issues induced by climate change.	Medium	Medium to High	Climate change-induced health issues may increase demand for healthcare products, thereby increasing revenue.	Closely monitor the impact of climate change on human health and evaluate the feasibility of market demand and related product R&D.
3. Describe the financial impact of extreme climate events and transition actions.	The financial impacts of extreme weather and transition actions are detailed in the response to the previous item						
4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	<p>The company has identified and assessed climate-related issues in accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These issues are reported to the Board of Directors at least once a year to ensure that the management remains well-informed of climate-related risks and opportunities.</p> <p>At this stage, while climate risk mechanisms have not yet been fully integrated into the company's existing operational risk management system, we are committed to continuously refining our climate risk management practices. Moving forward, the company will deliberate on the gradual integration of identification, assessment, and response mechanisms for climate-related risks into the overall operational risk management process. This includes evaluating their inclusion in existing risk inventory, management, and periodic review frameworks to strengthen the connectivity and consistency of cross-departmental risk management, thereby enhancing the company's overall capacity to respond to climate-related risks.</p>						
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and key financial impacts used should be described.	It is currently being proposed.						
6. If there is a transition plan to manage climate-related risks, explain the content	It is currently being proposed.						

of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	It is currently being proposed.
8. If climate-related goals are set, information such as the activities covered, greenhouse gas emissions scope, planning schedule, and annual progress should be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits or the number of renewable energy certificates (RECs) should be explained.	It is currently being proposed.
9. Greenhouse gas inventory and assurance status and reduction targets, strategies and specific action plans (fill in 1-1 and 1-2 separately).	Please explain below

## 1-1 The company's greenhouse gas inventory and assurance status in the most recent two years

### 1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (tons CO<sub>2</sub>e), intensity (tons CO<sub>2</sub>e/million dollars), and data coverage for the most recent two years

In accordance with the 'Sustainable Development Roadmap for TWSE/TPEX Listed Companies,' the company has disclosed the 2025 greenhouse gas inventory information for the parent company (stand-alone basis) this year

Unit: tCO<sub>2</sub>e

Emission source	2024 年	2025 年
Scope 1 direct emissions	34.5753	42.7423
Scope 2 energy indirect emissions	451.9858	332.7946
Total	486.56	375.54
Emission intensity (tCO <sub>2</sub> e/per NT\$1 million revenue)	0.74	

Notes:

GHG Boundary/Scope: The reporting entity is based on the operations of TCM Taiwan Headquarters (including the Xinying Plant and Medical Device Plant).

### 1-1-2 Greenhouse gas assurance information

A description of the assurance status for the most recent two years as of the date of publication of the annual report, including the scope of assurance, the assurance body, the assurance criteria, and the assurance opinion.

The company will independently conduct greenhouse gas inventories and will follow the sustainable development roadmap of listed and OTC companies to complete the greenhouse gas assurance of the parent company in 2028 and the greenhouse gas assurance of the merged company in 2029.

### 1-2 Greenhouse gas reduction goals, strategies, and specific action plans

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

#### **Short-term:**

Introduced greenhouse gas inventory to understand the company's situation, and completed the 2026 greenhouse gas inventory information of the merged company in 2027.

In 2027, based on the results of the merged company's inventory, the company's greenhouse gas reduction targets were set.

#### **Medium and long term:**

In 2028, the parent company's individual greenhouse gas inventory information was confirmed.

In 2029, the merger was completed, and the company's greenhouse gas inventory information was confirmed.

(VII) The Practice of Ethical Corporate Management and Related Policies and Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies:

Items for assessment	State of operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	Summary	
<p>I. Establishment of ethical corporate management policy and proposal</p> <p>(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company’s regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?</p> <p>(II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?</p>	V		<p>(I) The Company has adopted the “Code of Ethical Corporate Management,” which was approved by the Board of Directors and reported at the AGM.</p> <p>(II) The Company has established operating procedures and guidelines for ethical corporate management to foster a corporate culture of integrity and sound development. For business activities within the scope of operations with a relatively high risk of dishonest conduct, regulations for preventing dishonest conduct have been established, such as prohibiting fraud for private gain and the acceptance of gifts, kickbacks, or other improper benefits; regulations related to donations are also in place, and regular audits are conducted.</p> <p>(III) The Company has established stakeholder contact channels on its website. When dishonest conduct by the Company’s personnel is discovered or reported, the Company immediately requires such persons to cease the relevant conduct and takes appropriate action. If the relevant regulations cannot be effectively</p>	No significant difference yet.

Items for assessment	State of operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	Summary	
			implemented or dishonest conduct still occurs, the relevant measures will be reviewed and revised.	
<p>II. Implementation of Ethical Corporate Management</p> <p>(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?</p> <p>(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?</p> <p>(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or appoints a CPA to perform the audit?</p> <p>(V) Does the Company regularly organize internal and</p>	V	V	<p>(I) Prior to establishing business relationships, the legitimacy of the counterparty and whether it has any record of dishonest conduct are assessed to ensure that its business practices are fair and transparent and do not involve requesting, offering, or accepting bribes.</p> <p>(II) The Company’s Finance Department serves as the dedicated unit for promoting ethical corporate management and reports to the Board of Directors.</p> <p>(III) Where a director has an interest in any proposal submitted to the Board of Directors, and there is concern that it may be detrimental to the interests of the Company, such director shall recuse themselves from discussion and voting.</p> <p>(IV) The Company’s accounting is handled in accordance with applicable regulations and is audited by an independent accounting firm; internal auditors also regularly audit compliance with the accounting system and internal control system and prepare audit reports for submission to the Board of Directors.</p> <p>(V) The Company promotes and requires</p>	No significant difference yet.

Items for assessment	State of operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	Summary	
external education and training on ethical corporate management?			<p>compliance with the principles of ethical corporate management at various meetings and educational training sessions. In June 2025, the General Manager emphasized and promoted the Company’s ethical corporate management policy to employees by way of an announcement and requested that colleagues pay attention to compliance in the execution of their duties. In June 2025, 100% of the Company’s managerial officers signed the Declaration of Ethical Corporate Management. In August 2025, a report on the implementation of ethical corporate management was submitted to the Board of Directors. In August 2025, educational training on securities regulations for directors and managerial officers was completed.</p>	
<p>III. The operation of the Company's whistleblower reporting system</p> <p>(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate dedicated personnel to deal with the reported matters?</p>	V		<p>(I) To establish a corporate culture of integrity and transparency, promote sound operations, and protect the rights and interests of whistleblowers, the Company has established the “Whistleblowing System” and has published the reporting channels—such as the whistleblowing hotline, email mailbox, and mailing address—on the Company’s website to enable internal and external personnel to report cases, and for the Company to accept cases involving crimes, fraud, or illegal acts. The Company’s Compliance Department is the unit</p>	No significant difference yet.

Items for assessment	State of operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	Summary	
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?	V		<p>responsible for accepting whistleblowing cases, and the General Manager’s Office is the unit responsible for investigating whistleblowing cases.</p> <p>Whistleblowing channel information is as follows:</p> <p>I. Mailing address: 24F-8, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, dedicated whistleblowing mailbox</p> <p>II. Whistleblowing mailbox: 16307131@tcmbio.com</p> <p>III. Unit responsible for accepting whistleblowing cases: The Company’s General Manager’s Office.</p> <p>(II)</p> <p>I. The Company’s “Whistleblowing System” sets out provisions for the principles of accepting whistleblowing cases, investigation procedures, follow-up handling measures for investigation reports, and the protection of whistleblowers.</p> <p>II. (Whistleblowing Principles) Real-name reporting is the principle, although anonymous reporting is also permitted; real-name reports shall provide information such as the whistleblower’s true identity, the name, unit, and title of the reported person, basic facts, and the amount involved; anonymous reporting shall describe the facts of the violation or provide evidence of the</p>	

Items for assessment	State of operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
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			<p>violation—such as documentary evidence, physical evidence, basic facts, names of the parties, time, place, and related persons—and after verification is confirmed, the dedicated unit shall commence an internal investigation. After a preliminary review of the reported information, it may be refused for acceptance if any of the following circumstances apply:</p> <ol style="list-style-type: none"> <li>1. The reported matter lacks specific content for verification.</li> <li>2. The reported content is obviously erroneous, exaggerated, or untrue, or evidence sufficient to prove the facts of illegal acts or dereliction of duty cannot be provided, or it is found upon verification to be inconsistent with the facts, or it is purely fictitious or forged.</li> <li>3. The same grounds for reporting have already been appropriately handled and a clear response has been given, yet repeated reports are still made.</li> <li>4. The whistleblower has already reported the same case through another channel of the Company, and such report has been accepted.</li> <li>5. If a reported case does not constitute a violation of the laws and regulations, and its nature pertains to a labor-management dispute, customer service dispute, emotional dispute, employee behavior management, the Gender Equality Act, etc.,</li> </ol>	

Items for assessment	State of operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	Summary	
			<p>it shall be transferred to the competent unit for handling in accordance with the applicable special laws and regulations.</p> <p>III. (Handling of Reported Cases)</p> <ol style="list-style-type: none"> <li>1. The receiving unit is responsible for opening and processing the report and ensuring the confidentiality of the whistleblower’s information. The identity, information, and reported content of the whistleblower shall be kept strictly confidential.</li> <li>2. The receiving unit shall carefully analyze the reported matters and determine whether they meet the conditions for investigation. For reported cases that do not meet the conditions for investigation, the receiving unit shall record the reasons and retain them on file, and notify the whistleblower of the reasons for not conducting an investigation.</li> <li>3. After a reported case is accepted by the dedicated unit, the relevant facts shall be promptly investigated. Assistance shall be provided by the relevant departments or external units where necessary. If it is verified that the reported person has indeed violated the relevant laws and regulations or the Company’s rules and regulations, such person shall be immediately required to cease the relevant conduct, and appropriate action shall be taken. Damages</li> </ol>	

Items for assessment	State of operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	Summary	
(III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	V		<p>may also be sought through legal proceedings where necessary to safeguard the Company’s reputation, rights, and interests; if no concrete evidence is identified upon investigation, the case shall be closed and retained on file.</p> <p>4. After the receiving unit completes the necessary investigation procedures, it shall issue the corresponding investigation report based on the facts verified through the investigation.</p> <p>5. The investigation process and investigation results shall be documented in writing and retained for five years, and such retention may be in electronic form. Before the retention period expires, if litigation related to the reported content arises, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>(III) The receiving unit is responsible for opening and processing the report and ensuring the confidentiality of the whistleblower’s information. The identity, information, and reported content of the whistleblower shall be kept strictly confidential. The Company’s employee grievance mailbox is handled directly by the General Manager, ensuring that there is no concern regarding improper disposition as a result of whistleblowing. As of the date hereof in 2025, the Company has received a total of 0 reported cases, of</p>	

Items for assessment	State of operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	Summary	
			which 0 cases were substantiated upon investigation.	
IV. Intensification of Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		The Company has disclosed the content of its Ethical Corporate Management Best Practice Principles and implementation results on its website.	No significant difference yet.
V. If the Company has related practice principles of its own in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please state the differences between the two and the state of implementation: No significant difference yet.				
VI. Other important information that helps one to understand the operation of the Company’s ethical corporate management: The Company has established the “Ethical Corporate Management Best Practice Principles,” the “Ethical Corporate Management Procedures and Guidelines of Conduct,” the “Procedures for the Prevention of Insider Trading,” the “Employee Code of Ethical Conduct,” the “Code of Ethical Conduct for Directors and Managerial Officers,” and the “Whistleblowing Policy” as the basis for compliance by all employees and business partners.				

(VIII) Other important information sufficient to enhance the understanding of the Company's corporate governance operations: None.

(IX) Status of implementation of the internal control system:

1. Statement of internal control:

Announced and filed in accordance with regulations, and available for inquiry in the MOPS' Single Company > Corporate Governance > Corporate Regulations / Internal Control > Internal Control Statement Announcement section (<https://mopsplus.twse.com.tw/mops/#/web/t06sg20>)

2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: None.

(X) Major resolutions of the shareholder and board meetings in the most recent year to the day this Annual Report was printed:

1. Major resolutions of shareholders' meetings in 2025 and up to the date of printing of the annual report

2025 Regular Shareholders' Meeting	2025.06.27	<p>1. Ratification of the Company's 2024 Financial Statements and Business Report.</p> <p>2. Ratification of the Company's 2024 earnings distribution proposal.</p> <p>3. Approved the Company's application for stock listing (OTC).</p> <p>4. Approved the proposal for the pre-listing (OTC) public underwriting by issuing new shares through cash capital increase, and requested that all original shareholders waive their preemptive rights to subscribe to the cash capital increase.</p> <p>5. Approved the proposal to amend certain provisions of the Company's "Articles of Incorporation."</p> <p>6. Approved the proposal to lift non-compete restrictions on directors.</p> <table border="1" data-bbox="564 1189 1307 1691"> <thead> <tr> <th data-bbox="564 1189 727 1256">Title</th> <th data-bbox="727 1189 847 1256">Name</th> <th data-bbox="847 1189 1307 1256">Holding positions in other companies</th> </tr> </thead> <tbody> <tr> <td data-bbox="564 1256 727 1350">Director</td> <td data-bbox="727 1256 847 1350">Wang, Ya-Chun</td> <td data-bbox="847 1256 1307 1350">Director, Instant Nanobiosensors Co., Ltd.</td> </tr> <tr> <td data-bbox="564 1350 727 1417">Director</td> <td data-bbox="727 1350 847 1417">Hsu, Yi-Fang</td> <td data-bbox="847 1350 1307 1417">Independent Director, Hunya Foods Co., Ltd.</td> </tr> <tr> <td data-bbox="564 1417 727 1570">Independent Director</td> <td data-bbox="727 1417 847 1570">Kuo, Cheng-Hung</td> <td data-bbox="847 1417 1307 1570">Director, Jing Chi Biomed CO., LTD. Independent Director, athay Financial Holdings Co., Ltd. Independent Director, Cathay United Bank</td> </tr> <tr> <td data-bbox="564 1570 727 1691">Independent Director</td> <td data-bbox="727 1570 847 1691">Chen, Hui-Yu</td> <td data-bbox="847 1570 1307 1691">Independent Director, Teco Electric &amp; Machinery Co., Ltd. Director, Shihlin Development Company Limited</td> </tr> </tbody> </table>	Title	Name	Holding positions in other companies	Director	Wang, Ya-Chun	Director, Instant Nanobiosensors Co., Ltd.	Director	Hsu, Yi-Fang	Independent Director, Hunya Foods Co., Ltd.	Independent Director	Kuo, Cheng-Hung	Director, Jing Chi Biomed CO., LTD. Independent Director, athay Financial Holdings Co., Ltd. Independent Director, Cathay United Bank	Independent Director	Chen, Hui-Yu	Independent Director, Teco Electric & Machinery Co., Ltd. Director, Shihlin Development Company Limited
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2. Important resolutions of the Board of Directors in 2025 and up to the date of printing of the annual report

Meeting	Date	Important resolutions
1st meeting in 2025	2025.03.28	<ol style="list-style-type: none"> <li>1. Ratified the minutes of the 4th Board of Directors meeting in 2024.</li> <li>2. Approved the assessment of the independence and suitability of the Company's certifying CPAs and the appointment thereof.</li> <li>3. Approved the proposal for the distribution of employee compensation for 2024.</li> <li>4. Approved the proposal for the distribution of directors' remuneration for 2024.</li> <li>5. Approved the Company's 2024 Financial Statements and business report.</li> <li>6. Approved the Company's 2024 earnings distribution proposal.</li> <li>7. Approved the Company's 2024 cash dividend distribution proposal.</li> <li>8. Approved the Company's 2024 Internal Control System Statement.</li> <li>9. Approved the proposal to purchase directors' and managerial officers' liability insurance from Union Insurance Co., Ltd.</li> <li>10. Approved the proposal for renewal of the short-term credit facility with Taiwan Cooperative Bank.</li> <li>11. Approved the Company's proposed stock listing (OTC).</li> <li>12. Approved the proposal for the pre-listing (OTC) public underwriting by issuing new shares through cash capital increase, and requested that all original shareholders waive their preemptive rights to subscribe to the cash capital increase.</li> <li>13. Approved the proposal to amend certain provisions of the Company's "Articles of Incorporation."</li> <li>14. Approved the proposal defining the scope of the Company's rank-and-file employees.</li> <li>15. Approved the proposal to amend certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings."</li> <li>16. Approved the proposed amendments to certain provisions of the Company's "Operational Procedures for Applying for Suspension and Resumption of Emerging Stock Over-the-Counter Trading."</li> <li>17. Approved the proposal to establish the Company's "Sustainability Information Management Regulations."</li> <li>18. Approved the proposal to amend the Company's internal control system and detailed rules for internal audit implementation.</li> <li>19. Approved that the overdue receivables of the Company as of December 31, 2024 were not in the nature of fund lending.</li> <li>20. Approved the proposal to submit to the AGM for discussion the lifting of non-compete restrictions on directors.</li> <li>21. Approved the convening of the 2025 Annual General Meeting and related matters regarding the acceptance of shareholder proposals.</li> </ol>

2nd meeting in 2025	2025.06.27	<ol style="list-style-type: none"> <li>1. Ratified the minutes of the 1st meeting of the Board of Directors in 2025.</li> <li>2. Establishment of the Company's "Regulations Governing Financial and Business Matters Between Related Parties" motion.</li> <li>3. Amendment to certain provisions of the Company's "Procedures for the Prevention of Insider Trading" motion.</li> <li>4. Proposed establishment of the Company's "Risk Management Policies and Procedures" and disclosure of the "Risk Management Organizational Structure" motion.</li> <li>5. Motion to lift the non-competition restrictions on managerial officers.</li> </ol>
3rd meeting in 2025	2025.08.12	<ol style="list-style-type: none"> <li>1. Ratified the minutes of the 2nd meeting of the Board of Directors in 2025.</li> <li>2. Approved the Company's Q2 2025 Financial Statements motion.</li> <li>3. Approved the determination of the record date for cash dividend distribution and related matters motion.</li> <li>4. Approved the establishment of the Company's "Corporate Governance Best Practice Principles" motion.</li> <li>5. Approved that the Company's overdue receivables as of June 30, 2025 did not constitute funds loaned to others</li> <li>6. Approved the proposal to amend the Company's internal control system and detailed rules for internal audit implementation.</li> <li>7. Approved the distribution of 2024 employee compensation to the Company's managerial officers motion.</li> <li>8. Approved the establishment of the Company's corporate governance officer motion.</li> </ol>
4th meeting in 2025	2025.10.02	<ol style="list-style-type: none"> <li>1. Approved the Company's execution of the "Over-Allotment and Lock-Up Agreement for Specific Shareholders" with the lead underwriter prior to the initial listing motion.</li> <li>2. Approved the issuance of the Company's financial forecasts for Q4 2025 and Q1 2026.</li> <li>3. Approved the Company's Internal Control System Statement for the period from July 1, 2024 to June 30, 2025 motion.</li> <li>4. Approved the Company's 2024 Sustainability Report motion.</li> <li>5. Approved the amendment to the Company's "Sustainable Development Best Practice Principles" motion.</li> <li>6. Approved the amendment to the Company's "Ethical Corporate Management Best Practice Principles and Guidelines for Conduct" motion.</li> <li>7. Approved the establishment of the Company's "Standard Operating Procedures for Handling Directors' Requests" motion.</li> <li>8. Approved the amendment to the Company's internal control system and detailed rules for internal audit implementation motion.</li> </ol>
5th meeting in 2025	2025.11.06	<ol style="list-style-type: none"> <li>1. Approved the Company's Q3 2025 Financial Statements motion.</li> </ol>

6th meeting in 2025	2025.12.26	<ol style="list-style-type: none"> <li>1. Approved the pre-listing cash capital increase motion.</li> <li>2. Approved the number of shares that may be subscribed for by managerial officers in the cash capital increase through the issuance of new shares prior to the Company's initial listing motion.</li> <li>3. Approved the number of shares available for subscription by general employees who are not managerial officers in the cash capital increase prior to the initial listing.</li> <li>4. Approved the amendment to the name of the Company's Remuneration Committee and certain articles of its organizational regulations.</li> <li>5. Approved the Company's 2026 operating plan and budget proposal.</li> <li>6. Approved the Company's 2026 audit plan.</li> <li>7. Approved the Chairperson's performance-based compensation proposal for 2025.</li> <li>8. Approved the managerial officers' year-end bonus proposal for 2025.</li> </ol>
1st meeting in 2026	2026.03.12	<ol style="list-style-type: none"> <li>1. Approved the cash capital increase of the subsidiary "TAIWAN COGENTIDE NOVEL DRUG CORP."</li> <li>2. Approved the assessment of independence and competence of the Company's certifying accountants and their appointment.</li> <li>3. Approved the Company's 2025 employee compensation distribution proposal.</li> <li>4. Approved the proposal for the distribution of directors' remuneration for 2025.</li> <li>5. Approved the Company's financial report and business report for 2025.</li> <li>6. Approved the Company's 2025 earnings distribution (statement) proposal.</li> <li>7. Approved the Company's 2025 cash dividend distribution proposal.</li> <li>8. Approved the Company's 2025 internal control system statement.</li> <li>9. Approved the purchase of directors' and managerial officers' liability insurance from Union Insurance Co., Ltd.</li> <li>10. Approved the proposal to amend certain provisions of the Company's "Articles of Incorporation."</li> <li>11. Approved the definition of the scope of the Company's "rank-and-file employees."</li> <li>12. Approved that the overdue payments of the Company as of December 31, 2025 were not in the nature of lending funds.</li> <li>13. Approved the comprehensive re-election of 9 directors of the Company (including 3 independent directors).</li> <li>14. Approved the list of candidates for directors (including independent directors) nominated by the Board of Directors and the review of the candidates' qualifications</li> <li>15. Approved the proposal to submit to the AGM the removal of the non-compete restrictions on the newly elected directors and their representatives.</li> <li>16. Approved the convening of the 2026 Annual General Meeting and related matters regarding the acceptance of shareholder proposals.</li> </ol>

2st meeting in 2026	2026.05.07	<ol style="list-style-type: none"> <li>1. Approved the company's financial statements for the first quarter of 2026.</li> <li>2. Approved the investment and establishment of a U.S. subsidiary.</li> <li>3. Approved the appointment of the Chairman and CEO of the U.S. subsidiary, TCM Life Science Inc.</li> <li>4. Approved the investment in the private placement of ordinary shares of Sunny Pharmtech Inc</li> <li>5. Approved the formulation of the company's "Company Car Policy for Senior Management."</li> <li>6. Approved the renewal of the short-term credit line with Taiwan Cooperative Bank.</li> <li>7. Approved the resolution that the company's overdue receivables as of March 31, 2026, do not constitute "loans to others" in nature.</li> </ol>
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(XI) During the most recent year or during the current year up to the date of publication of the annual report, if board directors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

IV. Information on attesting CPAs' professional fee:

Unit: In thousands of NTD

Name of CPA firm	Name of CPA	CPA inspection period	Auditing fee	Non-auditing fee	Total	Remarks
PwC Taiwan	Eleanor Juanlu	2025.01.01	2,340	3,355	5,695	—
	Jackie Feng	2025.12.31				

Please specify the details of the non-audit services: assurance on internet packaging restrictions and tax certification.

- (I) Where the audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change, the amount of audit fees before and after replacement should be disclosed and the reasons: None.
- (II) Where the audit fee has decreased by 10% or more from the previous year, the amount, percentage and reason for the decrease in the audit fee should be disclosed: No such situation.

V. Information on Replacement of CPA:

- (I) About the predecessor CPAs

Date of replacement	Approved by the Board of Directors on March 28, 2025 (effective from 2025)		
Reason for replacement and description	In accordance with the internal rotation policy of PwC Taiwan		
Termination or appointment rejection by the appointer or CPAs	The party involved		
	Condition	CPA	Appointer
	Proactive termination of appointment Appointment/reappointment rejection	Not applicable	
Opinions in and reason for audit reports issued other than unqualified opinion in the last two years	None		
Disagreement with the issuer (Yes/No)	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedure
			Others
	None		✓
	Description		
Other disclosures (Those that should be disclosed under paragraphs 1(4) to 1(7) of Article 10(6) of the Regulations)	None		

(II) About the successor CPAs

Name of CPA firm	PwC Taiwan
Name of CPA	Eleanor Juanlu, Jackie Feng
Date of appointment	Approved by the Board of Directors on March 28, 2025 (effective from 2025)
Consultation on the accounting treatment or accounting principles for specific transactions and on the possible opinions on financial statements and the results of such consultation prior to the appointment	None
Written opinion of the successor CPA on matters on which the successor CPA disagreed with the predecessor CPA	None

(III) The predecessor CPA's reply to Item 1 of Paragraph 6 of Article 10 and Item 3 of Item 2 of the regulation: None.

VI. Any of The Company's Chairman, General manager, or managers involved in financial or accounting affairs being employed by the auditor's firm or any of its affiliated company within the recent year; disclose their names, job titles, and the periods during which they were employed by the auditor's firm or any of its affiliated company: None.

VII. Changes in transfer and pledge of shares by directors, managerial officers and shareholders with more than 10% shareholding in the most recent year up till the publication date of this annual report:

(I) Changes in shareholdings of directors, managerial officers and major shareholders:

Unit: shares

Title	Name	2025		As of April 7, 2026	
		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
Director	Hsu, Huan Chin	0	—	0	—
Director	Chen, Tzu-Pei	0	—	0	—
Director and General Manager	Wang, Ya-Chun	0	—	19,000	—
Director	Chen, Chin-Chi	0	—	0	—
Director	Green Partner Investments Limited	(1,000,000)	—	0	—
Green Partner Representative	Huang, Chih- Yang	0	—	0	—
Director	Hsu, Yi-Fang	0	—	0	—
Independent Director	Kuo, Cheng- Hung	0		0	
Independent Director	Chen, Hui-Yu	0		0	
Independent Director	Liu, Heng-Yi	0		0	
Deputy General Manager of Business	Chen, Sheng- Chung	5,000	—	16,000	—
Deputy General Manager of Production Department	Chang, Chih- Cheng	0	—	6,000	—
Chief Research and Development Officer	Chen, Chen-Yao	0		0	
Chief Financial Officer	Wei, Hsiu-Min	0		7,000	
Accounting Manager (Accounting Supervisor)	Yang, Shu-Ya	0		16,000	
Functional foods Associate Vice President of Business Division	Wu, Ssu-Neng	0	—	8,000	—

(II) Share Transfer Information: None

(III) Stock Pledge Information: For the most recent fiscal year, and as of the annual report publication date, none of the Company's directors, managerial officers, or shareholders holding more than 10% of the shares had pledged any shares.

VIII. Information on relationships among the top ten shareholders, including whether they are related parties, spouses, or relatives within the 2nd degree of kinship:

As of April 7, 2026 Unit: Shares

Name	Own shareholdings		Shareholding by spouse or dependents		Shareholding in the name of a third party		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remarks
	Quantity	Shareholding percentage	Quantity	Shareholding percentage	Quantity	Shareholding percentage	Name	Relationship	
Hsu, Huan Chin	7,466,500	11.24%	-	-	-	-	-	-	-
Green Partner Investments Limited	3,851,546	5.79%	-	-	-	-	-	-	-
Representative of Green Partner Investments Limited: Huang, Chih-Yang	0	0	-	-	-	-	-	-	-
SUN DYNAMIC ENTERPRISE LIMITED	2,606,181	3.92%	-	-	-	-	-	-	-
Chen, Tzu-Pei	2,112,505	3.18%	-	-	-	-	Chen, Tzu-Yu Chen, Tzu-Chin	Sisters	-
Chen, Tzu-Yu	2,109,472	3.17%	-	-	-	-	Chen, Tzu-Pei Chen, Tzu-Chin	Sisters	-
Zhi Yuan Biotechnology Co., Ltd.	2,023,103	3.04%	-	-	-	-	-	-	-
Person in charge of Zhi Yuan Biotechnology: Wang, Yen-Ting	36,000	0.05%	82,090	0.12%	-	-	-	-	-
E-DIAL PLASTIC INDUSTRIAL CO., LTD.	1,950,072	2.93%	-	-	-	-	-	-	-
Responsible person of E-DIAL PLASTIC INDUSTRIAL CO., LTD.: Hsieh, Chen-Huan	69,712	0.10%	-	-	-	-	-	-	-
Yuan, Chieh	1,707,592	2.57%	-	-	-	-	-	-	-
Tsai, Chih-Wei	1,606,749	2.44%	-	-	-	-	-	-	-
Chen, Tzu-Chin	1,613,000	2.42%	-	-	-	-	Chen, Tzu-Yu Chen, Tzu-Pei	Sisters	-

IX. The total number of shares and the consolidated equity stake percentage held in any single reinvested enterprise by the Company, its directors, managerial officers, or any companies controlled either directly or indirectly by the Company

December 31, 2025; unit: per share

Investee	Investment of the Company		Investment of the directors, managers and business under direct or indirect control		Comprehensive investment	
	Quantity	Shareholding percentage	Quantity	Shareholding percentage	Quantity	Shareholding percentage
TOTAL TECH LTD, Samoa	325,000	100%	–	–	325,000	100%
TCM Biotech (Suzhou) Co., Ltd. (Note)	-	100%	–	–	-	100%
Taiwan Cogentide Novel Drug Corp.	30,000,000	100%	–	–	30,000,000	100%

Note: Companies in which the Company has made indirect investments through TOTAL TECH LTD, Samoa.

## Four. Capital Raising

### I. Capital and Shares

#### (I) Capital Sources

##### 1. Share capital formation

Unit: thousand shares/In thousands of NTD

Year and month	Issue price (NTD)	Authorized capital		Paid-up capital		Remarks		
		Quantity (thousand shares)	Amount (thousand dollars)	Quantity (thousand shares)	Amount (thousand dollars)	Capital sources (thousand dollars)	Using property other than cash as payment of shares	Others
1998.02	10	600	6,000	600	6,000	As share capital	-	Note 1
1998.05	10	3,000	30,000	1,200	12,000	Cash capital increase of NT\$6,000 thousand	-	Note 2
1999.11	10	3,000	30,000	3,000	30,000	Cash capital increase of NT\$16,310 thousand	-	Note 3
1999.11	10	3,000	30,000	3,000	30,000	Debt-to-equity conversion	NT\$1,690 thousand	Note 3
2001.03	10	3,620	36,200	3,620	36,200	Cash capital increase of NT\$6,200 thousand	-	Note 4
2002.05	10	7,240	72,400	7,240	72,400	Cash capital increase of NT\$36,200 thousand	-	Note 5
2003.04	10	9,000	90,000	9,000	90,000	Cash capital increase of NT\$17,600 thousand	-	Note 6
2003.09	10	12,000	120,000	12,000	120,000	Cash capital increase of NT\$30,000 thousand	-	Note 7
2004.05	10	12,500	125,000	12,500	125,000	Payment for shares with stock	NT\$5,000 thousand	Note 8
2008.06	10	50,000	500,000	25,000	250,000	Cash capital increase of NT\$71,500 thousand	-	Note 9
2008.06	10	50,000	500,000	25,000	250,000	Debt-to-equity conversion	NT\$53,500 thousand	Note 9
2011.02	17	50,000	500,000	35,000	350,000	Cash capital increase of NT\$100,000 thousand	-	Note 10
2011.11	17	50,000	500,000	45,000	450,000	Cash capital increase of NT\$100,000 thousand	-	Note 11
2012.02	Note 12	50,000	500,000	45,000	450,000	Conversion of preferred shares into common shares	-	Note 12
2012.10	10	50,000	500,000	46,260	462,600	Employee stock options of NT\$1,260 thousand	-	Note 13
2014.09	10	50,000	500,000	47,592	475,923	Capitalization of earnings of NT\$13,323 thousand	-	Note 14
2021.09	Note 15	80,000	800,000	47,592	475,923	-	-	Note 15
2023.08	10	80,000	800,000	49,049	490,486	Capitalization of earnings of NT\$14,563 thousand	-	Note 16
2023.09	50	80,000	800,000	59,049	590,486	Cash capital increase of NT\$100,000 thousand	-	Note 17
2026.04	102	80,000	800,000	66,432	664,316	Cash capital increase of NT\$73,830 thousand	-	Note 18

Note 1: Approved by the Department of Commerce, Taipei City Government under letter No. 87264159 dated February 20, 1998

Note 2: Approved by the Department of Commerce, Taipei City Government under letter No. 87284926 dated May 1, 1998

Note 3: Approved by the Department of Commerce, Taipei City Government under letter No. 88351791 dated November 16, 1999

Note 4: Approved by the Department of Commerce, Taipei City Government under letter No. 90259061 dated March 1, 2001

Note 5: Approved by the Department of Commerce, Taipei City Government under letter No. 091126546 dated May 20, 2002

Note 6: Approved by the Department of Commerce, Taipei City Government under letter No. 092073958 dated April 16,

2003

- Note 7: Approved by the Department of Commerce, Taipei City Government under letter No. 09219657100 dated September 24, 2003
- Note 8: Approved by the Department of Commerce, Taipei City Government under letter No. 09308406010 dated May 5, 2004, with payment for shares by subsidiary stock of NT\$5,000 thousand
- Note 9: Approved by the Department of Commerce, Taipei City Government under letter No. 09785800010 dated June 27, 2008, including capitalization of debt (due to shareholders) of NT\$53,500 thousand
- Note 10: Approved by the Department of Commerce, Taipei City Government under letter No. 10081105400 dated February 16, 2011
- Note 11: Approved by the Department of Commerce, Taipei City Government under letter No. 10089119110 dated November 2, 2011
- Note 12: Approved by the Department of Commerce, Taipei City Government under letter No. 10180414720 dated February 7, 2012, with all 7,000,000 preferred shares converted into common shares at a share exchange ratio of 1:1
- Note 13: Approved by the Department of Commerce, Taipei City Government under letter No. 10187568920 dated October 1, 2012
- Note 14: Approved by the Securities and Futures Bureau under letter No. 1030029628 dated August 5, 2014
- Note 15: Approved by the New Taipei City Department of Economic Development under letter No. 1108066449 dated September 16, 2021
- Note 16: Approved by the New Taipei City Department of Economic Development under letter No. 1128058001 dated August 16, 2023
- Note 17: Approved by the New Taipei City Department of Economic Development under letter No. 11230167380 dated September 4, 2023
- Note 18: Approved by the Ministry of Economic Affairs Development under letter No. 11530054480 dated April 29, 2026

## 2. Classes of shares issued

As of April 7, 2026 Unit: thousand shares

Stock Type	Authorized capital				Remarks
	Outstanding shares	Treasury shares	Unissued Shares	Total	
Registered common share	66,432	0	13,568	80,000	TPEX stocks

## 3. Information on the shelf registration system: None.

### (II) List of major shareholders

April 7, 2026

Information on major shareholders	Shares	Ratio of Shareholding (%)
Hsu, Huan Chin	7,466,500	11.239%
Green Partner Investments Limited	3,851,546	5.798%
SUN DYNAMIC ENTERPRISE LIMITED	2,606,181	3.923%
Chen, Tzu-Pei	2,112,505	3.180%
Chen, Tzu-Yu	2,109,472	3.175%
Zhi Yuan Biotechnology Co., Ltd.	2,023,103	3.045%
E-DIAL PLASTIC INDUSTRIAL CO., LTD.	1,950,072	2.935%
Yuan, Chieh	1,707,592	2.570%
Tsai, Chih-Wei	1,622,749	2.443%
Chen, Tzu-Chin	1,613,000	2.428%

### (III) The company's dividend policies and execution

#### 1. Dividend policy under the Articles of Incorporation:

##### Article 30:

The Company's dividend policy considers the environment in which the Company operates and its stage of growth, and takes into account factors such as the future investment environment, funding requirements, domestic and international competition, and capital budgets, while also considering shareholders' interests, balancing dividends, and the Company's long-term financial planning. Each year, the Board of Directors shall prepare a proposal for earnings distribution in accordance with the applicable laws and submit it to the AGM for resolution. The Company's business operates in a capital-intensive industry and is currently in a growth phase. To fund business growth and investment needs, it has retained earnings. The percentage of shareholders' bonus disbursement has not been lower than 50% of the balance remaining after deducting a 10% legal reserve from the net profit after tax for the year. Cash dividends have not been lower than 10% of the total dividend disbursement. However, if earnings per share for the year does not reach NT\$0.5, the Company is not required to distribute earnings for that year. The types and percentages of earnings distribution may be proposed by the Board of Directors based on the actual profits

and capital situation for the year, and are subject to a shareholders' resolution.

Article 31:

The Company shall, from the amount of the current year's profit before tax prior to the deduction of the distribution of employee remuneration and directors' remuneration, after first reserving an amount to cover accumulated losses, allocate—if there is any remaining balance—no less than 3% (inclusive) as employee remuneration and no more than 3% (inclusive) as directors' remuneration.

In the amount of employee remuneration as mentioned in the preceding paragraph, no less than 1% of the amount shall be appropriated as remuneration to the entry-level employees. The determination of the distribution ratio for employee remuneration and directors' remuneration, and whether employee remuneration shall be distributed in shares or cash, shall be resolved by the Board of Directors in a meeting attended by more than two-thirds of the directors and approved by a majority of the directors present, and shall be reported to the Annual General Meeting.

The recipients of employee remuneration in shares or cash include employees of subordinate companies meeting certain conditions.

Article 32:

If there is a surplus in the Company's annual final accounts, the Company shall first pay taxes, offset prior years' losses, and then appropriate 10% as a legal reserve; provided, however, that this shall not apply if the legal reserve has reached the Company's paid-in capital. Where necessary, a special reserve shall be appropriated or reversed in accordance with the laws and regulations or as required by the competent authority. If there is still a surplus for the year, the balance thereof, together with accumulated undistributed earnings from previous years, shall be proposed by the Board of Directors in a distribution proposal.

The Company shall distribute dividends and bonuses, or all or part of the legal reserve and capital reserve, as required by Paragraph 1, Article 241 of the Company Act. If the distribution is made in cash, the Company, in compliance with the provisions of Paragraph 5, Article 240 of the Company Act, authorizes the Board of Directors to approve the distribution with the presence of more than two-thirds of the directors and a majority vote of those present, and to report the decision to the shareholders' meeting. If the distribution is made through issuance of new shares, it must be submitted to the shareholders' meeting for approval.

2. Proposed dividend distribution at this AGM:

Pursuant to Article 32 of the Company's Articles of Incorporation, the distribution of cash dividends falls within the authority of the Board of Directors.

The Company, by a resolution of the Board of Directors on March 12, 2026, appropriated NT\$21,257,501 from the distributable earnings of 2025 as cash dividends to shareholders, representing a cash dividend of NT\$0.36 per share. Upon approval by the AGM, the Board of Directors is authorized to separately determine the record date for dividend distribution.

- (IV) Impact of the proposed bonus share distribution at this AGM on the Company's operating performance and earnings per share: No bonus share distribution is proposed for the current year.

(V) Employee compensation and directors' remuneration:

1. Percentage or range of employee and director remuneration as stated in the Articles of Incorporation

Article 31:

The Company shall, from the amount of the current year's profit before tax prior to the deduction of the distribution of employee remuneration and directors' remuneration, after first reserving an amount to cover accumulated losses, allocate—if there is any remaining balance—no less than 3% (inclusive) as employee remuneration and no more than 3% (inclusive) as directors' remuneration.

In the amount of employee remuneration as mentioned in the preceding paragraph, no less than 1% of the amount shall be appropriated as remuneration to the entry-level employees. The determination of the distribution ratio for employee remuneration and directors' remuneration, and whether employee remuneration shall be distributed in shares or cash, shall be resolved by the Board of Directors in a meeting attended by more than two-thirds of the directors and approved by a majority of the directors present, and shall be reported to the Annual General Meeting.

The recipients of employee remuneration in shares or cash include employees of subordinate companies meeting certain conditions.

2. The accounting treatment for any differences between the estimated remuneration of employees and directors for the current period, the basis for calculating the number of shares distributed as employee remuneration, and the actual amount distributed, if any:
  - (1) Basis for estimating the amount of employee and director remuneration for the current period: The Company's estimated employee and director remuneration is based on the pre-tax profit for 2025 before deducting the distribution of employee remuneration and director remuneration, multiplied by the distribution percentages for employee remuneration and director remuneration stipulated in the Articles of Incorporation.
  - (2) Basis for the calculation of the number of shares for employee remuneration distributed in stock: Not applicable, as no employee remuneration was distributed in stock during this period.
  - (3) The accounting treatment of any differences between the actual distributed amount and the estimated amount is as follows: Such differences shall be deemed changes in accounting estimates and recognized in profit or loss in the year of actual distribution.
3. Distribution of profit sharing remuneration as approved by the Board of Directors.
  - (1) The amount of employee remuneration and director remuneration distributed in cash or shares. If there is any difference from the estimated amount for the year in which the expense was recognized, the amount of the difference, the reason, and the treatment shall be disclosed: The Company's Board of Directors approved on March 12, 2026, the distribution of employee remuneration in cash of NT\$1,800,000 and director remuneration of NT\$560,000. The employee remuneration amount distributed as described above was consistent with the estimated amount for 2025.
  - (2) The employee remuneration amount distributed in shares and the ratio of this amount to the combined total of net income after tax and total employee remuneration in the Parent Company Only Financial Statements for the current period: The Company did not distribute employee remuneration in shares for the current period, and therefore, this section is not applicable.

4. Actual distribution of employee and director remuneration for the previous year (including the number of shares distributed, amount, and share price), and if there is any difference from the recognized employee and director remuneration, the amount of the difference, the reason, and the treatment shall also be stated:

- (1) Actual distribution of employee and director remuneration for 2024:

The Company approved on March 28, 2025, by a resolution of the Board of Directors, the distribution of employee remuneration of NT\$1,800,000 (all in cash) , of which NT\$ 806,940 was distributed to 65 rank-and-file employees, accounting for 44.83% of the total distribution.

Director remuneration was NT\$560,000.

- (2) The above amount is consistent with the amount recognized on the books in 2023.

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

II. Disclosure relating to corporate bonds: none.

III. Status of preferred shares: The Company has no outstanding or pending preferred shares, and therefore, this section is not applicable.

IV. Disclosure relating to depository receipts: none.

V. Employee stock options: none.

VI. The new shares from restricted employee stock option: none.

VII. Disclosure on new shares issued in exchange of other company shares: none.

VIII. Progress on the use of funds

It has been announced and reported as required and can be found in the Market Observation Post System's Single Company > Equity Changes > Status of Capital Raising Plan Execution section ([https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2)).

## Five. Operational Overview

### I. Business Activities

#### (I) Business scope

##### 1. Main business activities:

- A IG01010 Biotechnology Services
- B F108031 Wholesale of Medical Devices
- C F108011 Wholesale of Traditional Chinese Medicines
- D F108021 Wholesale of Western Pharmaceutical
- E F102170 Wholesale of Foods and Groceries
- F F108040 Wholesale of Cosmetics
- G F199990 Other Wholesale Trade
- H F203010 Retail Sale of Food, Grocery and Beverage
- I F208011 Retail Sale of Traditional Chinese Medicine
- J F208021 Retail Sale of Western Pharmaceutical
- K F208031 Retail Sale of Medical Apparatus
- L F208040 Retail Sale of Cosmetics
- M F208050 Retail Over-the-counter drugs class B
- N F299990 Retail Sale of Other Products
- O F401010 International Trade
- P IC01010 Medicine Inspection
- Q IG02010 Research and Development Service
- R I199990 Other Consultancy Service
- S C199990 Manufacture of Other Food Products Not Elsewhere Classified
- T C802100 Cosmetics Manufacturing
- U CF01011 Medical Devices Manufacturing
- V ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

##### 3. Business proportion:

Unit: NTD thousand

Year Item	2024		2025		March 31, 2026	
	Amount	Business proportion	Amount	Business proportion	Amount	Business proportion
Pharmaceuticals and medical devices	592,493	88.89	609,138	88.86	158,074	91.43
Functional foods and ingredients	57,071	8.56	57,699	8.42	10,426	0.06
Other operating revenues	16,966	2.55	18,654	2.72	4,391	8.51
Total	666,530	100.00	685,491	100.00	172,891	100.00

3. Current products (services) of the Company.

The Company has distribution channels, is profitable, and has achieved steady revenue growth, with biotechnological new drug development for the detection, prevention, and treatment of liver diseases as the main axis of product development, making it a company that places equal emphasis on sales channels and new drug research and development. Currently, the main sources of revenue are pharmaceuticals, medical devices, and functional foods (including ingredients), which support R&D expenses and generate profits.

A. Sales of pharmaceuticals and medical devices:

Main products include:

Product name	Description
ARTZDispo/Atril/HyLink Intra-articular Injection	Treatment of shoulder joint disorders and Degenerative Knee Osteoarthritis / Osteoarthritis (OA) of the Knee
PRP series products (Platelet-Rich Plasma Separation Tube)	These are products developed independently by the Company, including PRP products such as PLTenusPlus Platelet Concentrate Separator (Advanced Type) and VertePLT Plus Platelet Concentrate Separator (Advanced Type), for the treatment of Degenerative Knee Osteoarthritis / Osteoarthritis (OA) of the Knee, Ligament Injury, Tendinitis, Rotator Cuff Injury, Lower Back Pain, etc.
Lipolytic Injection (fat-dissolving injection or lipolysis injection)	Improvement of the appearance of moderate to severe convexity or fullness associated with submental fat (double chin) in adults.
Philips long-term care ventilator series products	Assists patients in breathing and increases their respiratory volume.
FerrumChewable Iron Supplements Ferrum Hausmann Tablets, Ferrum Hausmann Drops	Prevention and treatment of iron deficiency and iron-deficiency anemia.
Urotrol Film-Coated Tablets	Urinary System Therapeutic Agent.
Urosan Capsules	Treatment of Interstitial Cystitis.
PROTAHERE Absorbable Adhesion Barrier	Used to prevent adhesions after OB/GYN Pelvic Surgery and Cesarean Section (C-section)
HYAURO Intravesical Instillation	Treatment of cystitis.
DEFEHERE Absorbable Adhesion Barrier	Used for adhesion prevention following tendon, peripheral nerve, and joint surgery.

B. Others: Functional foods, raw material production and sales, other operating income, etc.

4. New products (services) planned for development:

A. New drug development:

New indication new drug U101 – prevention of recurrent lower urinary tract infections:

To meet clinical needs and at the same time expand the value of existing assets, the Company has invested in the development of a new indication for Urosan, an oral generic drug for interstitial cystitis, applying its pharmacological mechanism of action to the prevention of recurrent

lower urinary tract infections (project code U101). Compared with new chemical entity development, new indication development for marketed drugs has a shorter development timeline and lower risks, and it allows for marketing authorization to be obtained within a relatively short period.

B. CatCHimera HCC Detection Platform

Utilizing proprietary patented liver cancer liquid biopsy detection technology, this platform can assess residual tumors in liver cancer and provide continuous recurrence monitoring for chronic hepatitis B patients through blood draws. Given the limited treatment options for liver cancer and its relatively high recurrence rate, if residual tumor (MRD) recurrence testing after curative therapy for early-stage hepatitis B-related liver cancer can detect tumor occurrence at the initial stage of carcinogenesis, treatment efficacy can be significantly improved.

C. Health food:

The Company mainly focuses on the development of preventive health foods for liver diseases and has progressively obtained various health food certifications. It has conducted human clinical trials with these certified products to gather more comprehensive data, supporting expansion in Taiwan and other overseas markets.

D. Western pharmaceutical products and medical devices:

In addition to actively seeking overseas export opportunities for its own products, the Company also continues to evaluate and introduce specialty western pharmaceutical products and promising medical devices, utilizing existing channels to expand operations.

## (II) Industry Overview

### 1. Current status and development of the industry:

#### A. Current status and development of the biopharmaceutical industry:

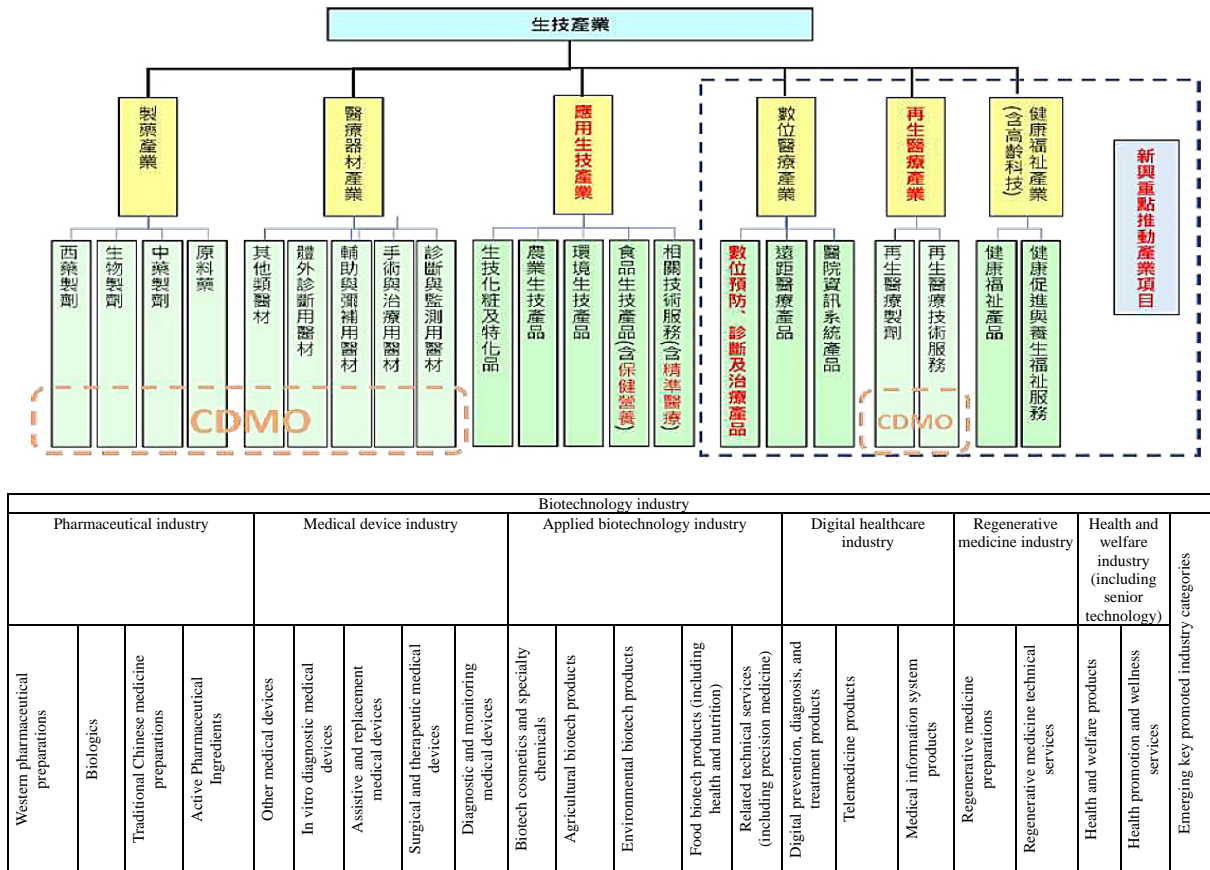
The pharmaceutical industry is a highly knowledge-intensive and high-value-added industry, and it is also an important essential industry related to public health and livelihood. In recent years, with advances in medical care, breakthroughs in biotechnology, and improvements in quality of life, coupled with the rise of emerging economies, medical demand in emerging markets and the incidence of lifestyle diseases have increased. In addition, under the trend of an aging population structure, the demand for the treatment of diseases affecting the elderly and medical costs have increased, driving the development of the global pharmaceutical industry.

According to statistics from IQVIA, the global pharmaceutical market size was approximately USD 1.74 trillion in 2024, representing growth of approximately 8.9% compared with USD 1.61 trillion in 2023.

In addition to the major markets in Europe and the United States, future market momentum will mainly come from emerging pharmaceutical markets such as Mainland China, Brazil, India, and Russia. The popularization of healthcare policies in these markets has led to an increase in pharmaceutical usage; therefore, global pharmaceutical companies have actively expanded into emerging markets. China ranks first among

emerging markets and is the world's second-largest pharmaceutical market, and it will continue to grow in the future.

The scope of Taiwan's biotechnology industry (manufacturing and related technical service industries) has been adjusted on a rolling basis in line with policy promotion. Currently, the industry covers six major fields, namely the pharmaceutical industry, medical device industry, applied biotechnology industry, health and welfare industry, regenerative medicine industry, and digital healthcare industry, as shown in the figure below.



Scope of the biotechnology industry in Taiwan

Source: Scope of the biotechnology industry in Taiwan, Industrial Development Administration, Ministry of Economic Affairs, 2025.

In 2024, as the global COVID-19 pandemic subsided, the industry gradually returned to its pre-pandemic state, and continued growth in domestic new drug and generic drug exports drove the growth of biotechnology industry revenue. In 2024, the overall revenue of Taiwan's biotechnology industry reached NT\$775.4 billion, while the pharmaceutical industry, boosted by the rush-order effect in 2023, recorded an annual growth rate as high as 34.34%; however, after returning to normal in 2024, its revenue fell to NT\$119.6 billion, representing a decrease of approximately 7.36% from the previous year, which, in turn, suppressed the growth momentum of the overall biotechnology industry revenue. However, although Taiwan's pharmaceutical industry primarily generates revenue

from generic drugs and active pharmaceutical ingredients, as the number of new drugs launched gradually increases, their contribution to revenue also continues to rise, and in the future, as companies continue to expand into additional countries of sale and new indications, while both generic drugs and new drugs continue to receive approval for marketing internationally, this will help accelerate the growth of pharmaceutical industry revenue.

The Company has been certified by the Industrial Development Administration, Ministry of Economic Affairs, as a “biotechnology and new drug company” and has obtained eligibility for incentives under the “Act for the Development of the Biotechnology and New Pharmaceuticals Industry,” including tax credits for R&D, talent cultivation, and investments by corporate shareholders. The Company focuses on the development of a new drug for a new indication for preventing lower urinary tract infections (U101), the CatCHimera HCC Detection Platform, and new drugs for liver disease prevention and liver disease treatment, among which the development of U101 for the prevention of recurrent lower urinary tract infections also holds a place in Taiwan’s new drug development field, as shown in the following table.

Key R&D progress in small molecule new drug development in Taiwan

Company name	Drug name (indications)	Phase I	Phase II	Phase III
TLC BioSciences	TLC599 (long-acting analgesic)			United States, Australia
Formosa Pharmaceuticals	APP13007 (ocular inflammation)			United States
TCM Biotech	U101 (Urinary Tract Infection)			Taiwan
Lumosa Therapeutics	LT3001 (ischemic stroke)		Taiwan, United States	
Golden Biotechnology	Antroquinonol (myeloid leukemia)		United States	
Intech Biopharm	SYN011 (asthma)			United States
Pharmosa Biopharm	L606 (pulmonary hypertension)			United States
Genovate Biotechnology	PMR (Claudication)			United States
Lin BioScience	LBS-008 (Adolescent Disease)		France	

Source: Compiled by the Ministry of Economic Affairs Biotechnology and Pharmaceutical Industry Promotion Office, 2022.

B. Current State and Development of the Medical Device Industry:

According to a research report by BMI Research, the global medical device market size was approximately USD 517.34 billion in 2023, a 7.3% increase over 2022. In 2023, the Americas market continued to be the leading regional market for medical devices, followed by the Western Europe market, the Asia-Pacific market, and the Central and Eastern Europe market. Looking ahead, the global medical device industry has gradually returned to its pre-pandemic state, and with the growing needs of an aging society and the resumption of routine medical care, medical demand has

grown steadily.

In 2023 and 2024, the market demand for Taiwan's medical device industry reached NT\$166 billion and NT\$174.1 billion, respectively, while industry revenue totaled NT\$147 billion and NT\$153.5 billion, respectively. As Taiwan gradually enters an aging society, demand for medical care related to aging and chronic diseases has increased year by year, and related products such as orthopedic, thoracic medicine, and mobility aids are expected to become the main drivers of continued growth in the domestic medical device market.

C. Current State and Development of the New Drugs for Liver Disease Treatment Industry:

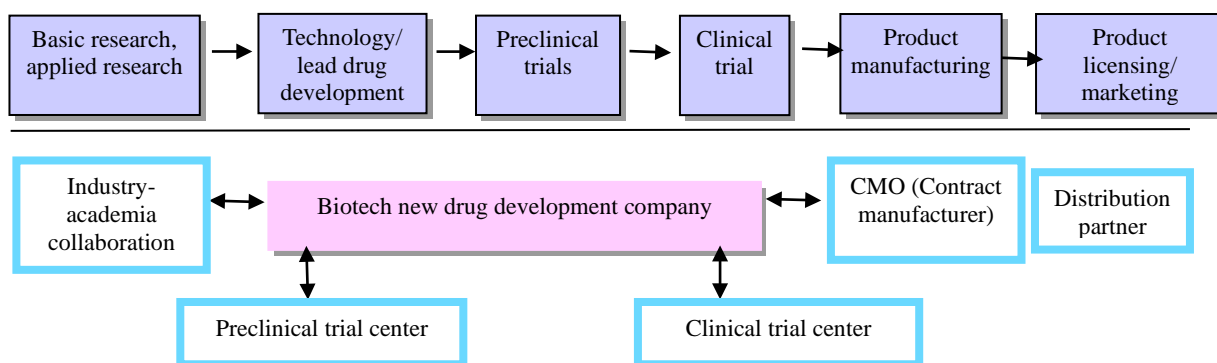
Liver disease is a common disease in Taiwan, and according to the Ministry of Health and Welfare, approximately 70% of patients who died from liver cancer were hepatitis B carriers, while hepatitis B treatment is often accompanied by recurrence after discontinuation of medication and currently has no curative drug available.

Liver and intrahepatic bile duct cancer also ranked among the top ten causes of cancer deaths in Taiwan in 2024; therefore, determining how to reduce the threat of liver disease to the health of the people in Taiwan is a matter of urgency. The Company's development of new drugs for liver cancer and related testing technologies will have significant market potential.

2. Upstream, midstream, and downstream industry correlations

Biotechnology is currently an emerging industry strongly supported by the government. Domestic upstream and downstream related manufacturers and research institutions cooperate with one another, advancing outstanding domestic academic research results from upstream basic scientific research to midstream technology development and application. Through close cooperation between private enterprises and relevant foundations, development extends downstream to drug commercialization and marketing strategies, promoting the joint development of industry, government, academia, and research in Taiwan's biotechnology sector and giving Taiwan's biotechnology industry broader room for development.

A. Relationship Among the Upstream, Midstream, and Downstream of New Drug Development:

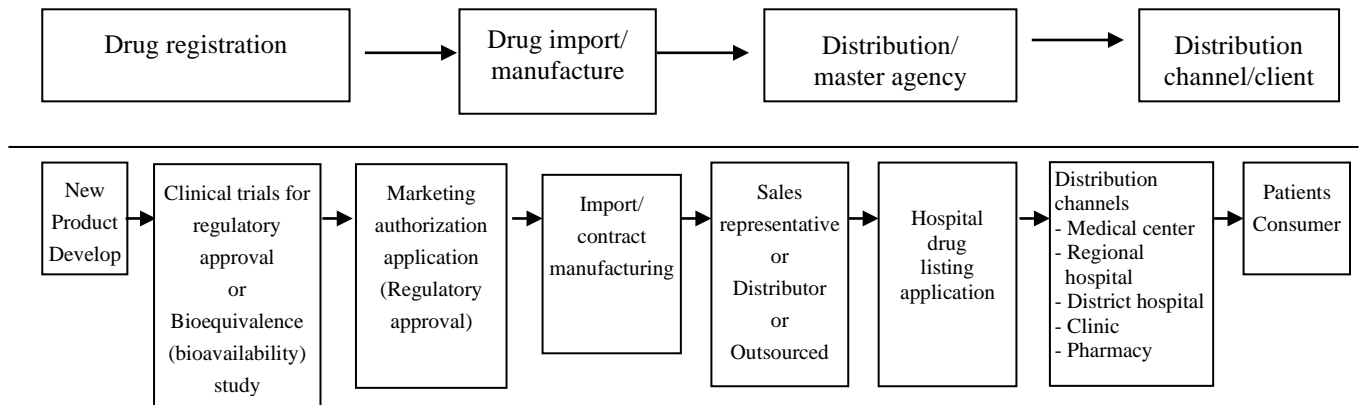


The upstream of the new drug industry chain primarily comes from industry-academia collaboration with potential for new drug products,

through which academic research institutions conduct preclinical animal experiments and toxicology tests to discover new drugs with therapeutic effects. The midstream mainly involves preclinical drug studies, clinical trial management, synthesis and manufacture of active pharmaceutical ingredients, and drug formulation development, including Phase I to Phase III human clinical trials, and after completion of the Phase III clinical trial, an application may be filed for drug approval for marketing, after which downstream contract manufacturers, distribution companies, and international pharmaceutical companies carry out manufacturing, marketing, and licensing. The downstream consists of PIC/S contract manufacturers and pharmaceutical sales agents and distributors.

The Company is positioned in the midstream and downstream of the biotech new drug industry, focusing on unmet medical needs in liver disease treatment, as well as concentrating on the development of new drugs for the new indication of preventing lower urinary tract infections, the CatCHimera HCC Detection Platform, prevention of liver diseases, and new drugs for liver disease treatment; on the other hand, in addition to its R&D team, the Company has established a marketing system with comprehensive medical channels, making it a biotech company with both R&D capabilities and profitability, and once new drug development is successful, the Company will be able to enter the market and enhance synergies.

B. The Company also engages in the trading of pharmaceuticals and medical devices, and the industry correlation diagram is as follows:



### 3. Product development trends:

#### A. Pharmaceuticals and medical devices:

##### a. Trend in drug prices:

In recent years, governments worldwide have implemented direct and indirect measures to reduce soaring medical expenditures, placing downward pressure on drug prices in the pharmaceutical industry, and drug prices have become an important factor in market competition. Since the implementation of National Health Insurance, the government has placed great emphasis on the overall drug pricing benchmark and procurement system, and the long-term trend is expected to continue toward lower drug prices. Domestic companies should actively promote

high-margin self-pay products with development potential and products with stable sales volumes in order to mitigate the impact of NHI price adjustments on revenue and profitability.

b. Future domestic and international market drug use trends:

According to a survey by IQVIA, the top 5 therapeutic drug categories globally by 2028 are projected to be oncology drugs, immunosuppressants, antidiabetic drugs, cardiovascular drugs, and central nervous system drugs. With the development of various innovative cancer therapies, the market size of oncology drugs is projected to reach USD 444 billion in 2028, and the compound annual growth rate from 2024 to 2028 is projected to be 14% to 17%.

According to data published by the Ministry of Health and Welfare, liver and intrahepatic bile duct cancer also ranked 2nd among the top ten causes of cancer deaths among Taiwanese people in 2024 (see the table below), and determining how to reduce the threat of liver disease to the health of Taiwanese people is a matter of urgency.

(Table 1) Top ten causes of death in Taiwan for 2023–2024

Unit: %

Serial No.	Top ten causes of death in Taiwan		Types of the top ten causes of cancer deaths among Taiwanese people
	2023	2024	2024 (ranked the same as in 2023)
1	Malignant neoplasm (cancer)	Malignant neoplasm (cancer)	Trachea, bronchus, and lung cancer
2	Heart disease	Heart disease	Liver and intrahepatic bile duct cancer
3	Pneumonia	Pneumonia	Colon, rectum, and anus cancer
4	Cerebrovascular disease	Cerebrovascular disease	Female breast cancer
5	Diabetes	Diabetes	Prostate cancer
6	Coronavirus disease 2019 (COVID-19)	Hypertensive diseases	Oral cancer
7	Hypertensive diseases	Accidental injuries	Pancreatic cancer
8	Accidental injuries	Chronic lower respiratory diseases	Stomach cancer
9	Chronic lower respiratory diseases	Nephritis, nephrotic syndrome, and nephrosis	Esophageal cancer
10	Nephritis, nephrotic syndrome, and nephrosis	Deliberate self-harm (suicide)	Ovarian cancer

Source: Ministry of Health and Welfare, June 2025

c. Trends in the medical device market:

The future trend of the medical device industry will develop toward smart medical devices, regenerative medicine, personalized medicine, minimally invasive surgical instruments, digital health services, and the healthcare needs of an aging population.

In addition, according to estimates by the National Development

Council, the elderly population is expected to exceed 20% in 2026. As the population gradually ages, osteoarthritis is the most common joint disease. The market for intra-articular injections primarily indicated for alleviating osteoarthritis continues to grow, and single-injection formulations emphasize the characteristics of rapid and long-lasting efficacy, which can improve treatment effectiveness and increase convenience through a reduced number of patient visits.

B. New drug development:

Due to the limited size of the domestic market and manufacturers' inability to cover the cost of new drug development, as well as the inability to bear the substantial investment required in the later stages of R&D, many companies, upon entering the clinical trial stage, simultaneously apply for an IND in the United States, a leading country in new drug regulations, in order to expand opportunities to seek appropriate partners and prepare for entering the international market. In addition, in the cancer treatment market, international pharmaceutical companies are developing breakthrough new drugs and combination therapies integrating targeted therapy and cancer immunotherapy, which will be launched successively in the coming years, with the aim of providing solutions for cancer treatment through multiple approaches and offering better efficacy and survival rates for cancer patients.

C. CatChimera HCC Detection Platform:

The Company utilizes its proprietary patented liquid biopsy technology for liver cancer detection, enabling early screening for liver cancer in patients with chronic hepatitis B, residual tumor assessment after hepatitis B-related liver cancer surgery, and recurrence tracking through blood sampling, thereby providing comprehensive liver cancer detection services.

Given the limited treatment options and high recurrence rate for liver cancer, early detection and treatment of tumors in the early stages have greatly improved treatment outcomes and increased survival rates for patients with the disease.

4. Competition:

A. Pharmaceuticals and medical devices:

a. Intra-articular injections:

The Company acts as the sales agent for Japan's Artz intra-articular injection (abbreviated as Artz). Artz is the 1st medical device approved by the Taiwan Food and Drug Administration (TFDA) for the dual indications of "rotator cuff disease" and "degenerative knee osteoarthritis." The approval of this new indication is highly beneficial in differentiating it from other domestic competing products in the market.

In addition, HyLink Artz single-injection intra-articular injection is a Class III medical device for use in orthopedics and rehabilitation medicine for the treatment of osteoarthritis. The product has obtained marketing authorization from the U.S. FDA, the EU CE, and other regions. HyLink provides efficacy for up to 6 months, meeting the characteristics of the Taiwan market demand for products with rapid

and long-lasting efficacy, and providing an optimal treatment option.

b. PLTenus Plus Advanced PRP (Platelet-Rich Plasma Separation Tube)

Item	Advanced PRP	Conventional PRP
Blood draw volume	Less	More
White blood cell count	Low	High
Platelet purity	High	Low
Inflammatory factor levels	Low	High
Promote cell proliferation	Quick	Slow
Impact on tissue regeneration	Promote tissue repair and regeneration	Increase the risk of tissue inflammation and pain

Source: The Company

c. Lipolytic injection:

The outlook for minimally invasive injectables in the medical aesthetics industry is promising, and according to statistics from market research firm ReportLinker, the injectable market is growing rapidly, while at the same time, with the full lifting of mask mandates after the pandemic, demand for facial contour improvement has increased sharply, and the growth momentum of the minimally invasive medical aesthetics market is generally viewed positively.

Lipolytic injections, commonly known as fat-dissolving injections or lipolysis injections, use a substance that eliminates and breaks down fat to cause fat cells to dissolve, and the dissolved fat is then naturally metabolized by the human body, involving lower risks and a shorter recovery period compared with traditional surgery and liposuction. Because it contains sodium salts, it is less likely to cause swelling and pain, and is effective in eliminating fat. The Company acts as the sales agent for this product, which is competitive in the market

B. New Drug Development – U101 for the Prevention of Recurrent Urinary Tract Infections:

Clinically, there are still no non-antibiotic drugs for the improvement and prevention of recurrent urinary tract infections. If antibiotics are used for treatment over the long term, there is a risk of inducing drug resistance in pathogens, making treatment more complicated and difficult upon recurrence.

U101, currently being developed by the Company, is a non-antibiotic drug and a novel oral drug for the prevention of recurrent urinary tract infections, which can meet urgent medical needs and has major clinical advantages. It is expected to replace low-dose antibiotics and hyaluronic acid instillation, and upon successfully obtaining approval for the new indication, U101 will be the world's 1st non-antibiotic oral new drug for the

prevention of recurrent urinary tract infections. U101 also has comprehensive intellectual property protection in Taiwan, and when the U101 new drug is launched in Taiwan in the future, it will have sales exclusivity in the Taiwan market during the term of the invention patent. In addition to its patent portfolio in Taiwan, patent applications for the U101 new drug have also been filed in the United States and under the global PCT (Patent Cooperation Treaty) to develop the global market and strengthen the global market position of the Company's U101 new drug.

C. CatCHimera HCC Detection Platform:

The limitations of current liver cancer detection techniques include:

- a. Low sensitivity and low specificity of the serum marker AFP
- b. Imaging examinations have limitations
- c. Mutation site detection cannot be used for disease detection
- d. Lack of effective means for monitoring postoperative recurrence

This test uses circulating tumor DNA (ctDNA) as a tumor marker and employs next-generation sequencing (NGS) to detect hepatitis B virus DNA chimeric sequences specific to liver cancer in the subject, combined with droplet digital nucleic acid detection technology (ddPCR), to detect the presence of residual tumors through blood testing after surgery. Through regular follow-up testing of residual tumors, physicians may be assisted in evaluating postoperative follow-up and treatment plans for liver cancer patients, which may increase the overall survival rate of patients after liver cancer surgery.

This patented detection technology for liver cancer is a global first, possessing significant material and technical barriers to entry, and currently, no comparable testing services or products are available on the market. Furthermore, the Company's molecular testing laboratory has passed ISO 17025 testing laboratory accreditation and obtained Precision Medicine Molecular Testing Laboratory (LDTs) certification from the Taiwan Food and Drug Administration, Ministry of Health and Welfare, in 2024. Once implementation plans are approved by various medical institutions, testing services can be provided and revenue can be generated.

(III) Technical and R&D Overview

(1) The technical sophistication and research and development of operations:

The Company's main development directions are new drugs for the new indication of preventing lower urinary tract infections, the CatCHimera HCC Detection Platform, and new drugs for liver disease prevention and liver disease treatment. To address unmet clinical needs, the Company is conducting the development of new drug products and precision medicine, while also engaging in technology licensing cooperation with domestic and foreign international pharmaceutical companies or biotechnology companies at an appropriate time to share the risk of the Company's research and development investment and achieve a win-win situation through the

integration of intelligence and innovative value.

A. New Drug Development – U101 for Preventing Recurrent Urinary Tract Infections:

The project has obtained clinical trial approval from the TFDA and is currently enrolling patients in a pivotal Phase III clinical trial. Upon successfully obtaining approval for the new indication, U101 will be the world's 1st non-antibiotic oral new drug for preventing recurrent urinary tract infections.

B. CatCHimera HCC Detection Platform:

The Company utilizes its exclusive patented liver cancer liquid biopsy detection technology, and this platform can evaluate residual tumors after surgical treatment and provide continuous recurrence monitoring for patients with chronic hepatitis B-related hepatocellular carcinoma through blood sampling. Given the limited treatment options and high recurrence rate for liver cancer, early detection of tumors at the early stages of carcinogenesis could greatly improve treatment efficacy. The platform has received Taiwan Food and Drug Administration Laboratory Developed Tests (LDTs) certification for precision medicine molecular diagnostics in 2024. Subsequent relevant plans are as follows:

- a. Applied to evaluate residual tumors after surgical resection of hepatitis B-related hepatocellular carcinoma and continuous recurrence monitoring, implementation plans will be submitted sequentially to various medical institutions in Taiwan. Upon approval of the implementation plan of each institution, services may be commenced and revenue may be generated. On the other hand, the overseas market will primarily adopt technology licensing as the main model, and the Company is discussing cooperation opportunities with enterprises in China and other foreign countries.
- b. In addition to follow-up of residual tumors after surgery, the core technology of this platform can also be applied to prognosis and recurrence monitoring after treatments for hepatitis B-related hepatocellular carcinoma, such as liver transplantation and radiofrequency ablation. The relevant research work has been initiated concurrently. After obtaining the research results, implementation plans will be submitted to each medical institution one by one to provide testing services domestically, generate revenue, and engage in licensing cooperation discussions with overseas companies.

C. Health food:

The Company has obtained health food permit approval for the prevention of alcoholic fatty liver and liver fibrosis. To strengthen marketing efforts in domestic and foreign markets, the Company has also conducted human trials of related products at three hospitals, namely National Taiwan University Hospital, Taipei Veterans General Hospital, and Taipei Medical University Hospital, and it will obtain more comprehensive data to facilitate expansion in Taiwan and other foreign markets.

- (3) Research and development expenses for the most recent year and up to the date of publication of the annual report

Unit: NTD thousand

Item \ Year	2024	2025	As of March 31, 2026
R&D expenses	93,217	88,417	30,917
Operating revenue - net	666,530	685,491	172,891
As a percentage of operating revenue Net margin	13.99%	12.90%	17.88%

(4) Technologies or products successfully developed in the most recent year and as of the annual report publication date

Type	Products or technologies	Description
New drug development	U101 for Preventing Recurrent Urinary Tract Infections	New drug development for a new indication, with patent portfolio deployment completed in multiple countries.
New technology development	CatCHimera Liver cancer screening platform	Obtained Taiwan Food and Drug Administration Laboratory Developed Tests (LDTs) certification for precision medicine molecular diagnostics.
Medical Devices	Advanced PRP series products (Platelet-Rich Plasma Separation Tube)	The Company independently develops and produces this product, which significantly reduces the white blood cell count and minimizes injection side effects. It contains high platelet purity and can rapidly promote cell proliferation and tissue repair and regeneration, offering advantages over conventional PRP.
Functional health food ingredients	Functional ingredient strain development	LivPhcD has been approved by the U.S. FDA for use as an ingredient in health food products and has received multiple health food certifications in Taiwan.

Patent name	Owner/applicant	Registration country	Current status of application
Pharmaceutical composition for preventing recurrent urinary tract infections	TCM Biotech	United States	Certified
		Taiwan	
		Korea	
		Japan	
		European	
China			
Chemokine receptor antagonist and combination therapy	TCM Biotech	Taiwan	Certified
Composition for treating cancer	TCM Biotech	Taiwan	Certified
Method for detecting biomarkers and their quantitative changes	National Taiwan University (TCM has obtained a global, exclusive license)	Taiwan	Certified
		European	
		Japan	
		Singapore	
		Korea	
China			
Probe combination for cancer detection	TCM Biotech	United States	Certified
		Taiwan	
		Japan	
		Korea	
		European	
		Singapore	
China			
Pharmaceutical composition for treating adult growth hormone deficiency syndrome	TCM Biotech	Taiwan	Certified
Pharmaceutical composition for preventing and treating liver fibrosis	TCM Biotech	Taiwan	Certified
Pharmaceutical composition for the prevention and treatment of non-alcoholic fatty liver	TCM Biotech	Taiwan	Certified
Pharmaceutical composition for preventing and treating liver fibrosis or nonalcoholic fatty liver disease	TCM Biotech	European	Certified
Methods for making and compositions comprising fermentation products of <i>Cordyceps sinensis</i>	TCM Biotech	United States	Certified
Pharmaceutical composition for preventing and treating liver fibrosis or nonalcoholic fatty liver disease	TCM Biotech	United States	Certified
Pharmaceutical composition for preventing and treating liver fibrosis or nonalcoholic fatty liver disease	TCM Biotech	United States	Certified
Pharmaceutical composition for the prevention or treatment of hepatic fibrosis or non-alcoholic fatty liver	TCM Biotech	Japan	Certified

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

1. Short-term development plans:

- (1) Development of U101 for recurrent urinary tract infections, CatCHimera HCC Detection Platform and other items, and intellectual property rights planning.
- (2) Apart from maintaining its original main products, the Company utilized its strength in orthopedic channels to actively promote new distribution products, with a focus on high-margin self-paid products with development potential and products with stable sales volume.
- (3) Actively seek and pursue agency and distribution rights for marketable medical devices or pharmaceuticals, cultivate the long-term care market, and collaborate with high-quality companies to develop and expand market reach.
- (4) Purchases of various raw materials are adjusted to align with sales orders while using economic order quantity and the reduction of inventory backlog as criteria.
- (5) Identify and pursue potential customers, ensure long-term cooperation, and provide various types of product-related assistance—including education and training—to stabilize and increase customers' sales volume, thereby stabilizing and growing the Company's performance.
- (6) Plan and actively participate in overseas exhibitions and marketing to seek overseas export opportunities for existing products in markets such as Japan, Southeast Asia, Mainland China, Europe, and the United States.

2. Medium- and long-term business development plans:

- (1) The Company's future R&D focus will be on expanding into international markets with a new drug for the new indication of preventing lower urinary tract infections and developing liver-targeted disease treatments.
- (2) Continued development of the U101 2nd-generation product for recurrent urinary tract infections, the CatCHimera HCC Detection Platform for tracking liver cancer treatment efficacy and early hepatitis B-related liver cancer detection, and intellectual property rights planning.
- (3) By leveraging the advantages of the pharmaceutical channels and sales team currently established in Taiwan, the Company attracts cooperation from international and domestic biotechnology companies for their specialty generic drugs, promising medical devices, and products, introduces them into the Taiwan market, expands the advantages of its sales product lines, and creates revenue and profits for the Company.
- (4) Actively expand international cooperation, in addition to cooperating with existing distribution companies in Europe and the United States for specialty generic drugs or products currently launched in Taiwan, also gradually expand partnerships in Mainland China and Southeast Asia.

## II. Market and Sales Overview

### (I) Market analysis

#### 1. Main regions where principal products (services) are sold (provided):

Unit: NTD thousand

Sales region \ Year	2024		2025		As of March 31, 2026	
	Sales	%	Sales	%	Sales	%
Domestic sales	665,031	99.78	684,460	99.85	172,891	100.00
Export sales (Note)	1,499	0.22	1,031	0.15	-	-
Total	666,530	100.00	685,491	100.00	172,891	100.00

#### 2. Market share and future market supply and demand, and growth:

##### (1) Market share

As the new drugs under development by the Company are still in the clinical trial stage and no new drug products have been launched, and clinical trial drugs may not be publicly sold in the market in accordance with the laws and regulations, there is therefore no market share data. The Company's principal revenue is derived from the sale of products such as pharmaceuticals and medical devices, the Company's HyLink ARTZDispo single-injection Intra-articular Injection and other product series are of excellent quality, and have long been the 1st choice among originator drugs for similar products.

##### (2) Future market supply and demand and growth

###### A. Pharmaceuticals and medical devices:

According to IQVIA, the global pharmaceutical market size, including COVID-19 vaccines and drugs, reached approximately USD 1.61 trillion in 2023, an increase of about 8.4% compared to USD 1.48 trillion in 2022. In addition, according to research from BMI Research, the global medical device market size was approximately USD 517.34 billion in 2023, a 7.3% increase from 2022, and it is estimated to continue growing in the future.

The products currently distributed by the Company are mostly manufactured by globally renowned major manufacturers, and the Company has always maintained good relationships with suppliers, with stable supply sources and quality.

Among them, the product markets for ARTZDispo/Atril, HyLink single-injection Intra-articular Injection, Beinongsi and V-TUBE advanced Platelet Concentrate Separator Tubes (PRP Series Products), Philips long-term care ventilator products, absorbable anti-adhesion gel, and Lipolytic Injection, which are widely used in orthopedics, rehabilitation, neurosurgery, thoracic medicine, obstetrics and gynecology, and the medical aesthetics market, continue to be viewed favorably.

As the aging population becomes increasingly apparent, domestic demand for pharmaceuticals and medical devices continues to increase,

and the Company enhances its competitiveness through high-quality products and outstanding marketing strategies to increase market share.

B. New Drug Development – U101 for Preventing Recurrent Urinary Tract Infections:

Urinary tract infections (UTIs) are common infections caused by bacteria entering the urinary system and are more prevalent in women. Infections are usually treated with antibiotics to kill pathogens and relieve symptoms. However, after treatment, approximately 20% to 30% of patients still experience recurrence or reinfection. If recurrence occurs more than three times within a year or more than twice within six months, it is defined as recurrent urinary tract infection (rUTI). When urinary tract infections occur frequently and repeatedly, symptoms like frequent urination and pain can seriously affect a patient's physical and psychological health, as well as their overall quality of life.

According to statistics, in 2022, there were approximately 360,000 female patients with recurrent urinary tract infections in Taiwan and approximately 99.4 million worldwide.

Current treatment for recurrent urinary tract infections is mainly based on antibiotic therapy. There are no drugs for preventing rUTI, and in unavoidable circumstances, long-term use of antibiotics is the only option. However, antibiotics easily lead to drug resistance. U101 can provide another urinary tract protection mechanism to meet the clinical needs of such patients for preventing rUTI.

This newly developed drug with a new indication is intended for women and, after U101 completes clinical trials and is launched, they will subsequently become the core target treatment population for entry into the international market. Given the current lack of effective oral drugs for recurrent urinary tract infections worldwide, this will bring considerable business opportunities.

C. CatCHimera HCC Detection Platform:

This testing platform is aimed at the HBV-related HCC population and is expected to be the most ideal post-operative monitoring tool for minimal residual disease (MRD) after curative therapy for early HBV-related HCC in the market. Beyond the Taiwan market, the Company will discuss opportunities for cooperation and technology licensing with companies in China and overseas in the future.

3. Competitive advantages

A. Pharmaceuticals and medical devices:

a. Directly control distribution channels.

The Company's marketing team has extensive experience operating in the medical institution market for pharmaceuticals and

medical devices, having built a substantial network within the industry. This allows the Company direct access to medical institutions. The implementation of the National Health Insurance global budget system has directly impacted pharmaceutical companies' profitability, creating a stronger incentive for manufacturers to outsource product marketing activities. Consequently, the Company's direct access to medical institutions positions it as an ideal partner for manufacturers.

b. Strong marketing capabilities.

Based on the Company's past performance in the domestic medical institution channel and its ability to cooperate with international manufacturers in marketing, the Company has obtained the exclusive agency right for Company B's HyLink single-dose ARTZDispo Intra-articular Injection, the distribution right for Company A's absorbable anti-adhesion gel, and Philips long-term care respiratory care products authorized by Philips Taiwan for distribution by the Company, and also exclusively sells Ronkyla Lipolytic Injection (fat-dissolving injection or lipolytic injection), demonstrating that the Company's marketing capabilities have been recognized and driving revenue growth.

c. Vertical integration capability enhances new drug development efficiency.

The Company is engaged in the trading of pharmaceuticals and medical devices, with medical institutions serving as its primary distribution channel. Having accumulated considerable experience and established a strong reputation, the Company has actively expanded its market share, gradually reduced sales of products through distributors, and expanded its direct sales channels to major hospitals and clinics. By leveraging its advantage in vertical integration capabilities, the Company will effectively connect its supply side and market side, enhancing the promotional efficiency of its marketing channels.

d. Through investment in R&D and strategic cooperative development, the Company aims to establish itself as an international biotechnology company engaged in the research, production, and sales of new drugs for the prevention and treatment of liver diseases.

B. New drug development:

a. The Company has been approved by the Industrial Development Administration, Ministry of Economic Affairs, as a biotech and new pharmaceutical company. It will continue to invest in new drug development.

b. In 2013, the Company was selected by the National Biotechnology and Medical Care Industry Promotion Council as one of the most internationally competitive companies, demonstrating that the Company's R&D capabilities and technology have been recognized by the government.

c. The Company has invested in establishing an R&D center and laboratory, equipping them with comprehensive equipment and assembling an R&D team of professionals who use modern scientific methods to verify the efficacy and mechanisms of action, thereby

enabling the launch of standardized, high-quality products.

- d. The Company's R&D team primarily comprises members with biotechnology backgrounds and master's degrees or above, with extensive industry experience and experience in executing and completing projects.

C. CatCHimera HCC Detection Platform:

- a. The platform has passed certification as a precision medicine molecular testing laboratory (LDTs), and services can commence once the implementation plan of each medical institution is approved.
- b. Through regular follow-up testing of residual tumors, it can assist physicians in evaluating postoperative follow-up and treatment plans for liver cancer patients and may increase the overall survival rate of patients after liver cancer surgery.
- c. This patented testing technology is a global first, with material and technical barriers to entry. Currently, no comparable testing service product is available on the market.

4. Favorable and unfavorable factors of development prospect and countermeasures

A. Advantageous factors:

- a. The biotechnology industry has promising prospects.

Due to the aging population structure, rising living standards, the emergence of lifestyle diseases, and increasing awareness of healthcare and wellness, health issues have received widespread attention, and demand for pharmaceuticals, medical devices, and healthcare and health food products will continue to increase, creating promising market opportunities.

- b. In addition to its R&D team, the Company has a complete marketing system for medical channels and is a biotechnology company with both R&D capability and profitability, and once new drug development is successful, it can enter the market and enhance synergies. In contrast, general new drug development companies, even if product development is successful, still need to establish marketing channels, resulting in lower synergies.
- c. The government actively promotes the development of the precision medicine industry

The government has included precision medicine items among the incentive targets under the "Act for the Development of Biotech and Pharmaceutical Industry," and the Food and Drug Administration of the Ministry of Health and Welfare has also established the "Guidelines for Testing and Services of Precision Medicine Molecular Testing Laboratories" to ensure that service recipients receive reliable testing results, and has also agreed to include gene sequencing testing in reimbursement items, which is expected to promote the development and application of domestic precision medicine diagnostics and products.

The Company's CatChimera HCC Detection Platform has obtained qualification recognition under the "Act for the Development of Biotech and Pharmaceutical Industry" and has passed certification as a "Precision Medicine Molecular Testing Laboratory" by the Ministry of Health and Welfare, which is conducive to entering the genetic testing service market.

B. Disadvantageous factors and Countermeasures:

- a. New drug development requires a considerable amount of time and substantial capital investment, and continued investment in relevant R&D is also required during the human clinical trial stage.

Countermeasures:

- (a) Continue to achieve stable growth in revenue from pharmaceuticals, medical devices, functional foods, and ingredients to enhance the Company's working capital and support R&D expenses. Furthermore, clinical implementation is undertaken by the Company, enabling better control over development progress.
- (b) Engage renowned scholars and experts to serve as members of the Company's Technology Advisory Committee and provide consultation on the Company's new drug development directions.
- (c) Apply for investment tax credits and tax incentives to lower R&D costs.
- (d) Actively seek funding from major international pharmaceutical companies through technology licensing, equity investment, or strategic alliances to establish a value chain for phased profitability, and also raise funds through applying for stock listing or OTC listing and through the capital market to support the funding required for new drug development.
- (e) Actively establish marketing channels, expand the product market, and increase revenue. In addition to strengthening its position in the Taiwan market, the Company has been actively participating in overseas exhibitions to expand marketing channels in Mainland China and abroad, and to promote its products to the international market.
- b. Risk of new drug development failure.

The new drug development process includes the new drug discovery stage, preclinical safety and toxicology testing, the investigational new drug application, human clinical trials (Phase II–III) to confirm safety and efficacy, and the approval of the drug registration review by the competent authority before the product may be launched for sale. Development failure may occur at each stage.

Countermeasures:

Select the new drug industry with lower capital investment and shorter development timelines as the primary development focus.

- (a) The Company adopts a prudent business model, carefully evaluates the feasibility of developing each product indication, and determines which R&D projects to invest in only after assessing current development trends among international pharmaceutical

companies in Europe and the United States, so as to reduce the risk of new drug development failure.

- (b) The Company focuses on developing new drugs for new indications that require lower capital investment and shorter development timelines. It supports new drug development with stable sales revenue and cash flow to mitigate the impact and risks caused to the Company by failure in new drug development.

Compared with new chemical entity drugs, new drugs for new indications have a shorter development process and lower risk. They are characterized by high clinical trial safety and a short development timeline, enabling them to obtain marketing authorization in a relatively short period of time. Furthermore, the Company can also leverage the results of prior R&D investments to continue developing other new drug products.

- c. NHI drug price reductions compress product gross margins

In recent years, as the Bureau of National Health Insurance has applied particularly stringent reviews of drug prices and carried out multiple drug price benchmark surveys and drug price reductions, the profits of pharmaceutical channel operators have been compressed.

Countermeasures:

- (a) In response to the drug price adjustment measures of the Bureau of National Health Insurance, in addition to maintaining its original major products, the Company has also actively promoted new distributed products by leveraging its original advantages in orthopedic channels. It focuses on high-margin self-pay products with development potential and products with stable sales volume.
- (b) Actively seek and pursue agency and distribution rights for marketable medical devices or pharmaceuticals, develop a strong presence in the long-term care market, and collaborate with high-quality companies to develop and expand the market.

(II) Important uses and manufacturing processes of major products

1. Important uses of major products:

A. Agency or distribution products: (pharmaceuticals and medical devices)

Therapeutic area	Representative products	Important uses
Orthopedics/Rehabilitation Medicine	ARTZDispo/Atril/HyLink Intra-articular Injection	Treatment of shoulder joint disorders and Degenerative Knee Osteoarthritis / Osteoarthritis (OA) of the Knee
	PRP series products (Platelet-Rich Plasma Separation Tube)	These are products independently developed by the Company, including PLTenus Plus Advanced and Vitenus/Vitenus Advanced and other PRP products, for the treatment of degenerative knee osteoarthritis, ligament injuries, tendinitis, shoulder rotator cuff injuries, and lower back pain.
	DEFEBHERE Absorbable Adhesion Barrier	Adhesion prevention after tendon, peripheral nerve, and joint surgery.
Internal Medicine/Family Medicine	Ferrum Chewable (Futiehao chewable)	Prevention and treatment of iron deficiency and iron-deficiency anemia
Pediatrics	Ferrum Drops (Ferrum Hausmann Drops)	
Urology/Obstetrics and Gynecology	Urotrol (Youhe film-coated tablet)	Treatment of urinary incontinence
	Urosan (Youershun capsules)	Treatment of interstitial cystitis
	HYAURO Intravesical Instillation	Treatment of cystitis.
	PROTAHERE Absorbable Adhesion Barrier	Adhesion prevention after OB/GYN pelvic surgery and cesarean section (C-section)
Metabolism	Uformin (Ketang tablet) Bentomin (Delitang tablet)	Lowering blood sugar
Pulmonology	Philips long-term respiratory care products	Assists patients in breathing and increases their respiratory volume.
Medical aesthetics	Lipolytic Injection (fat-dissolving injection or lipolysis injection)	Improvement of the appearance of moderate to severe convexity or fullness associated with submental fat (double chin) in adults.

B. New Drug Development – U101: New Indications for Preventing Recurrent Urinary Tract Infections

C. Functional foods and ingredients:

a. Health food:

Ganxikang and Zhengganneng capsules: Liver protection.

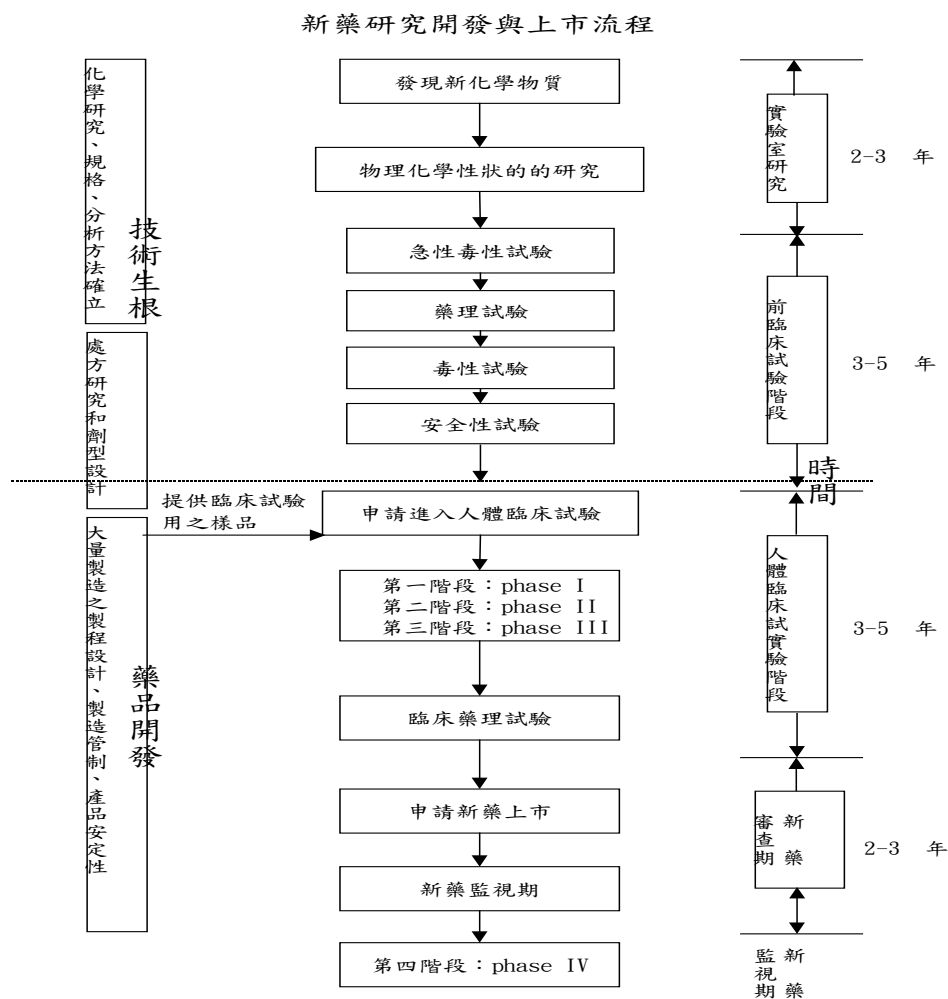
b. Raw materials:

Strains isolated from *Cordyceps sinensis*, such as LivPhcD and TCM888, are used as raw materials for the development of health foods and dietary supplements and may also be sold as raw materials.

2. Production process

A. Pharmaceuticals and medical devices (excluding PRP), organic products: These are distributed through agency and trading, with no product manufacturing process, and the manufacturing process for Platelet Concentrate Separator Tubes (PRP) is shown in the table below.

B. New drug development process:



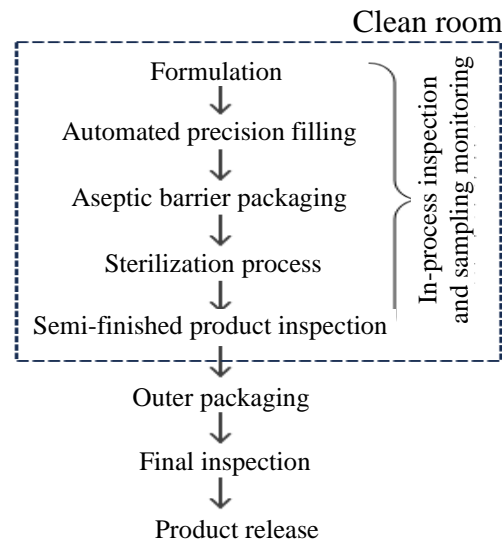
摘錄自行政院衛生署編製「藥品臨床試驗申請須知」

New drug research, development, and marketing process

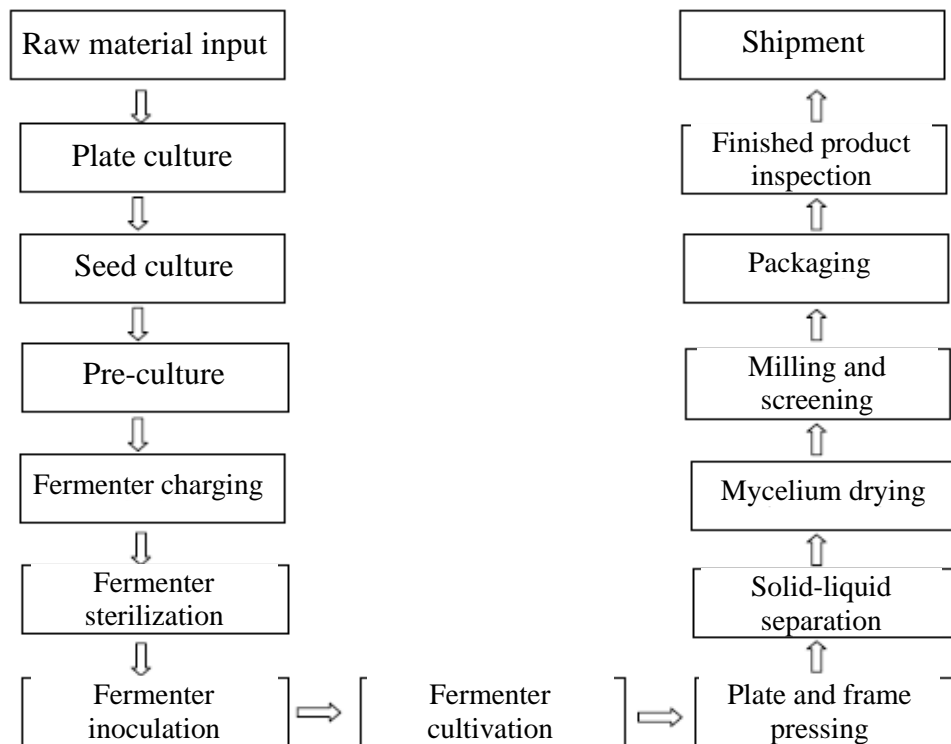
		Discovery of new chemical entities		
Chemical research, specifications, and establishment of analytical methods	Technology rooting	Study of physicochemical properties	Laboratory research	2–3 years
		Acute toxicity test		
		Pharmacological testing		
Formulation research and dosage form design		Toxicity test	Completion of preclinical trials	35
		Safety test		
	Providing samples for clinical trials	Application to initiate human clinical trials		Time
		Phase I Phase II Phase III	Human clinical trial phase	3–5 years
Process design for mass production, manufacturing control, product stability	Drug development	Clinical pharmacology trial		
		Application for new drug approval	New drug review period	
		New drug monitoring period		
		Phase IV	New drug monitoring period	

Extracted from the “Guidelines for Clinical Trial Applications for Drugs” prepared by the Department of Health, Executive Yuan

C. Manufacturing process for platelet-rich plasma (PRP) separation tubes:



D. Raw material fermentation process for functional products:



(III) Supply of major raw materials

The Company's major raw materials for its functional products are produced in-house in addition to being sourced in part from multiple suppliers. The Company maintains close cooperative relationships with domestic and foreign manufacturers, and has alternative suppliers available; therefore, the sources of raw material procurement are highly diversified. The Company determines procurement sources

based on suppliers' quality, degree of cooperation, transaction terms, delivery schedules, and other factors, and it regularly evaluates the quality of such cooperation. Therefore, supply sources are stable and have no shortages or interruptions.

(IV) Names of customers that accounted for 10% or more of the total purchase (sales) amount in either of the most recent two years, and their purchase (sales) amounts and percentages, with explanations for the reasons for increases or decreases

1. Information on major suppliers accounting for 10% or more of total purchases in the most recent two years

Unit: NTD thousand

Year	2024				2025				March 31, 2026			
Item	Name	Amount	As a percentage of the annual net purchase (%)	Relation with the issuer	Name	Amount	As a percentage of the annual net purchase (%)	Relation with the issuer	Name	Amount	As a percentage of the annual net purchase (%)	Relation with the issuer
1	Company B	133,963	47.32	None	Company A	138,992	37.83	None	Company A	47,002	41.83	無
2	Company A	36,207	12.79	None	Company B	110,975	30.20	None	Company B	40,514	36.06	無
3	Others	112,934	39.89	None	Others	117,482	31.97	None	Others	24,849	22.11	無
		283,104	100.00	-		367,449	100.00			112,365	100.00	

Change analysis:

The products distributed by the Company on behalf of Company B have maintained stable sales performance, making them a major supplier for both years; the year-over-year fluctuations are primarily due to differences in delivery timing. Regarding products distributed for Company A, the procurement amount in 2024 was lower due to product line adjustments; however, as the distribution channels for related products expanded in 2025, the procurement volume subsequently increased.

2. Information on major customers accounting for 10% or more of total sales in the most recent two years: None.

III. The information of employees within the last two years and up to the printing date of the annual report

Year		2024	2025	April 30, 2026
Number of employees (persons)	R&D personnel	17	18	20
	Production technical personnel	7	7	7
	Sales personnel	50	48	48
	Administrative personnel	58	59	61
	Total	132	132	136
Average age (years)		39.61	40.84	41.07
Average years of service (years)		7.73	8.72	8.73
Educational attainment distribution ratio	Doctoral Degree	3.03%	3.03%	4.41%
	Master's Degree	18.94%	18.94%	19.85%
	College	68.94%	68.18%	66.18%
	High school graduate	9.09%	9.85%	9.56%
	Below high school	0	0	0
	Total	100%	100%	100%

IV. Information on Environmental Protection Expenditure

Total losses (including compensation) and penalties incurred due to environmental pollution in the most recent year and up to the date of printing of the annual report, with an explanation of future countermeasures (including improvement measures) and possible expenditures (including estimated amounts of losses, penalties, and compensation that may arise if no response measures are taken; if a reasonable estimate cannot be made, the fact that no reasonable estimate can be made shall be stated): None.

V. Labor relations

(I) Various employee welfare measures, continuing education, and training measures

(1) Employee welfare measures and implementation:

The Company has established work rules and submitted them to the competent authority for approval, so that employees' labor conditions are fully protected. At the same time, it has established an Employee Welfare Committee, which periodically allocates welfare funds and manages income and expenditures in accordance with the law, and implements various employee welfare measures. The Company's basic welfare measures are as follows:

A. Employee group insurance: In 2025, approximately 132 employees and 5 dependents of the Company participated in the group insurance plan

- B. Employee stock subscription, employee bonuses, and employee remuneration: On March 12, 2026, the Board of Directors approved a resolution to distribute employee remuneration for 2025 in cash in the amount of NT\$1,800,000
- C. Employee wedding, funeral, and childbirth gifts
- D. Employee Dragon Boat Festival and Mid-Autumn Festival cash gifts or gifts, and birthday cash gifts
- E. Employee discounts, employee health examinations

In addition to the basic welfare measures mentioned above, the Company also provides the following welfare measures to care for employees:

- A. The Company's employees work 7.5 hours per day, which exceeds the requirements of the Labor Standards Act.
- B. Daily 0.5-hour flexible start and end times; employees may start work between 8:30 and 9:00 a.m. and leave work after completing 7.5 hours of work.
- C. In the event of flexible holidays adjusted by government agencies due to consecutive holidays, the Company directly grants leave without requiring make-up leave: 1 day of flexible leave was granted in 2025.
- D. Employee trips abroad are organized from time to time: The Company organized an employee trip to Vietnam in 2023.

#### E. Volunteer Leave

Upholding the principles of Corporate Social Responsibility (CSR), the Company encourages employees to proactively engage in public service, care for society, and give back to the community. Employees who voluntarily participate in public welfare activities or serve as volunteers during weekends or holidays are eligible to apply for one day of CSR Volunteer Leave.

#### F. Employee Care Leave

To support employees during urgent family matters, the Company provides 7 days of paid Employee Care Leave per year in addition to regular annual leave. This benefit is designed to help colleagues manage family care and personal needs with peace of mind, fostering a better work-life balance.

#### G. Sports & Fitness Subsidy

To encourage the development of healthy exercise habits and promote physical and mental well-being, every employee is entitled to an annual Sports Subsidy of NT\$5,000.

The Company's business philosophy is: "To be an enterprise that does good and fulfills social responsibilities." Ensuring employees' working conditions is an important part of social responsibility, and therefore, the Company strives to enable employees to maintain a pleasant state of mind while also taking care of their families, which is a long-term goal of the Company.

#### (2) Continuing education and training and implementation status:

In order to enhance employee quality and work skills and to strengthen work efficiency and quality, the Company provides pre-employment orientation and training for new employees upon onboarding to help them

understand the status of each department. It also conducts internal education and training from time to time, and assigns employees to attend external education and training based on their respective specialties. These efforts are made with a view to cultivating outstanding professional talent, thereby improving operating performance and effectively developing and utilizing human resources.

- A. Status of employees obtaining relevant certificates through further education: Details are provided in the table of external training courses below.
- B. Continuing education and training related to corporate governance attended by managerial officers:

Managerial officers attending training	Training courses	Training hours	Training institution	Expenditures (NTD)
Wang, Ya-Chun	How enterprises can balance intelligent security risks in digital transformation to create a win-win-win situation	3 hours	Taiwan Corporate Governance Association	3,000
Wang, Ya-Chun	Full launch of corporate innovation growth	3 hours	Taiwan Corporate Governance Association	3,000
Wang, Ya-Chun	Corporate Governance and Securities Regulations	3 hours	Taiwan Corporate Governance Association	1,750
Chen, Sheng-Chung	Corporate Governance and Securities Regulations	3 hours	Taiwan Corporate Governance Association	1,750
Chen, Chen-Yao	Corporate Governance and Securities Regulations	3 hours	Taiwan Corporate Governance Association	1,750
Wei, Hsiu-Min	ISO 14064-1: Organizational-level greenhouse gas inventory lead verifier certificate	18 hours	TUV NORD Technical Supervisory Consulting Company	18,675
Wei, Hsiu-Min	ISO 14067: Product carbon footprint lead verifier certificate	18 hours	TUV NORD Technical Supervisory Consulting Company	18,675
Wei, Hsiu-Min	Corporate Governance and Securities Regulations	3 hours	Taiwan Corporate Governance Association	1,750
Chang, Chih-Cheng	Corporate Governance and Securities Regulations	3 hours	Taiwan Corporate Governance Association	1,750
Wu, Ssu-Neng	Corporate Governance and Securities Regulations	3 hours	Taiwan Corporate Governance Association	1,750
Yang, Shu-Ya	Continuing Education Program for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges (Selected Package)	12 hours	Accounting Research and Development Foundation	8,000
Yang, Shu-Ya	Corporate Governance and Securities Regulations	3 hours	Taiwan Corporate Governance Association	1,750

C. The Company's statistics and expenditures on employee training and education for 2025 are as follows:

Education and training	Internal training	External training
Number of trainees	355 person-times	44 person-times
Expenditures	-	NT\$165,540
Course name	<p>New employee education and training</p> <p>Occupational safety and health education and training</p> <p>Operation of newly purchased instruments</p> <p>Financial Planning and Investment</p> <p>QMS/ISO13485/(medical devices/pharmaceuticals) GDP quality system integration</p> <p>GDP system overview</p> <p>Basic concepts of ISO13485/QMS</p> <p>Basic concepts of equipment validation and process validation</p> <p>Information security education and training</p> <p>Introduction to the GDP quality system</p> <p>First aid training course: CPR + AED + Heimlich maneuver comprehensive guide</p> <p>Retraining on revised inspection operations (process inspection)</p> <p>Human-machine interface operation training</p>	<p>“ISO 14064-1 Organizational Greenhouse Gas Inventory</p> <p>ISO 14067 Product Carbon Footprint”</p> <p>2025 Professional Practice Training Course for Clinical Research Project Managers</p> <p>Sterile Medical Device Packaging Process Design and Validation Planning Training Course – ISO 11607 Standards and Practice</p> <p>Interpretation of the provisions of Good Distribution Practice for Medical Devices (GDP) and practice</p> <p>[Clinical Trial-I] Series Courses</p> <p>2025 8th AAMLS Annual Conference and the 16th Asia-Pacific International Conference on Medical Laboratory Science</p> <p>PICS GMP GDP Factory Regulation Introductory Training Series – PICS GMP (Preparations and Active Pharmaceutical Ingredients) and GDP Regulations: A Comparative Guide</p> <p>Leadership Skills for New Generation Managers – Leading and Managing New Generation Employees</p> <p>Medical Device Radiation Sterilization Process Planning Training Course – ISO 11137 Standards and Practice</p> <p>[Clinical Trial Series] Practical Pharmaceutical Clinical Trial Design</p> <p>TC1810 Management Techniques for New Supervisors</p> <p>Cybersecurity Management Act Compliance Practices</p> <p>Strengthening Core Competencies for Junior Management Personnel</p> <p>2025 Education and Training for Medical Device Technical Personnel</p> <p>Pharmacovigilance Regulations and Practices in Taiwan</p> <p>Occupational Safety and Health In-Service Education and Training Course for Occupational Safety and Health Supervisors in General Industries</p>

Education and training	Internal training	External training
		2025 Training for Medical Device Technical Personnel Continuing Education and Training Courses for Medical Device Technical Personnel How to Prepare Clinical Submission Materials for Bridging Study Evaluation (Including In-Case Evaluation Cases) Reading, Analysis, and Application of Financial Statements Prevention of Illegal Workplace Infringement and Sexual Harassment Continuing Education Program for Accounting Officers of Issuers, Securities Firms, and Stock Exchanges (Selected Package) (online classes) Corporate Intellectual Property Management, Trade Secret Protection, and Audit Practices Legal Responsibilities and Internal Control/Internal Audit Practice for “Employee Fraud”

D. Status of certifications obtained by Company personnel related to IFRS financial information transparency, as designated by the competent authority:

Name	Certificate of Continuing Education	Continuing Education Institution
Manager Yang, Shu-Ya (Accounting Supervisor)	Continuing Education Program for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges (Selected Package)	Accounting Research and Development Foundation
Liang, Jing-Wen	Continuing Education Program for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges (Selected Package)	Accounting Research and Development Foundation

(II) Implementation of the retirement system

In accordance with the provisions of the “Labor Standards Act,” the Company has established defined-benefit retirement provisions in its work rules. These apply to the service years of all regular employees prior to the implementation of the “Labor Pension Act” on July 1, 2005, and to the subsequent service years of employees who chose to continue being subject to the Labor Standards Act after the implementation of the “Labor Pension Act.” For employees who meet the retirement conditions, pension payments are calculated based on years of service and the average monthly wage at the time the retirement is approved. For each full year of service within the first 15 years (inclusive), two base units shall be granted; for each full year of service exceeding 15 years, one base unit shall be granted, provided that the cumulative maximum shall be limited to 45 base units.

The Company contributes 2% of the total salary as the pension fund monthly, which is deposited in the account under the name of the Pension Reserve Supervisory Committee in the Bank of Taiwan. The Company appropriated NT\$271,236 to the workers' retirement reserve fund in 2025.

Since July 1, 2005, the Company has adopted a defined contribution retirement plan in accordance with the Labor Pension Act. For employees who choose to apply the labor pension system prescribed by the Labor Pension Act, the Company contributes monthly labor pensions of no less than 6% of salaries to the employees' individual accounts at the Bureau of Labor Insurance. Employees may receive either monthly pension payments or a lump-sum pension payment based on the amounts in their individual pension accounts and accumulated earnings. The Company contributed NT\$6,705 thousand to the new labor pension system in 2025.

(III) Labor-management agreements and measures to protect employees' rights and interests

The Company upholds respect for employees as its philosophy, and adopts an open, two-way communication model for policy communication and implementation of management systems to enhance employees' cohesion with the Company and job satisfaction while maintaining harmonious labor-management relations through labor-management meetings.

The Company has established the "Code of Ethical Conduct for Employees" to promote corporate culture to employees and emphasize the importance of integrity.

(IV) Losses suffered by the Company due to labor disputes in the most recent 2 years and up to the printing date of the annual report, including current and future estimated amounts and response measures: None.

## VI. Cyber Security Management

(I) Describe the cyber security risk management framework, cyber security policies, specific management programs and resources devoted to cyber security management:

1. Information security risk management framework

The Company has an Information Department in place, lawfully staffed with a dedicated managerial officer and information security personnel responsible for information security management, policy formulation and implementation, as well as planning, execution, and handling of information security related matters.

2. Information security policy

(1) Ensure normal operation of information equipment, information system and network protection.

(2) Ensure data integrity of the Company to avoid confidential data leakage.

(3) Important data shall be encrypted with regular password change to avoid appropriation or plagiarism.

(4) Increase the awareness of related personnel on information security for an

environment of continuing data service and fulfillment of related requirements by laws.

3. Specific management actions:

- (1) Data access is controlled according to the responsibilities of each department and job position. Authorization from responsible managers shall be granted when an application to change access is submitted, while user accounts and passwords are used for control.
- (2) Implement door access control at information equipment room and set up backup server and remote backup mechanism.
- (3) Constantly update anti-virus software and virus signature, and have firewall management in place to monitor risk from internet.
- (4) Strengthen awareness among all employees about internet scams, malicious emails, and phishing emails through education to protect them from potential losses.
- (5) Work with information security service providers to regularly inspect information security notification and weekly report and fix any vulnerability as soon as possible.
- (6) Be prudent for disposal of information storage equipment and keep record to prevent information leakage.
- (7) Require all employees to comply with laws, enhance their awareness of information security, and sign an employment contract, which includes Article 3 detailing contractual responsibilities and confidentiality agreements.

4. Resources invested in information security management:

- (1) Internal auditors evaluate if the internal control policy for information cycle is properly implemented every year.
- (2) Purchase and continuously renew anti-virus software to ensure valid protection and boost information security.

- (II) List the losses suffered, possible impacts, and response measures due to material information security incidents in the most recent year and up to the printing date of the annual report. If a reasonable estimate cannot be made, the fact of such inability shall be explained: No material information security incidents occurred in 2025.

## VII. Important contracts

<b>Contract nature</b>	<b>The party involved</b>	<b>Contract start and end dates</b>	<b>Main content</b>	<b>Restriction clause</b>
Sales contract	Company B	2026.01.01~ 2027.12.31	Company B's procurement project for Delcopan & You He	Liquidated damages, contract assignment, and termination
Sales contract	Company B	2025.11.01~ 2027.10.31	Company B's procurement project for HyLink ARTZDispo single-dose Intra-articular Injection	Liquidated damages, contract assignment, and termination
Sales contract	Company B	2024.09.01~ 2026.09.30	Company B's procurement project for absorbable anti-adhesion gel	Liquidated damages, contract assignment, and termination
Sales contract	Company B	2024.12.04~ 2026.12.03	Company B's procurement project for Bodahyu absorbable anti-adhesion gel	Liquidated damages, contract assignment, and termination
Authorization Distribution agreement	Company A	2024.01.01~ 2026.12.31 If neither party raises any objection 3 months prior to the expiration of the contract, this contract shall be extended for 2 years under the same terms and conditions	Authorize Company A to exclusively distribute Beinonci advanced platelet separation tubes and Witting high-end platelet separation tubes in Taiwan	Minimum sales amount, distribution territory restrictions, exclusivity clause, liquidated damages, contract assignment, and termination
Authorization Distribution agreement	Company C	2022.11.01~ 2027.10.31	TCM authorized Company C to distribute Lipolytic Injection in Taiwan	Minimum sales amount, distribution territory restrictions, exclusivity clause, liquidated damages, contract termination
CRO agreement	Clinipace Taiwan Co., Ltd.	From June 23, 2025, until the earlier termination of Work Order A-1 and the Master Services Agreement terms, or the date on which all services are completed or	TCM commissioned Clinipace Taiwan Co., Ltd. to conduct clinical trials	None

<b>Contract nature</b>	<b>The party involved</b>	<b>Contract start and end dates</b>	<b>Main content</b>	<b>Restriction clause</b>
		final payment is received, whichever is later		
Technology licensing agreement	National Taiwan University and Professor Pei-Che Chen	2015.05.18~2035.05.17	Obtained an exclusive license for the application of the technology of “viral recombinant nucleic acid fragments/sequences as biomarkers for the clinical diagnosis of tumors/cancers (or virus-induced diseases)” to related products using viral recombinant nucleic acid fragments for cancer diagnosis, for worldwide development, use, and sale.	The scope of licensed products is limited to related applications using viral recombinant nucleic acid fragments/sequences for tumor/cancer diagnosis, liquidated damages
Agency agreement	Company B	2021.03.22~2026.03.21	The Company is the exclusive master distributor of HyLink ARTZDispo one-shot Intra-articular Injection in Taiwan.	Prohibition on selling similar products, damages for breach of contract, contract assignment and termination, court of jurisdiction and governing law
Agency agreement	Company B	2011.10.01~2026.09.30	Serves as the Taiwan agent for ARTZDispo Intra-articular Injection.	Prohibition on selling similar products, damages for breach of contract, contract assignment and termination, court of jurisdiction and governing law
Distribution agreement	T-TOP Clinical Research Co., Ltd.	2022.11.01~2027.10.31	The Company distributes that company's Lipolytic Injection.	Prohibition on selling similar products, minimum purchase amount, distribution territory restrictions, compensation for breach of contract, contract termination, court of jurisdiction, and governing law
Distribution agreement	Glonova Pharma Co., Ltd.	September 18, 2023, to 5 years after the effective date of obtaining the 1st market pricing	The Company distributes that company's Ronkyla (Sodium deoxycholate) Injection/Lipolytic Injection in Mainland China (including Hong Kong and Macau).	Prohibition on selling similar products, minimum purchase amount, distribution territory restriction,

<b>Contract nature</b>	<b>The party involved</b>	<b>Contract start and end dates</b>	<b>Main content</b>	<b>Restriction clause</b>
		approval in Mainland China		liquidated damages, contract assignment and termination, court of jurisdiction, and governing law
Distribution agreement	Company A	2023.01.01~2027.12.31	The Company distributes that company's PROTAHERE, DEFEHERE Absorbable Adhesion Barrier, and HYAURO Intravesical Instillation	Minimum purchase amount, distribution territory restriction, liquidated damages, contract assignment and termination, exclusivity clause, court of jurisdiction, and governing law
Distribution agreement	Instant Nanobiosensors Co., Ltd.	2024.07.01~2029.06.30	The Company is the distributor of that company's iNA precision medicine solutions in Taiwan	Minimum sales amount, distribution territory restriction, liquidated damages, contract termination, court of jurisdiction, and governing law
Exclusive distribution agreement	ANDAMAN BULE PTE.LTD	October 5, 2023, to 5 years after the effective date of obtaining the 1st market pricing approval in Mainland China	That company distributes the Company's Ronkyla (Sodium deoxycholate) Injection/Lipolytic Injection in Mainland China (including Hong Kong and Macau).	Prohibition on the sale of similar products, minimum sales amount, distribution territory restrictions, exclusivity clause, liquidated damages, contract assignment and termination
Lease agreement	SUN DYNAMIC ENTERPRISE LIMITED	2024.07.01~2028.06.30	Lease Building B, No. 37, Siwei Road, Xinying Industrial Park, Yanshui District, Tainan City.	None
Lease agreement	Fuhui Real Estate Co., Ltd.	2022.12.01~2030.11.30	Lease No. 93, Section 1, Xintai 5th Road, 18F-5, Xizhi District, New Taipei City.	None
Lease agreement	TREND MAY CO., LTD.	2024.01.01~2027.02.28	Lease No. 97, Section 1, Xintai 5th Road, 24F, Xizhi District, New Taipei City.	None
Long-Term Housing Loan Agreement	Hua Nan Commercial Bank	2018.08.07~2033.08.07	The Company's long-term installment loan for the acquisition of real property	None
Long-Term Housing Loan Agreement	Taiwan Cooperative Bank	2017.06.12~2032.06.12	The Company's long-term installment loan for the acquisition of real property	None
Credit	Taiwan	2025.05.27~	Short-term credit facilities in	None

<b>Contract nature</b>	<b>The party involved</b>	<b>Contract start and end dates</b>	<b>Main content</b>	<b>Restriction clause</b>
Facility Agreement	Cooperative Bank	2026.05.02	NTD and foreign currencies	

Note 1: The Company has also entered into relevant contracts with major medical centers, CROs, and other institutions to conduct clinical trials according to the stage of new drug development.

Note 2: The Company also has recurring supply and sales agreements with distributors, agents, and other parties throughout Taiwan.

## Five. Review and Analysis of Financial Status, Financial Performance and Risks

### I. Financial status

Unit: NTD thousand

Item	Year	2024	2025	Variation	
				Amount	%
Current assets		811,978	858,462	46,484	5.72
Financial assets at fair value through other comprehensive income – non-current		30,000	27,520	(2,480)	(8.27)
Property, plant, and equipment		280,486	272,096	(8,390)	(2.99)
Intangible assets		20,717	17,579	(3,138)	(15.15)
Other assets		39,177	28,518	(10,659)	(27.21)
Total assets		1,182,358	1,204,175	21,817	1.85
Current liabilities		81,897	114,888	32,991	40.28
Noncurrent liabilities		41,382	33,972	(7,410)	(17.91)
Total liabilities		123,279	148,860	25,581	20.75
Capital stock		590,486	590,486	-	-
Capital surplus		415,772	415,772	-	-
Retained earnings		52,873	51,631	(1,242)	(2.35)
Other equity		(52)	(2,574)	2,522	4,850
Treasury stock		-	-	-	-
Total shareholders' equity		1,059,079	1,055,315	(3,764)	(0.36)
Explanation:					
1. The increases in current assets and total assets in 2025 were primarily due to the increase in revenue during the current year, which correspondingly increased accounts receivable; furthermore, inventory increased due to the increase in the stockpiling amount.					
2. The increases in current liabilities and total liabilities in 2025 were primarily due to the increase in accounts payable resulting from increased stockpiling.					

## II. Financial Performance

### (I) Financial performance analysis for the most recent 2 years:

Unit: NTD thousand

Item	Year		Increase (decrease) in amount	Variation (%)
	2024	2025		
Operating revenue - net	666,530	685,491	18,961	2.85
Operating costs	339,221	368,502	29,281	8.63
Operating gross margins	327,309	316,989	(10,320)	(3.15)
Operating expenses	316,613	298,335	(18,278)	(5.77)
Operating profits	10,696	18,654	7,958	74.40
Non-operating incomes and expenses	14,321	3,644	(10,677)	(74.55)
Net profit before taxation	25,017	22,298	(2,719)	(10.87)
Deferred tax expense	(4,007)	(3,128)	(879)	(21.94)
Net profits for the period	21,010	19,170	(1,840)	(8.75)
Explanation:				
1. Decrease in operating expenses: This was mainly due to adjustments to the sales strategies of certain products over the past 2 years, with a focus on maintaining products with high gross margins and low manpower requirements, and the conversion of certain products to distribution, resulting in a decrease in related selling expenses.				

### (II) Expected sales volume and its basis, possible impact on the Company's future financial business, and response plans:

The Company's main sources of sales revenue include pharmaceuticals, medical devices, functional foods, and ingredients; based on estimates made according to significant distribution contracts, customer channels and market demand, the Company's revenue for the coming year is expected to continue growing. In addition to the continued growth of existing products, the continued expansion of overseas markets will also help enhance the Company's overall revenue.

## III. Cash flow

### (I) Cash flow for the most recent year:

Unit: NTD thousand

Beginning of year cash balance a	Net cash flows from operating activities for the year b	Net cash flows from investing and financing activities for the year c	Exchange rate impact d	Remaining (non-sufficient) cash amount a+b+c+d	Remedies for cash shortages
232,984	37,131	(25,003)	(42)	245,070	-

Analysis of changes in cash flows for the most recent year:

1. Operating activities: The decrease in cash inflow in 2025 was mainly due to the substantial recovery of accounts receivable in 2024 following adjustments to the operating model, which resulted in a significant increase in cash inflow for that year, whereas cash inflow in the current year remained at a normal level.
  2. Investing activities: The significant difference in cash inflow from investing activities in 2025 compared with the previous year was mainly due to the increase in time deposits in 2024, which resulted in an increase in financial assets measured at amortized cost.
  3. Financing activities: The significant difference in cash outflow from financing activities in 2025 compared with the previous year was mainly due to the repayment of a larger amount of short-term and long-term borrowings in 2024.
- (II) Improvement plan for insufficient liquidity: The Company does not have insufficient cash liquidity.
- (III) Cash flow analysis for the coming year

Unit: NTD thousand

Cash balance at the beginning of the year (1)	Expected net cash flow from operating activities for the year (2)	Expected cash outflow for the year (3)	Expected cash surplus (shortfall) (1)+(2)-(3)	Remedy for estimated cash shortage	
				Investment plan	Financing plan
245,070	(20,000)	715,000	940,070	N/A	N/A

Remedial measures for estimated cash shortfall and liquidity analysis: N/A.

- IV. Material capital expenditures in the latest year and impacts on finance and business performance: None.
- V. Reinvestment policy in the most recent year, the main reasons for its profits or losses, improvement plans, and investment plans for the coming year: The Company began investing in the establishment of a Mainland China subsidiary in 2013, which currently assists the Company with product registration and other matters in Mainland China. The losses were mainly attributable to the payment of various operating expenses, as well as personnel and administrative expenses; the subsidiary Taiwan Genomic Nucleic Acid New Drug Co., Ltd. was established in December 2023 and has commenced operations, and it is currently continuing to invest in new drug development and is also temporarily incurring losses. In the coming year, the Company will assess the investment status in a timely manner based on the subsidiary's financial position.

VI. Analysis and Assessment of risks for the most recent year and the current year up to the publication date of the annual report

(I) The organizational structure of the Company's risk management and the responsible units for implementation are as follows:

1. Board of directors:

To pay close attention to relevant government laws and regulations, review the Company's relevant management rules, and ensure the effectiveness of the Company's management control and operational risk management.

2. Chairman and general manager:

Responsible for the assessment of business decision-making risk, cybersecurity, and operational risk, and for the implementation of response strategies, as well as for supervising and coordinating related matters of various departments.

3. Auditing Office:

To align the Company's objectives, risk tolerance, and strategies, and to actively assist the Company's management in addressing all interrelated risks across the enterprise.

4. Administration Department, Finance Department, and Accounting Department:

Responsible for the assessment of the Company's related financial risks and cost management and for the implementation of response strategies. Also responsible for the assessment of the Company's legal and employee-related crisis risk management and for the implementation of response strategies.

5. Pharmaceuticals and Functional Foods Division:

The unit primarily responsible for the assessment of market risk and for the implementation of response strategies.

6. Production Department:

The unit responsible for the assessment of risks arising from production planning and product manufacturing processes and for the implementation of response strategies

7. R&D Department:

Responsible for new drug R&D planning and related risk control. Also for adopting patent protection measures and related crisis responses for the Company's new products and patents.

(II) Impact of interest and exchange rate fluctuations and inflation on the profit and loss of the Company, and the future countermeasures:

(1) Impact of interest rate and exchange rate fluctuations and inflation on the Company's profit or loss in the most recent year

Unit: NTD thousand

Item	2025		As of March 31, 2026	
	Amount	As a percentage of operating revenues	Amount	As a percentage of operating revenues
Interest income	5,689	0.83%	1,114	0.64%
Interest expense	864	0.13%	166	0.10%
Exchange loss	1,821	0.27%	624	0.36%

Source: Financial statements audited and attested by certified public accountants

A. Changes in interest rates:

In 2025, the interest income and interest expenses recognized by the Company accounted for only 0.83% and 0.13% of the current operating revenue, respectively. As these proportions are immaterial, interest rate fluctuations do not have a significant impact on the Company.

B. Changes in exchange rates:

In 2025, the Company recognized a foreign exchange loss of NT\$1,821 thousand, representing only 0.27% of the current operating revenue. Due to this minor proportion, exchange rate fluctuations have no significant impact on the Company.

C. Inflation:

The Company closely monitors market price fluctuations and maintains good interaction with customers and suppliers, and therefore, the impact of inflation on the Company's profit or loss remains limited.

(2) Specific measures taken by the Company in response to exchange rate fluctuations, interest rate fluctuations, and inflation:

A. Maintain good relationships with banks to obtain more favorable quotations.

B. With the expansion of the Company's business scale and the development of overseas business, the impact of exchange rate fluctuations will arise accordingly. To avoid the impact of exchange rate fluctuations on future revenue and profitability, the following hedging measures will be adopted:

a. The Company considers the risks arising from exchange rate fluctuations in the product quotation process and adjusts selling prices in a timely manner to safeguard appropriate profits.

b. To reduce the impact of exchange rate fluctuations on purchases, the Company will closely monitor exchange rate movements and plan advance purchases of foreign currencies in response to the appreciation or depreciation of foreign currencies so as to reduce the impact of exchange rate fluctuations.

(III) Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee and derivative transactions, main reasons for profits or losses and future countermeasures:

(1) The Company's business strategy is based on the principles of prudence and conservatism and a focus on core business operations, and it did not engage in high-risk, high-leverage investments, the lending of funds to others, endorsements and guarantees, or derivative transactions in the most recent year.

(2) The Company's financial operations are based on the principles of prudence and conservatism, and it does not engage in high-risk, high-leverage investments. In addition, the Company has established the "Procedures for Acquisition or Disposal of Assets," "Operational Procedures for Endorsements and Guarantees," and "Operational Procedures for Lending

Funds to Others,” which were approved by a resolution of the AGM. When the Company engages in relevant operations, all such operations are handled in accordance with the relevant management procedures.

(IV) Future research and development plans and estimated investment in research and development:

(1) Future R&D plans:

A. New drug development: New indication new drug U101 Prevention of recurrent lower urinary tract infections

B. Hepatitis B-related hepatocellular carcinoma recurrence monitoring and detection platform (hereinafter referred to as “CatCHimera”)

C. Health food:

The Company mainly focuses on the development of preventive health foods for liver diseases and has progressively obtained various health food certifications. It has conducted human clinical trials with these certified products to gather more comprehensive data, supporting expansion in Taiwan and other overseas markets.

D. Western pharmaceutical products and medical devices:

In addition to actively seeking overseas export opportunities for its own products, the Company also continues to evaluate and introduce specialty western pharmaceutical products and promising medical devices, utilizing existing channels to expand operations.

(2) Estimated research and development expenses:

Estimated research and development expenses to be invested in 2026 are approximately NT\$150,000 thousand.

(V) The impact of important domestic and foreign policy and legal changes on the Company's finance and business and countermeasures:

Taiwan's “Act for the Development of Biotechnology and New Pharmaceuticals Industry” was approved by the Legislative Yuan in June 2007, and the biotechnology industry has become one of the important strategic industries currently being vigorously promoted by the government. Relevant government authorities have adopted policies encouraging the development of the biotechnology industry and provided various research and development grants. The Company will continue to make good use of various national incentive programs and pay close attention to changes in the relevant policies and regulations.

At the same time, in addition to conducting its daily operations in compliance with applicable domestic and foreign laws and regulations, the Company also keeps abreast of domestic and foreign policy development trends and regulatory changes, and it collects relevant information for management's reference so as to adjust its operating strategies in a timely manner. As of now, the Company has not been affected by significant changes in domestic or foreign policies and laws in a way that impacts its finances or business operations.

- (VI) The effect of technological and industrial changes on finance and business matters of the Company, and countermeasures:

The Company is a biotechnology new drug development company. The new drugs currently under development are innovative and competitive. In addition, the Company's R&D team is adept at keeping abreast of technological trends. Therefore, it will develop newer products in response to changes in technology and the industry at all times; accordingly, technological changes and industry changes will not have a material impact on the Company's finances and business.

The Company will keep abreast of changes in technological developments in the biotechnology industry and assess their possible impact. At the same time, it has an excellent grasp of industry and peer developments, sufficient to respond quickly to the impact that various external technological and industry changes may bring.

- (VII) Impact of corporate image change on corporate crisis management and countermeasures:

Since its establishment, the Company has attached importance to its future development, product innovation, and social image. In addition to participating in relevant industry associations or guilds and other organizations, it also participates in public welfare activities from time to time and strictly complies with all the applicable laws and regulations. All personnel of the Company are committed to maintaining the Company's corporate image. As of now, there has been no change in corporate image that has resulted in any corporate crisis management issue. In the future, the Company will continue to implement corporate governance requirements and consult experts in a timely manner to reduce the impact of such risks on the Company's operations.

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

The Company currently has no plans for mergers and acquisitions. If such plans are evaluated and implemented in the future, they will also be handled in accordance with the applicable laws and the Company's internal management regulations.

- (IX) Expected benefits, possible risks and countermeasures for plant expansion:

The Company currently has no plans to expand its plants. If a need arises in the future, it will conduct prudent evaluations and planning in accordance with the relevant internal control systems and management regulations.

(X) Risks of concentrations of purchases or sales and countermeasures:

(1) Risks arising from purchase concentration:

For functional foods, in addition to raw materials produced by the Company itself, some raw materials are also purchased from suppliers, and alternative suppliers are available. The suppliers of raw materials are highly diversified, and there is currently no risk of excessive concentration of raw material purchases.

In addition, for pharmaceuticals and medical devices, the main suppliers are Company A (Absorbable Adhesion Barrier), Company B (ARTZDispo Intra-articular Injection), etc. At the same time, the Company is actively developing its own products and continues to seek niche and marketable products, and it is expected to gradually reduce the risk of purchase concentration.

(2) Risks arising from sales concentration:

The Company's customers include distributors or agents, medical centers, regional hospitals, local hospitals, clinics, and pharmacies, among others. Throughout the year, no single large sales customer accounted for more than 10% of the Company's net operating revenue. The customer base is diversified, and there is no risk of sales concentration.

The Company continues to expand its customer base to increase profitability and reduce the risk of excessive customer concentration.

(XI) The impact on the Company and risks of the massive transfer or change of shares by directors or major shareholders with 10% stake or more and countermeasures:

Due to its investment strategy needs, Green Partner Investments Limited, the Company's corporate director, transferred 1,279 thousand shares on the centralized market from 2024 to September 5, 2025, representing 2.16% of the Company's issued shares. Since Green Partner Investments Limited occupies only one seat on the Company's Board of Directors and is not part of the Company's primary management team, it does not have a material impact on or pose significant risks to the Company's operations

(XII) The effects, risks and responsive measures associated with changes in management rights

In the most recent fiscal year and up to the date of printing of the annual report, there has been no change in control.

(XIII) Where the Company, the Company's directors, General Manager, de facto responsible person, major shareholders holding more than 10% of shares, or subordinate companies have material litigation, non-litigation, or administrative litigation cases that have been finally adjudicated or are still pending, and the results thereof may have a material impact on shareholders' equity or the price of securities, the disputed facts, amount in dispute, litigation commencement date, principal parties involved, and handling status as of the date of printing of the annual report shall be disclosed: The Company had no such situation in the most recent fiscal year and up to the date of printing of the annual report.

(XIV) Other major risks and countermeasures:

- (1) Risks that R&D products cannot be successfully developed or that the development process may be delayed, and the countermeasures adopted

New drug development is a highly knowledge-intensive and high-value-added industry, but the process requires a large amount of capital and a relatively long period of time. In the lengthy process of new drug development, each stage may face the possibility of development failure. If, during the research and development of a new drug or a critical experiment, funding sources are insufficient, development work may be interrupted, thereby increasing the risk of R&D failure. The related risk responses are as follows::

Response:

- A. Adopt low-risk development strategies:

TCM adopted a sound management approach and carefully assessed the feasibility of R&D projects. U101 falls under the 505(b)(2) regulatory pathway for new indications of an existing drug (drug repurposing). Compared with a new chemical entity (NCE), it features a shorter development timeline, lower risk, and the advantage of higher clinical trial safety.

- B. Ensuring stable working capital:

TCM differs from typical new drug R&D companies. The Company possesses a complete medical distribution network and marketing system, and leverages stable sales revenue and cash flow to support new drug development, mitigating the impact and risk of failure on the Company.

- (2) Risk of sales falling short of expectations or the inability to license to others

After U101 is launched, it will compete with existing rUTI prevention methods, including low-dose antibiotics and hyaluronic acid bladder instillation. As for CatCHimera (liver cancer detection), it is expected to face competition from other solid tumor MRD (minimal residual disease) ctDNA testing products and possible liver cancer early screening technologies that may emerge in the future. The related risk responses are as follows:

- A. Leverage core product competitiveness (U101):

The active pharmaceutical ingredient in U101, Pentosan Polysulfate Sodium (PPS), is administered orally in capsule form to repair the urinary tract lining's GAG layer and inhibit pathogen adhesion. Compared with antibiotics, U101 does not have the disadvantage of inducing drug resistance in pathogens. Compared with hyaluronic acid instillation, U101 is administered orally, offering greater convenience and safety due to its non-invasive nature, and has the potential to replace existing treatments.

- B. Market Channel Advantages:

TCM possesses a complete medical distribution network and marketing system. Once a new drug receives drug approval, it can quickly enter the market and enhance operational synergy.

- C. International Expansion (U101):

Actively planning for international markets, the Company has conducted a pivotal Phase III pre-IND meeting with the U.S. FDA and received feedback confirming that U101 can proceed directly to a U.S. Phase III clinical trial via the 505(b)(2) pathway. Meanwhile, the Company plans to conduct pre-marketing authorization consultation in Europe, China, and other regions upon completion of the Taiwan Phase III clinical trial.

D. Technology Differentiation and Market Positioning (CatCHimera):

CatCHimera addresses the unmet testing needs for postoperative recurrence monitoring in patients with HBV-related hepatocellular carcinoma. Technically, it utilizes HBV-integrated ctDNA as a biomarker with 100% specificity, exceeding the performance of general mutational gene testing. The limit of detection can reach 0.01% (using ddPCR technology), enabling earlier detection of minimal residual disease (MRD).

(3) Risks of reliance on third parties (such as CROs and CMOs) for clinical trials or clinical/post-marketing drug production

In new drug development, clinical trial management is often outsourced to Contract Research Organizations (CROs), and pharmaceutical manufacturing is typically contracted to Contract Manufacturing Organizations (CMOs) or Contract Development and Manufacturing Organizations (CDMOs). This reliance on third parties presents inherent risks. The related risk responses are as follows:

A. U101 API supply chain management (CDMO):

The API process development contract signed between TCM and a Taiwanese professional CDMO manufacturer utilizes phased signing (MSA/Task Order) to manage risks and control the budget effectively. In addition, the contract clearly stipulates that all intellectual property rights and related rights to the results produced by the commissioned research—such as data, reports, and analysis methods—fully belong to TCM, ensuring no ownership dispute arises during subsequent development and commercialization.

B. Clinical trial management (CRO/hospital):

U101 Taiwan Phase III clinical trial commissioned Qiu Yisi Biotechnology Consulting Co., Ltd. (CRO) to assist with management/monitoring, and engaged 13 medical centers in Taiwan to conduct patient enrollment. TCM clinical personnel hold regular meetings with CRO project managers to track progress and resolve issues, ensuring progress and quality. During the patient enrollment period, the Monitoring Plan is also implemented, with regular visits to trial sites to ensure that clinical trials are conducted in compliance with regulations (ICH GCP, Taiwan GCP) and the clinical trial protocol.

(4) The risk of working capital shortage: The adequacy of working capital, the R&D timeline it can support, and the response measures adopted should be explained

New drug development requires a substantial, long-term, and continuous investment of capital. If funding sources are insufficient,

development may be interrupted, which would increase the risk of R&D failure. The related risk responses are as follows:

A. Strengthening market revenue:

TCM has the advantage of vertically integrated R&D and marketing, with a comprehensive medical channel system and sales team. Through continuously deepening its Taiwan medical channel network and providing high-quality products and services, the Company supplements its working capital and supports R&D expenses. The Company also actively promotes new distribution products, focusing on high-margin self-pay products with development potential and products with stable sales volume.

B. Developing funding channels:

Actively seek funding from major international pharmaceutical companies through technology licensing, equity investment, or strategic alliances to establish a value chain for phased profits. The Company also plans to raise the international R&D funds required after business expansion and growth through applying for stock listing and capital market fundraising.

VII. Other important matters: None.

## **Eight. Special Matters**

### **I. Information on Affiliates:**

Announced and reported in accordance with regulations and available for inquiry in the Single Company > Download Electronic Documents > Affiliated Enterprises Three Statements section of the Market Observation Post System ([https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)).

### **II. Status of private placements of securities in the most recent year and up to the date of printing of the annual report, including the date and amount approved by the AGM or the Board of Directors, the basis for and reasonableness of price determination, the method of selecting specific persons, the necessary reasons for conducting private placements, and the status of the use of funds and progress of plan implementation from the time the share proceeds or price were fully collected until completion of the fund utilization plan: Not applicable.**

### **III. Other matters that require additional explanation: None**

## **IX. Matters with a material impact on shareholders' equity or securities prices**

Matters that had a material impact on shareholders' equity or securities prices as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the date of printing of the annual report: None.

**TCM Biotech International Corp.**

**Chairman: Hsu, Huan Chin**