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Genovate Biotechnology CO., LTD.

2024 Annual Report

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■ Certified Public Accountant for Recent Fiscal Year:

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■ Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: Not applicable.

■ Corporate Website: <http://www.genovate-bio.com>

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2. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the company, participation in the operations of the company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan.....	80
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I. Letter to Shareholders

Dear Shareholders,

1. 2024 Annual Report

(1) Implementation results of the business plan

In 2024, there were good news for Genovate Biotechnology's new drugs. We adhere to our initial principles with good harvest from diligent cultivation for years.

In terms of DBPR108, a new drug with a new dosage for diabetes, we guide six local pharmaceutical companies, starting from technology transfer and development with National Health Research Institutes to subsequent acquisition of 3-year subsidy in the amount of NT\$150 million in the name of first case of "Contributive Biotechnology", sponsored by the Executive Yuan; with the said subsidy, we carry out the Phase I study between Taiwan and US FDA. Furthermore, we signed a technology licensing and co-development agreement with CSPC Pharmaceutical Group Ltd. in China, It takes for 12 years; finally in early 2025, we obtained the drug certificate, listed in China market.

The said product is the first-in-class new drug with new ingredients. Its development involves dosage form and clinical expertise with Genovate's participation, coordination and execution. Persistent cultivation for years is returned with current good results, so Genovate's accumulated energy in research and development can be well applied. The successful market launch highlights the company's accumulated R&D capabilities, and the R&D team deserves high praise.

In addition, a pivotal pharmacokinetics trial for PMR, a 505b2 new drug for treatment for intermittent claudication and secondary stroke prevention, has been successfully completed during 2024 in U.S with main efficacy indicators achieved as a result of statistics, we immediately launched task related to a New Drug Application (NDA) of PMR, selected international contract research organizations with experiences in NDA, and established the NDA core team inside the company. We conducted a variety of tasks, and regular tracking in aspects such as commercialization, regulations, compliance with GMP, clinical trial, etc. in anticipation of early listing in the market to favor patients.

As for Genovate's medication for Antiphospholipid Syndrome (APS), GX17, in addition to ongoing pursuit of international patents for APS indications and crystalline forms, two thrombotic properties of GX17 and one bridging toxicology study which have to be finished prior to Phase II trial are also aggressively in progress.

On the sales front, in the post-pandemic age, due to influence of the Russia-Ukraine war and the Israel-Palestine war, along with geopolitics of big countries, global supply chain also experiences changes and adjustments; factors such as rising raw materials costs, unstable supply, soaring freight, etc. such raise product costs; Genovate is confronted with not only competition with domestic manufacturers, but ostracization from foreign big generic drug manufacturers in the generic market. Baptized by market rules for years, Genovate also gradually finds a way out. In the course of supply chain changes, we take advantage of niche products to grasp opportunities. By virtue of drug shortage phenomenon, we break through the existing purchase framework in medical institutions, and actively enlarge the sales to seize the market. Because of our complete layout in emergency and critical care drugs, Genovate would even more stabilize the market step by step. It is worthy of recognition that with resort to stable output of the factories, our sales and OEM business would both achieve targets.

In the realm of factory production, we continue to replace machines and tools, optimize operation to improve costs. Our short-term and mid-term goals are to plan the new factory blueprint, and upgrade sterile operation environment; in line with the in situ upgrading engineering of ultimate sterilization, and PMR NDA timeframe, we undergo, on a priority basis, the replacement engineering of pure water systems, which involves alternation of old and new systems, and overcoming difficulties in restrictions of construction environment, stock preparation and planning, etc. It becomes critical challenges of the factory production team.

In respect of reinvestment, the collaborative project between Genovate and NaviFUS, involving clinical trial of anti-epileptic, conducted in Australia, is still ongoing.

NaviFUS specializes in advanced medical devices for brain and central nervous system diseases, utilizing its "Neuronavigation-guided Focused Ultrasound" technology platform. Emphasizing the benefits of "non-invasive, precise, safe, and convenient" products, the company's cutting-edge technology earned it the prestigious Gold Award at the 2022 Edison Awards, showcasing "The pride of Taiwan". The said system also obtains investigational device exemption (IDE) of US FDA with many clinical trials in cranial nerves diseases in progress. Operating from Taiwan, the company has been in talks for various international strategic alliances, partnering with global leaders like Brainlab and Bracco to provide vital technical support worldwide and explore product development across different indications. In the middle of 2022, the company was listed on the Emerging Stock Market; in the beginning of 2024, it received recommendation letter from the Industrial Development Bureau of the Ministry of Economic Affairs, recognizing its status as a technology-driven enterprise with market potential. In combination with biotechnology and ICT edges in Taiwan, it is shaped as a Bio-ICT benchmark enterprise. It has passed OTC's review, and has been officially listed on the TPEx on March 7, 2025.

(2) Budget Implementation Status

As per the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the company has not released any public financial projections for the fiscal year 2024. Therefore, this particular item is not applicable.

(3) Financial Revenue and Expenditure

In the fiscal year 2024, the consolidated operating revenue totaled NT\$511 million, reflecting a decrease of NT\$17.66 million compared to the preceding year, indicating a decrease of 3.34%. This decrease was primarily attributed to the lower volume of pharmaceutical manufacturing and sales during the fiscal year 2024 compared to the previous year. The after-tax net profit for fiscal year 2024 amounted to NT\$25.7 million, marking a decrease of NT\$3.64 million (decrease by 12.4%) compared to the previous year, mainly due to decrease of operating revenue, which further led to simultaneous decrease of operating margin, operating expenses, and investment loss by using equity method, so non-operating income and expenses increased compared with the previous year as well as increase of income tax expense in 2024.

Earnings per share reached NT\$0.23 in 2024, a decrease of NT\$0.04 compared to the previous year, indicating a decrease of 14.81%.

Financial Revenue and Expenditure:

Unit: NT\$ thousands

Item	2024	2023
Operating revenue	510,856	528,512
Operating costs	318,207	317,596
Operating margin	192,649	210,916
Operating expenses	169,219	183,909
Operating income	23,430	27,007
Non-operating revenue	7,630	3,818
Net income after tax (net loss)	25,698	29,334

Profitability:

Item	2024	2023
Return on assets (%)	1.63	1.87
Return on shareholders' equity (%)	1.76	2.04
Operating income to paid-in capital ratio (%)	2.07	2.47
Operating income before tax to paid-in capital ratio (%)	2.75	2.82
Net profit ratio (%)	5.03	5.55
Earnings per share	0.23	0.27

(4) Research and Development

Genovate's new drug development plan is gradually expanding internationally, leveraging the combined advantages of professionals and alliances.

1. DBPR108 (prusoglipthine), a new drug with new ingredients for diabetes treatment, is named among commodity in China "Shan Tse Ping".

As a leader, Genovate united six local pharmaceutical companies to organize an industry alliance, which collaborate with academic research sectors such as National Health Institutions, Taipei General Veterans Hospital, etc. for development. In the initial stage of development, Phase I trial is carried out with approval respectively by Taiwan and US FDA, along with acquisition of 3-year subsidy in the total amount of NT\$150 million in the name of first case of "Contributive Biotechnology", sponsored by the Executive Yuan. It is the first successful case in a concrete sense.

DBPR108 is a kind of new drug for diabetes with DPP4 inhibitor. Its competition edges are:

- a. Effective oral dosage with high acceptance by patients.
- b. Novel small polymeric compound, protected by international patents, including US, ROC, Australia, Korea, China, etc.
- c. In comparison with DPP4 inhibitor in the same series, its safety is high as a result of pre-clinical animal toxicology study with low side effect. In the late stage of development, we sign a technology licensing and co-development agreement with CSPC Pharmaceutical Group Ltd. in China in terms of DBPR108 to jointly undertake matters such as research & development, registration, promotion, sales & production etc. of the said drug. It lasts 12 years; the drug certificate has been successfully issued by National Medical Products Administration (NMPA) of China with approval for listing in the market this year.

2. PMR- Intermittent claudication/Antithrombotic:

PMR's main component is Cilostazol, which has an antiplatelet and vasodilation effect and can improve the symptoms of intermittent claudication and prevent a second stroke.

Existing instant-release dosage forms on the market release many ingredients within a few hours, leading to side effects such as headaches and palpitations that discourage patients from taking them.

To overcome this issue, PMR utilizes a new extended-release technology that ensures the active ingredients are accessible within 24 hours, reaching a concentration level required for treatment and reducing the incidence rate and severity of side effects. This decreases the patient's fear of medication and enhances the treatment's overall efficacy.

Several clinical evaluation tasks assigned by the US FDA during the pre-NDA meeting are currently being completed. In 2024, a pivotal pharmacokinetic study was completed, and the statistical results met the primary efficacy endpoints. An NDA Core Team has been established to initiate and regularly monitor operations related to commercialization, regulatory affairs, GMP compliance, and clinical trials.

3. GX17- immunomodulatory drugs:

GX17, S-enantiomer of the marketed Hydroxychloroquine (HCQ), is a new 505(b)(2) drug with a new dosage.

HCQ has been used to treat systemic lupus erythematosus and rheumatoid arthritis. Since this drug's structure contains a stereocenter (S and R), it generates two distinct optical isomers with distinct pharmacokinetic characteristics in vivo.

According to the results of animal testing, GX17 is anticipated to be safer for long-term medication patients. The development of GX17 is predicated on improved preparation methodology, followed by the development of new drug for preparations and clinical design indications.

The FDA has responded to the development of GX17 with the Antiphospholipid Syndrome indication (APS), deeming the design of the initial human pharmacokinetic test to be fair, and the IND submission was finalized in 2022. The US FDA has issued a "Study May Proceed Letter," and planning for clinical trials is currently underway. Additionally, multi-country patent applications for the APS utility patent and the GX17 crystal form patent are being actively pursued.

4. NF02- Epilepsy Treatment Device:

The blood-brain barrier presents a major challenge for the treatment of brain disorders, as it impedes the vast majority of medications from crossing the brain's blood vessels. However, the NaviFUS® Model 101 Neuronavigation-guided focused ultrasound equipment, developed by our sister company NaviFUS Corporation, has shown promising results in overcoming this obstacle. By emitting signals to blood vessels close to brain lesion tissue through the skull from outside the body, this equipment induces the expansion of microbubbles within the blood vessels via its mechanical energy. As a result of the vibration that compress the blood vessel wall, the blood-brain barrier becomes temporarily permeable, enabling up to many times more efficient drug penetration from the blood vessel into the lesion area. This breakthrough is expected to significantly increase delivery of drugs to the brain and enhance the efficacy of treatments for brain diseases. In addition, NaviFUS employs a surgical navigation system to accurately direct the ultrasound beam to the target area.

Genovate and NaviFUS established a holding company to invest in Australia and launch a research and development venture there. The goal was to take advantage of Melbourne's neuromedical research and development center, as well as the favorable local tax and regulatory environment, to plan Alzheimer's disease trials using an Academic-Industry approach. The Human Research Ethics Committees of the Australia Therapeutic Goods Administration approved the clinical study application in August 2020, but the start of the project was delayed due to the epidemic. After reassessing priorities in 2022, it was decided to discontinue the Alzheimer's Project and participate in a multinational, multi-center clinical trial jointly established by Stanford and Harvard BWH, with epilepsy as the target indication. The assembly and validation of the system instruments have been completed, and the epilepsy trial protocol has successfully passed the review of the ethics committee of the testing hospital. Enrollment officially commenced in May 2023, and the trials are currently on going.

2. 2025 Business Plan

(1) Operating principle

1. Invest in factory software and hardware, accelerate the installation of automated machinery and tools, enhance PIC/S GMP production quality, expand production capacity, pursue high-quality OEM products via foreign certification (e.g., US FDA, Japan PMDA), and expand the regional market while evaluating the viability of a new plant.
2. Diversify into other areas of the biomedical industry, such as innovative medical devices, pet cancer screening, and cell therapy, through investment and strategic alliances.
3. Implement the innovative R&D model “Co-Investment, Joint Development” to develop “Niche-in-Class drugs” and “505(b)(2)” for new drugs. By employing the strategy of “vertical integration, each excelling in its strengths,” we aim to maximize the value of new drug development.
4. Deepen the reinvestment business by leveraging Genovate's advantages and experience to support other sister firms, strengthen strategic partnerships, and create mutually beneficial outcomes.
5. Pursue a conglomerate organizational architecture with niche products and strategic partners in the US and Japan for cooperative investments and product development. Additionally, explore international markets.
6. Improve our IR/PR to increase the confidence of professional institutions in investing in the biotechnology industry and enhance our company's public image.

(2) Business Objective-projected sales volume and its basis

2025 business objective will be implemented in accordance with the objectives approved by the board of directors. All business plans are realistically implemented and based on historical production and sales data, device lifecycles, and anticipated external environmental change.

(3) Production and Marketing Policies

1. Establish a flexible procurement system and conduct an exhaustive search for raw material suppliers in order to reduce or equalize raw material procurement expenses.

2. Invest in new automated machinery and tools with larger batch sizes to enhance the production process with automation. This will increase productivity, reduce total product costs, and maximize product profits.
3. Prepare for the PIC/S GMP follow-up inspection, enhance production technology, and explore opportunities with domestic and international pharmaceutical OEMs to expand production capacity.
4. Develop or acquire products that can complement Genovate's own products in the short term, enhance product lines in professional fields, remove sales barriers, and increase revenue.
5. Continue expanding the market for own-brand new drugs such as Mycocep. Use the original manufacturer's model to connect with groups such as patient and medical associations, and develop large-scale marketing plans for hospitals in order to achieve breakthroughs and drug listing.
6. Integrate internal and external R&D efforts, implement project management, shorten product launch times, and demonstrate competitive advantages.

3. Future Development Strategy

- (1) To achieve the highest quality in PIC/S GMP manufacturing capabilities, offer OEM/ODM services for regional markets, increase production efficiency, and pave the way for international product sales, it is crucial to continuously improve production software and hardware. Additionally, the feasibility of constructing a new plant must be evaluated.
- (2) By combining the development of 505(b)(2) new drugs (PMR and GX17) in the United States with a regional alliance of Niche-in-class new drugs (DBPR108), as well as the clinical development of the innovative medical device NaviFUS in Australia, we can strengthen our research and development capabilities and establish our brand.
- (3) Collaborating with reinvestment strategic alliance partners (NaviFUS, Unipharm, etc.), we can actively promote the development of new drugs, innovative medical devices, and cell therapy, intersect with precision medicine, and enhance Genovate's global competitiveness.
- (4) Strengthening corporate governance, promoting ESG (Environmental, Social, and Governance) initiatives, energy conservation, carbon reduction, environmental friendliness, enhancing corporate systems, and giving back to society, fulfill corporate social responsibility, and ensure sustainable operations.

4. The effects of the external competitive, regulatory, and overall business environment

For recent years, accompanied with technology innovation and importation, the biotechnology industry also boasts of diversified development and application. Among others, intervention of generative AI accelerates subversion of global pharmaceutical areas. In the expectable future, we will move towards a super-speedy new drug development age. Nowadays, globally-popular GLP-1 and ADC which can precisely defeat tumors will expand exploration of unsatisfied medical demands, expedite furtherance of processes of regenerative medicine, digital medicine, and precision medicine. The traditional medical model will be broken, and drug development will tend to be in a sophisticated situation wherein each manufacturer competes with each other.

In order to promote innovation of biomedicine industry, and use biomedicine to drive growth of the next-generation industry in Taiwan, effective 2017, our country enforced a “Biomedicine Industry Innovation and Promotion Project” for the purpose of driving innovation and transformation of our biomedicine industry, and building long-standing competitiveness. With the change of population structure, elderly population is increasing. Each country’s medical policy goes from disease diagnosis & treatment to “precision health” of prevention, healthcare, testing, therapy, prognosis, and care. Under such a tendency, it will enjoy more opportunities and niche market value by cut-in of health & medicine industry.

In 2024, there were 16 new drug certificates and unblinding of 12 mid-phase and late-phase trials in Taiwan, covering generic drug, biopharmaceuticals, new drug in traditional Chinese medicine, and antibiotics, which represent a diversified development trend in Taiwan.

In Taiwan, many Western pharmaceutical manufacturers predominantly focus on the development of generic drugs, primarily targeting the National Health Insurance pharmaceutical market. Other medications cater to over-the-counter use, not requiring a physician's prescription. The domestic pharmaceutical market in Taiwan is relatively small compared to international markets. Furthermore, the development of new drugs within the country is limited, leading to a dependency on imported medications from overseas. However, due to constraints imposed by NHI reimbursement limitations, domestically produced generic drugs face stiff competition and limited profitability. They either operate within the confines of NHI reimbursement or struggle to thrive in a fiercely competitive market environment. To realize the vision of the biotechnology sector becoming another internationally renowned industry akin to IT and semiconductors, pharmaceutical companies must innovate by developing niche products, leveraging the advantages of the entire supply chain, and collaborating with government resources and private investment to break through barriers and expand internationally.

In addition, in face of global living and medical technology development in a trend from disease treatment to disease prevention & prediction, and interdisciplinary cooperation of digital technology, risks in the supply chain of biotechnology industry are increased in consideration of the international impact made by the Russia-Ukraine and Israel-Palestine wars. How to establish critical medicine momentum is also a strict issue of ours.

Having rooted itself in the local market for 30 years, Genovate has borne witness to the development and growth of Taiwan's biotechnology and pharmaceutical industry. Understanding that focusing on core competencies, innovating in research and development, and implementing practical solutions are essential for survival, Genovate adheres to the philosophy of "developing new drugs for the well-being of the Taiwanese people." By establishing a balanced product line to mitigate risks and ensure stable operations, the Company has positioned itself for steady growth. With a solid foundation in place, Genovate is now poised to leverage its strengths and expand its reach internationally. Embracing a strategy of diversified investments and forming strategic alliances across various industries, the Company is venturing into innovative medical devices, macromolecular drugs, and cell therapies. Adopting a collaborative development approach, Genovate is targeting diseases related to cardiovascular health, metabolism, central nervous system disorders, and immune modulation. With agile and astute operations, the Company is seeking regulatory or tax advantages internationally, participating in large-scale global research projects, fulfilling ESG visions, promoting energy efficiency and carbon reduction, and strengthening corporate governance. By synchronizing with the global landscape, broadening its perspective, and deploying a global strategy, Genovate aims to enhance its corporate value, generate profits, and share dividends with shareholders, thereby achieving sustainable development and becoming an exemplary benchmark enterprise.

Best wishes to Genovate and Taiwan's biotechnology and pharmaceutical industries!

We hope that all shareholders will continue to support and encourage Genovate and provide guidance and supervision. Here's wishing all shareholders good health and all the best in everything they do.

Sincerely,

Chen, Jen

Chairman

Genovate Biotechnology CO., LTD.

II. Corporate Governance Report

1. Directors, Supervisors, General Manager, Vice President, Associates, Departments and Branches Officer Information

(1) Information on Directors

A. Information on Directors

March 31, 2025

Title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Education / Experience	Current Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Re-mark (Note)
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Title	Name	Relation	
Chairman	Taiwan	Chen, Jen	Male 61-70	2023.05.29	3 Years	1993.02.14	229,806	0.20%	223,113	0.20%	0	0%	0	0%	<ul style="list-style-type: none"> Ph.D. in Chemistry, University of Rochester, USA Novartis Program Host Genelabs, Vice Chairman of Asia Sales QPS-Qualitix Clinical Research Co., Chairman Bio Taiwan Committee (BTC), Executive Yuan, Committee Member 	<ul style="list-style-type: none"> Genovate Biotechnology Co., Chairman and CSO Quest Pharmaceutical Services Taiwan Co., Corporate Representative (Director) Genovate Biotechnology (Cayman) Co., Corporate Representative (Director) Unipharma Co., Chairman and CSO Reber Genetics Co., Corporate Representative (Director) NaviFUS Corporation, corporate representative (Chairman) and CSO Genovate NaviFus (Australia) Pty., Corporate Representative (Director) Savior Lifetec Corporation, Corporate Representative (Director) 	None	None	None	
Director	Taiwan	National Development Fund, Executive Yuan	Female 51-60	2023.05.29	3 Years	2023.05.29	29,221,785	26.72%	30,098,438	26.72%	0	0%	0	0%	NA	NA	None	None	None	
Director	Taiwan	Representative: Chen, Hsiu-Hui					0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> Ph.D. Department of Agricultural Chemistry, NTU Head of CEO Office and Planning and Examination Office, Research Fellow of R&D Division, Development Center for Biotechnology Research Fellow, Yi Cheng Biotech Postdoctoral Fellow, Academia Sinica 	<ul style="list-style-type: none"> Development Center for Biotechnology, Acting CEO EirGenix Inc., Corporate Representative (Director), 	None	None	None	
Director	Taiwan	National Development Fund, Executive Yuan	Male 61-70	2023.05.29	3 Years	2023.05.29	29,221,785	26.72%	30,098,438	26.72%	0	0%	0	0%	NA	NA	None	None	None	
Director	Taiwan	Representative: Huang, Chi-Ying					0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> Ph.D. Department of Biochemistry, Biophysics, Iowa State University Pharma Engine Inc., Director Associate Research Fellow, National Health Research Institutes Postdoctoral Fellow, Dept. of Chemical & Systems Biology, Stanford University 	<ul style="list-style-type: none"> Distinguished Professor and Director, Department of Pharmacy, National Yang Ming Chiao Tung University Associate Director, Department of Pharmacy, National Yang Ming Chiao Tung University Chong Hin Loon Memorial Cancer and Biotherapy Research Center, National Yang Ming Chiao Tung University, Director Jointly-Appointed Professor, Department of Biochemistry, Kaohsiung Medical University Intech Biopharm Co., Corporate Representative (Director) 	None	None	None	

Title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Education / Experience	Current Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Re-mark (Note)
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Title	Name	Relation	
Director	Taiwan	Chu, Chia-Chen	Female 51-60	2023.05.29	3 Years	2017.06.23	109,423	0.10%	112,705	0.10%	0	0%	0	0%	<ul style="list-style-type: none"> Master's Degree, Science in Health Policy and Management, Harvard University Ministry of Health and Welfare, Associate Researcher Genovate Biotechnology Co., Director of International Affairs Genovate Biotechnology Co., New Drug Development Department, Vice President 	<ul style="list-style-type: none"> Genovate Biotechnology Co., General Manager Uni Pharma Co., Corporate Representative (Director) NaviFUS Corporation, Corporate Representative (Director) Genovate NaviFus Inc., Corporate Representative (Director) Genovate NaviFus (Australia) Pty. Corporate Representative (Director) 	None	None	None	
Independent Director	Taiwan	Lee, Shih-Jen	Male 61-70	2023.05.29	3 Years	2014.06.10	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> Ph.D. in Chemistry, University of South Carolina Easywell Biomedicals, Inc., Chairman Haoli Biotechnology Management Consulting Co., Managing Director Heyu Management Consulting Co., Investment Director Silver Biotech Management, Inc., Managing Director China Development Industrial Bank Senior Associate of Investment Department 	<ul style="list-style-type: none"> TAHO Pharmaceuticals, Chairman Sunko Ink Co., Independent Director Transwell Biotech Co., Director Industrial Technology Investment Co., Director Taimed Biologics Inc., Independent Director OBI Pharma Inc., Independent Director Amphastar Pharmaceuticals, Inc., Director Capso Vision, Inc., Director 	None	None	None	
Independent Director	Taiwan	Liu, Ke-Yi	Female 51-60	2023.05.29	3 Years	2017.06.23	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> Ph.D. in Accounting, Xiamen University Master of Accounting, University of Illinois Bachelor of Finance and Taxation, National Chengchi University Accounting Research Development Foundation, Auditing Standards Committee Member CPA Associations R.O.C. (Taiwan) Director 	<ul style="list-style-type: none"> BDO Taiwan Joint Venture Accountant Taiwan Cooperative Financial Holding Co., Independent Director 	None	None	None	
Independent Director	Taiwan	Chang, Chin-Ming	Male 51-60	2023.05.29	3 Years	2023.05.29	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> Ph.D. in Pharmacy, University of Texas at Austin Graduated in Department of Pharmacy, National Taiwan University Senior Executive in Pharmaceuticals, Processing and R&D, Allergan Inc. Senior Research Fellow, Eli Lilly & Company 	<ul style="list-style-type: none"> TaiMed Biologics, CEO Biotheravision Inc., Director Oukejian Biomedical Technology Co., Director 	None	None	None	

Title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Education / Experience	Current Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Re-mark (Note)
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Title	Name	Relation	
Independent Director	Taiwan	Su, Lai-Shou	Male 51-60	2024.05.31	2 Years	2024.05.31	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> . M.B.A. of University of North Texas, U.S.A. . National Development Fund, Executive Secretary . Oversea-Chinese Banking Corporation, Director . HanTech Venture Capital Corporation, Director . Taiwan Aerospace Corporation, Director/ Supervisor . Kaohsiung Rapid Transit Corporation, Supervisor . Powerchip Semiconductor Corporation, Supervisor . Mirle Automation Corporation, Supervisor 	<ul style="list-style-type: none"> . ScinoPharm Taiwan Co., Independent Director . Locus Cell Co., Corporate Representative (Director) . TOP Pharma & Bio-Tech Co., Director . CY Biotech Co., Director 	None	None	None	2024.05.31 Newly elected

Table 1: Major shareholders of the institutional shareholders

March 31, 2025

Name of Institutional Shareholders	Major Shareholders
National Development Fund, Executive Yuan	Executive Yuan(100%)

B. Information Disclosure of Directors and Independent Director's Qualification and Independence:

Qualification Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Corporation Director Representative: Chen, Hsiu-Hui	Has over 5 years of experience in company operations, specializing in biopharmaceutical drug development, technology, and industry alliances. Currently serving as the Acting CEO at the Development Center for Biotechnology. None of the circumstances specified in Article 30 of the Company Act.	(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 Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.	None
Corporation Director Representative: Huang, Chi-Ying	Has over 5 years of experience in company operations, currently serving as the Associate Director of Department of Pharmacy at National Yang Ming Chiao Tung University. Specializing in the research and development of new drugs and traditional Chinese medicine, with expertise in establishing platforms for screening drugs for new uses and extensive experience in industry-academia collaboration. None of the circumstances specified in Article 30 of the Company Act.	(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. (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 who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	None
Chairman: Chen, Jen	Has more than five years of work experience, with expertise in multinational pharmaceutical R&D and company management; formerly the Vice Chairman of Asia Sales at Genelabs Technologies, and is currently the chairman and chief strategy officer of Genovate Biotechnology Co., Ltd. None of the circumstances specified in Article 30 of the Company Act.	(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. (2) 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). (3) 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. (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.	None
Director: Chu, Chia-Chen	Have more than five years of work experience, with expertise in pharmaceutical research and development and company management; has held positions related to the company's drug research and development and international affairs, currently	(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. (6) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or	None

Qualification Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
	the general manager of Genovate Biotechnology Co., Ltd. None of the circumstances specified in Article 30 of the Company Act.	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. (7) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. (8) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	
Independent Director: Lee, Shih-Jen	Has more than five years of working experience required, with international industrial investment and company management expertise; former managing director of Haoli Biotechnology Management Consulting Company, currently the chairman or director of several domestic biotechnology companies (Transwell, Taho,). None of the circumstances specified in Article 30 of the Company Act.	(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 Article 27, paragraph 1 or 2 of the Company Act.	3
Independent Director: Liu, Ke-Yi	Have more than five years of experience required. A Taiwan-certified accountant with a Master of Accounting from the University of Illinois in the United States, currently a joint venture accountant at BDO Taiwan. None of the circumstances specified 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. (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.	1
Independent Director: Chang, Chin-Ming	Has over five years of experience in company operations, holding a Ph.D. in Pharmacy from the University of Texas at Austin and having graduated from the Department of Pharmacy at National Taiwan University. With over 20 years of experience working in Eli Lilly and Allergan in the United States, serving as a R&D executive, overseeing multinational operations, and specializing in the development of small molecule drugs, possesses extensive industry experience. Currently serves as the CEO of TaiMed Biologics. None of the circumstances specified in Article 30 of the Company Act.	(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. (11) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	None
Independent Director: Su, Lai-Shou	Have over five years of experience required in company sales; have ever served in National Development Fund with practical experience in draw-up and execution of government industry policy, and various investment analysis. None of the circumstances specified in Article 30 of the Company Act.		1

Note: In accordance with the regulations for OTC listing and the establishment of independent directors of public companies and matters to be followed, the company has obtained declarations from individual independent directors attesting that they all meet the independence qualification requirements specified by applicable laws and regulations.

C. Diversity and Independence of the Board of Directors:

I. Diversity of the board of directors:

- (a) In "Procedures for Election of Directors and Supervisors," the company clearly stipulates the principle of diversification of the board of directors, strengthens corporate governance, and promotes the sound development of the board's composition and structure. To formulate an appropriate diversification policy based on its own operations, business model, and development requirements, it should include, but not be limited to, the two major aspects of the standard listed below:
- Fundamental qualities and values: gender, age, nationality, and culture, etc.
 - Professional knowledge and abilities: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, industrial experience, business management, an international perspective, management and decision-making skills, etc.
- (b) Diversified policy management objectives: the pharmaceutical research and development/production industry is highly specialized and driven by technology. Therefore, more than half of the directors must have relevant industry experience (such as drug research and development, drug discovery, pharmaceutical production management, pharmaceutical marketing/investment, etc.); the company has eight directors, and the following management objectives are met:

Management Objectives	Status of Accomplishment
Half of the board members have expertise in new drug development or the biomedical industry.	7 with industry background, achieved
The number of independent board members exceeds one-third of the total number of board members.	4 independent directors, achieved.
The number of co-directors on the company's board should not exceed one-third.	2 concurrently served as company managers, achieved.

(c) Status of implementation

(i) Table of diversified core projects implementation Status

Core Items on Diversification Name of Director	Gender	Nationality	Business Judgement	Financial Accounting	Operating and Management	Crisis Management	Domain Knowledge	International Perspective	Leadership	Decision Making
Chen, Hsiu-Hui	Female	Taiwan	V		V	V	V	V	V	V
Huang, Chi-Ying	Male	Taiwan	V		V	V	V	V	V	V
Manager Chen, Jen	Male	Taiwan	V		V	V	V	V	V	V
Manager Chu, Chia-Chen	Female	Taiwan	V		V	V	V	V	V	V
Independent Director Lee, Shih-Jen	Male	Taiwan	V		V	V	V	V	V	V
Independent Director Liu, Ke-Yi	Female	Taiwan	V	V	V	V		V	V	V
Independent Director Chang, Chin-Ming	Male	Taiwan	V		V	V	V	V	V	V
Independent Director Su, Lai-Shou	Male	Taiwan	V		V	V	V	V	V	V

- (ii) The reelection of directors was completed at the May 29, 2023 shareholders meeting (including 3 independent directors) ; One independent director was co-opted on May 31, 2024 (total 4 independent directors). The membership is comprised of professionals with diverse backgrounds in medicine, business management, business accounting, investment evaluation, etc., which are analyzed as follows:

- Proportion of directors with employee status: 2/8
- Proportion of independent directors: 4/8
- Proportion of female directors: 3/8
- Proportion of industry professionals or experienced: 7/8

(iii) Term of office and the number of Independent directors

Independent directors' term of office	Number
1 ~ 3 Years	2
4 ~ 6 Years	0
7 ~ 9 Years	1
Over 9 Years	1

- The reasons for continuing to nominate Dr. Lee, Shih-Jen for the position of independent director for the third consecutive term:

Dr. Lee, who holds a Ph.D. in chemistry, has amassed considerable expertise in biotechnology investments through his tenures as an executive and director at multiple multinational investment firms operating abroad, in addition to his leadership roles at a few domestic biotechnology pharmaceutical firms. His management expertise and global outlook have significantly benefited the Board's operations and the Company's overall administration.

Utilizing his professional expertise, Dr. Lee has consistently demonstrated the capacity to establish and oversee internal control systems within the Company, in addition to supervising and reviewing financial reports. His impartiality and independence in supervising the Company's activities have not been compromised by the duration of his tenure. Hence, it is justifiable to maintain Dr. Lee, Shih-Jen's nomination as an independent director of the Company.

(iv) Directors' age distribution:

Directors' age	Number
31 ~ 40 Years Old	0
41 ~ 50 Years Old	0
51 ~ 60 Years Old	5
61 ~ 70 Years Old	3
71 ~ 80 Years Old	0

II. Independence of the Board of Directors :

The current board of directors consists of eight members, including four independent directors (representing 50% of the board) and two directors with employee status (representing 25% of the board). All independent directors meet the requirements for independent directors set by the Securities and Futures Bureau of the Financial Regulatory Commission. None of the board members are subject to Article 26-3, items 3 and 4, of the Securities Exchange Act, and there are no spousal or second-degree familial connections. The board of directors is independent, and for more information, please refer to page 10 of this annual report, 'Information Disclosure of Directors and Independent Director's Qualification and Independence.' Details on each director's personal information and academic experience can be found on pages 7-9 of this annual report.

(2) General Manager, Vice President, Associates, Departments and Branches Officer Information

March 31, 2025

Title	Nationality or place of registration	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share-holding ratio			Title	Name	Relationship	
Chairman/ CSO	Taiwan	Chen, Jen	Male	2017.06.23	229,806	0.20%	0	0%	0	0%	<ul style="list-style-type: none">Ph.D. in Chemistry, University of Rochester, USANovartis Program HostGenelabs, Vice Chairman of Asia SalesQPS-Qualitix Clinical Research Co., ChairmanBio Taiwan Committee (BTC), Executive Yuan, Committee Member	<ul style="list-style-type: none">Quest Pharmaceutical Services Taiwan Co., Corporate Representative (Director)Genovate Biotechnology (Cayman) Co., Corporate Representative (Director)Unipharma Co., Chairman and CSOReber Genetics Co., Corporate Representative (Director)NaviFUS Corporation, corporate representative (Chairman) and CSOGenovate NaviFus (Australia)Pty., Corporate Representative (Director)Savior Lifetec Corporation, Corporate Representative (Director)	None	None	None	None
General Manager	Taiwan	Chu, Chia-Chen	Female	2017.07.05	112,705	0.10%	0	0%	0	0%	<ul style="list-style-type: none">Master's Degree, Science in Health Policy and Management, Harvard UniversityMinistry of Health and Welfare, Associate ResearcherGenovate Biotechnology Co., Director of International AffairsGenovate Biotechnology Co., New Drug Development Department, Vice President	<ul style="list-style-type: none">Uni Pharma Co., Corporate Representative (Director)NaviFUS Corporation, Corporate Representative (Director)Genovate NaviFus Inc., Corporate Representative (Director)Genovate NaviFus (Australia) Pty. Corporate Representative (Director)	None	None	None	None
Vice President, Finance	Taiwan	Lin, Hui-Ling	Female	2018.04.01	30,613	0.03%	0	0%	0	0%	<ul style="list-style-type: none">Master of Institute of Finance, National Yang Ming Chiao Tung UniversityDeloitte Touche Tohmatsu Limited, Accounting Firm Deputy SupervisorGenovate Biotechnology Co., Audit ManagerGenovate Biotechnology Co., Finance Division Director	None	None	None	None	
Senior Director, Administration Division	Taiwan	Chiang, Wei-Min	Male	2015.08.01	53,691	0.05%	0	0%	0	0%	<ul style="list-style-type: none">Master of Institute of Biology, National Taiwan Normal UniversityFair Friend Enterprise Co., Assistant ManagerDalson Education group, HR Director	None	None	None	None	

2. Remuneration during the most recent fiscal year to Directors, Supervisors, General Manager, and Vice President

(1) Remuneration to Ordinary Directors and Independent Directors (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

Unit: NT\$ thousands

Title	Name	Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)		Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
												Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company										Companies in the consolidated financial statements		
Cash	Stock									Cash	Stock											
Chairman	Chen, Jen	240	240	0	0	399	399	140	140	779 3.03%	779 3.03%	9,235	9,235	216	216	912	0	912	0	11,142 43.36%	11,142 43.36%	2,085
Director	National Development Fund, Executive Yuan Representative: Chen, Hsiu-Hui Huang, Chi-Ying																					
Director	Chu, Chia-Chen																					
Independent Director	Lee, Shih-Jen	1,318	1,318	0	0	307	307	530	530	2,155 8.39%	2,155 8.39%	0	0	0	0	0	0	0	0	2,155 8.39%	2,155 8.39%	None
Independent Director	Liu, Ke-Yi																					
Independent Director	Chang, Chin-Ming																					
Independent Director	Su, Lai-Shou																					
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: The independent directors of the company are all employed as members of the audit committee and remuneration committee, and their responsibilities, risks, and investment time are more than those of ordinary directors, resulting in higher remuneration and business execution expenses (travel/attendance fees). 2.In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non - employee consultant to the parent company /any consolidated entities / invested enterprises): None.																						

Remuneration Bracket

Compensation Paid to each Director	Name of Director			
	The accumulated amount from the above-mentioned four categories (A+B+C+D)		The accumulated amount from the above-mentioned seven categories (A+B+C+D+E+F+G)	
	The Company	All Companies in the Consolidated Financial Statements	The Company	Parent company and all re-invested businesses
Less than NT\$1,000,000	National Development Fund, Executive Yuan Representative: Chen, Hsiu-Hui 、 Huang, Chi-Ying Director : Chen, Jen 、 Chu, Chia-Chen Independent Director : Lee, Shih-Jen 、 Liu, Ke-Yi 、 Chang, Chin-Ming 、 Su, Lai-Shou	National Development Fund, Executive Yuan Representative: Chen, Hsiu-Hui 、 Huang, Chi-Ying Director : Chen, Jen 、 Chu, Chia-Chen Independent Director : Lee, Shih-Jen 、 Liu, Ke-Yi 、 Chang, Chin-Ming 、 Su, Lai-Shou	National Development Fund, Executive Yuan Representative: Chen, Hsiu-Hui 、 Huang, Chi-Ying Independent Director : Lee, Shih-Jen 、 Liu, Ke-Yi 、 Chang, Chin-Ming 、 Su, Lai-Shou	National Development Fund, Executive Yuan Representative: Chen, Hsiu-Hui 、 Huang, Chi-Ying Independent Director : Lee, Shih-Jen 、 Liu, Ke-Yi 、 Chang, Chin-Ming 、 Su, Lai-Shou
NT\$1,000,000 ~ NT\$2,000,000	—	—	—	—
NT\$2,000,000 ~ NT\$3,500,000	—	—	—	—
NT\$3,500,000 ~ NT\$5,000,000	—	—	—	—
NT\$5,000,000 ~ NT\$10,000,000	—	—	Chen, Jen 、 Chu, Chia-Chen	Chen, Jen 、 Chu, Chia-Chen
NT\$10,000,000 ~ NT\$15,000,000	—	—	—	—
NT\$15,000,000 ~ NT\$30,000,000	—	—	—	—
NT\$30,000,000 ~ NT\$50,000,000	—	—	—	—
NT\$50,000,000 ~ NT\$100,000,000	—	—	—	—
More than NT\$100,000,000	—	—	—	—
Total	8	8	8	8

* This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

(2) Remuneration to General Manager(s) and Vice President(s) (Disclosure of Aggregate Remuneration Plus Disclosure of Names by remuneration Range)

Unit: NT\$ thousands

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company	All Companies in the consolidated financial statements	The Company		All Companies in the consolidated financial statements		The Company	All Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
CSO	Chen, Jen	9,533	9,533	324	324	1,623	1,623	1,262	0	1,262	0	12,742 49.58%	12,742 49.58%	2,085
General Manager	Chu, Chia-Chen													
Vice President	Lin, Hui-Ling													

Remuneration Bracket

Ranges of remuneration paid to each of the Company's directors General Manager(s) and Vice President(s)	Names of General Manager(s) and Vice President(s)	
	The Company	Parent company and all re-invested businesses
Less than NT\$1,000,000	—	—
NT\$1,000,000 ~ NT\$2,000,000	—	—
NT\$2,000,000 ~ NT\$3,500,000	Lin, Hui-Ling	Lin, Hui-Ling
NT\$3,500,000 ~ NT\$5,000,000	—	—
NT\$5,000,000 ~ NT\$10,000,000	Chen, Jen 、 Chu, Chia-Chen	Chen, Jen 、 Chu, Chia-Chen
NT\$10,000,000 ~ NT\$15,000,000	—	—
NT\$15,000,000 ~ NT\$30,000,000	—	—
NT\$30,000,000 ~ NT\$50,000,000	—	—
NT\$50,000,000 ~ NT\$100,000,000	—	—
More than NT\$100,000,000	—	—
Total	3	3

* This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

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

March 31, 2025

Unit: NT\$ thousands

	Title	Name	Stock	Cash	Total	Total amount to net profit after tax (%)
Managerial officers	CSO	Chen, Jen	0	1,412	1,412	5.49%
	General Manager	Chu, Chia-Chen				
	Vice President Finance	Lin, Hui-Ling				
	Senior Director , Administration Division	Chiang, Wei-Min				

(4) Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents.

Title	2023		2024	
	The ratio of the net profit after taxes to the total compensation paid to directors, supervisors, general managers, and deputy general managers of this company and all companies included in the consolidated financial statements.		The ratio of the net profit after taxes to the total compensation paid to directors, supervisors, general managers, and deputy general managers of this company and all companies included in the consolidated financial statements.	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	57.08%	57.08%	61.00%	61.00%
General Manager and Vice President				

The company has the remuneration committee establish “remuneration policies, systems, standards, and structures for directors, independent directors, and members of functional committees,” as well as “remuneration policies, systems, standards, and structures for general managers and vice president.” The policy for remuneration payments to directors is specified in the company's articles of association and approved by the shareholders’ meeting. The remuneration payment method for the general manager and vice president is submitted to the board of directors for approval and implementation, taking into account the industry level and operational performance contribution. Regular review of the remuneration structure and system for directors and managers is conducted by the “Remuneration Committee” to avoid company risks. The company does not encourage directors, general managers, and vice president to engage in behaviors that exceed the company's risk tolerance in pursuit of remuneration. It is essential to prevent the company from suffering losses after remuneration has been paid.

3. Corporate Governance Status

(1) Implementation Status of the Board of Directors

In the preceding period, there were seven board meetings. Attendance of the directors were as follows:

Title	Name	No. of meetings attended in Person (B)	Requi No. of meetings to attend (A)	No. of meetings attended by proxy	In-person attendance rate (%) [B/A]	Remarks
Chairman	Chen, Jen	7	7	0	100%	
Director	National Development Fund, Executive Yuan Representative: Chen, Hsiu-Hui	7	7	0	100%	
Director	National Development Fund, Executive Yuan Representative: Huang, Chi-Ying	7	7	0	100%	
Director	Chu, Chia-Chen	7	7	0	100%	
Independent Director	Lee, Shih-Jen	7	7	0	100%	
Independent Director	Liu, Ke-Yi	7	7	0	100%	
Independent Director	Chang, Chin-Ming	7	7	0	100%	
Independent Director	Su, Lai-Shou	4	4	0	100%	113.05.31 Newly elected

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act.

The company has established an audit committee. For details, please refer to the matters listed in Article 14-5 of the Securities and Exchange Act on the operation of the audit committee on page 23.

(2) Other matters involving objections or reserved opinions recorded or stated in writing by independent directors that require a resolution by the board of directors:

As of the date the annual report was released, none of the independent directors who had served on the board in the preceding year had made any negative statements or left records or written statements regarding the matters listed in Article 14-3 of the Securities and Exchange Act.

2. Specify the date of the board meeting, the meeting session number, the content of the motion, the outcome of the board's resolution, and the actions taken by the company based on the supervisor's stance if he or she recused from a board meeting due to a conflict of interest.

1. Date	January 23, 2024
2. Occasion	Board of Directors
3. Name of Director/ parties	Chairman/ CSO Chen, Jen; Director/ General Manager Chu, Chia-Chen
4. Content of the motion	Cause of action: The company proposed to participate in NaviFUS's 2024 follow-on offering.
5. Reasons of recusal due to conflicts of interest	Related Party. (Respectively NaviFUS's chairman and representative of corporate director)
6. Participation in voting	The parties were not present during the vote. In this case, Chairman Chen, Jen provided background notes first, and related parties, Chairman Chen, Jen & Director Chu, Chia-Chen recused themselves prior to discussion/voting. Independent director Liu, Ke-Yi, the acting chairman, consulted with other directors present and agreed to pass the proposal.

1. Date	March 12, 2024
2. Occasion	Board of Directors
3. Name of Director/ parties	Chairman/CSO Chen, Jen; Director/General Manager Chu, Chia-Chen; Vice President Lin, Hui-Ling; Senior Director Chiang, Wei-Min
4. Content of the motion	Cause of action: Distribution and payment plan of managers, including CSO and the General Manager for 2023.
5. Reasons of recusal due to conflicts of interest	As a party.
6. Participation in voting	The parties were not present during the vote. Chairman/ CSO Chen, Jen; Director/ General Manager Chu, Chia-Chen; Vice President Lin, Hui-Ling; Senior Director Chiang, Wei-Min recused themselves from the case prior to its discussion. The management team and other attendees also left. Independent director Lee, Shih-Jen, the acting chairman, consulted with other directors present and agreed to pass the proposal.

1. Date	March 12, 2024
2. Occasion	Board of Directors
3. Name of Director/ parties	Chairman/CSO Chen, Jen; Director/General Manager Chu, Chia-Chen; Vice President Lin, Hui-Ling; Senior Director Chiang, Wei-Min
4. Content of the motion	Cause of action: Salary adjustment for executives including the CSO and General Manager.
5. Reasons of recusal due to conflicts of interest	As a party.
6. Participation in voting	The parties were not present during the vote. Chairman/ CSO Chen, Jen; Director/ General Manager Chu, Chia-Chen; Vice President Lin, Hui-Ling; Senior Director Chiang, Wei-Min recused themselves from the case prior to its discussion. The management team and other attendees also left. Independent director Lee, Shih-Jen, the acting chairman, consulted with other directors present and agreed to pass the proposal.

1. Date	March 12, 2024
2. Occasion	Board of Directors
3. Name of Director/ parties	Director Huang, Chi-Ying; Independent Director Liu, Ke-Yi.
4. Content of the motion	Cause of action: Releasing the Directors from the Non-Competition restrictions.
5. Reasons of recusal due to conflicts of interest	As a party.
6. Participation in voting	The parties were not present during the vote. Parties, Director Huang, Chi-Ying and Independent Director Liu, Ke-Yi. involved in this case voluntarily recused themselves during the individual discussion. Following deliberations with the chairman, as well as inquiries from other present directors, it was agreed to approve the proposal as presented.

1. Date	August 06, 2024
2. Occasion	Board of Directors
3. Name of Director/ parties	Director/General Manager Chu, Chia-Chen; Independent Director Su, Lai-Shou ; Chang, Chin-Ming.
4. Content of the motion	Cause of action: Appointment of members of the 1st "Sustainability and Risk Management Committee".
5. Reasons of recusal due to conflicts of interest	As a party.
6. Participation in voting	The parties were not present during the vote. Independent Director Su, Lai-Shou; Independent Director Chang, Chin-Ming; Director/General Manager Chu, Chia-Chen recused themselves from the case prior to its discussion. Following deliberations with the chairman, as well as inquiries from other present directors, it was agreed to approve the proposal as presented.

1. Date	December 13, 2024
2. Occasion	Board of Directors
3. Name of Director/ parties	Chairman/CSO Chen, Jen; Director/General Manager Chu, Chia-Chen; and Vice President Lin, Hui-Ling.
4. Content of the motion	Cause of action: Evaluation of the remuneration of the CSO, general manager, and vice president.
5. Reasons of recusal due to conflicts of interest	As a party.
6. Participation in voting	The parties were not present during the vote. Chairman/ CSO Chen, Jen; Director/ General Manager Chu, Chia-Chen; Vice President Lin, Hui-Ling recused themselves from the case prior to its discussion. The management team and other attendees also left. Independent director Lee, Shih-Jen, the acting chairman, consulted with other directors present and agreed to pass the proposal.

3. TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the Board of Directors' self (or peer) evaluations.

Implementation Status of Board Evaluations

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	January 1, 2024 to December 31, 2024	Board of Directors	Board of Directors Internal self-evaluation	In 2024, the board of directors' performance evaluation indicators will include five aspects: 1. Level of participation in company operations. 2. Quality of Board decisions. 3. Board composition and structure. 4. Appointment of directors and their continued development. 5. Internal controls. A total of 45 indicators were evaluated, with an overall score of 98.06 indicating that the board of directors is capable of guiding and supervising the company's strategy, major business, and risk management, and places a high value on the internal structure and professional ability of the board of directors, and can establish a proper internal control system, the overall operation is flawless, and meets corporate governance requirements.
		Board of Directors member (self) evaluation	Board of Directors Members' self-evaluation	In 2024, the board of directors' member (self) evaluation indicators will include six aspects: 1. Grasp of company targets and missions. 2. Understanding of the director's role and responsibilities. 3. Level of participation in company operations. 4. Internal relationship management and communication. 5. Director's specialty and continued development. 6. Internal controls. A total of 23 indicators were evaluated, with an overall score of 96.62 points and individual scores ranging from 84 to 99 points, indicating that the directors have positive comments on the efficiency and effectiveness of each indicator's operation.
Once every 3 years	October 1, 2021 to September 30, 2022	Board of Directors	Entrusted the "Taiwan Corporate Governance Association" to perform an external independent professional institution assessment.	The external performance evaluation indicators of the Board of Directors in 2022 include eight aspects: the board's composition, guidance, authorization, supervision, communication, internal control and risk management, self-discipline, and other areas such as board meetings and supporting systems, to review the operation of the company's Board of Directors. A board performance evaluation report was issued on November 17, 2022, which summarizes the overall evaluation and recommends actions for the company's board of directors.

Implementation Status of Functional Committee Evaluation

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	January 1, 2024 to December 31, 2024	Remuneration Committee	Remuneration Committee Internal self-evaluation	<p>In 2024, the Remuneration Committee evaluation indicators will include five aspects:</p> <ol style="list-style-type: none"> 1. Level of participation in company operations. 2. Understanding of the Remuneration Committee's role and responsibilities. 3. Quality of the Remuneration Committee's decisions. 4. Composition of the Remuneration Committee and member selection. 5. Internal controls. <p>A total of 19 indicators were evaluated, with a total score of 99.33. The Remuneration Committee is responsible for establishing and evaluating directors' and managers' performance and remuneration policies, systems, standards, and structures, as well as evaluating directors' and managers' remuneration. It is critical to establish a proper internal control system, as well as the internal structure and professional ability of the remuneration committee. The overall operation is flawless and meets corporate governance requirements.</p>
		Audit Committee	Audit Committee Members' self-evaluation	<p>In 2024, the Audit Committee evaluation indicators will include five aspects:</p> <ol style="list-style-type: none"> 1. Level of participation in company operations. 2. Understanding of the Audit Committee's role and responsibilities. 3. Quality of the Audit Committee's decisions. 4. Composition of the Audit Committee and member selection. 5. Internal controls. <p>A total of 22 indicators were evaluated, with a total score of 97.52 indicating that the Audit Committee guided and assisted the board of directors in performing its duties of supervising compliance with the Company Act and other applicable laws and regulations. It is critical to establish a proper internal control system, as well as the internal structure and professional ability of the Audit Committee. The overall operation is flawless and meets corporate governance requirements.</p>

4. Evaluations of the current and previous years' objectives for strengthening the board of directors' functions (such as establishing an Audit Committee, enhancing information transparency, etc.) and their status of implementation.

- I. On June 23, 2017, the company established an audit committee that assumes the legal and regulatory responsibilities of the supervisors. Since its inception, both the Audit Committee and the Remuneration Committee's functional committees have diligently carried out their duties with efficiency.
- II. The company revised the "Rules Governing the Scope of Powers of Independent Directors" by utilizing the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." The objective of this revision is to facilitate the independent directors' responsibilities on the board of directors and the management of the company.
- III. PricewaterhouseCoopers Taiwan has audited and certified the company's financial statements. All disclosures required by laws and regulations were accurately and promptly completed. The company implemented a spokesperson system, revised the "Procedures for Handling Material Inside Information," and promptly disseminated essential company information.
- IV. The company has dedicated a page on its website for investors, which links to the Taiwan Stock Exchange Market Observation Post System. The page provides shareholders and the public with abundant company-related news and financial data.
- V. The board of directors approved the "Rules for Performance Evaluation of Board of Directors and Functional Committees," which have been effective since 2020. The rules aim to assess the board of directors' performance annually. The evaluation results of the 2024 internal self-evaluation of the Board of Directors, evaluation of the board members, and internal self-evaluation of the Remuneration Committee and the Audit Committee have been reported to the Board of Directors on March 11, 2025 for further approval.
- VI. The directors are encouraged to attend at least one training session per year and to select advanced topics such as corporate mergers and acquisitions, information security, and carbon reduction and environmental protection to enhance their functions.

(2) Audit Committee Implementation Status:

The company elected three independent directors at the shareholders' meeting on May 29, 2023, one independent director was co-opted on May 31, 2024, and the Audit Committee was established to assist the Board of Directors in overseeing the quality and integrity of the company's accounting, audit, financial reporting, and financial control processes.

Audit Committee's 2024 Work Focus:

- I. The proper presentation of the company's financial statements.
- II. The selection (or dismissal) of certified public accountant and their performance.
- III. Effective implementation of the company's internal control system.
- IV. Compliance with relevant laws and regulations.
- V. Management and control of the company's existing or potential risks.

A total of five (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By proxy	Actual Attendance Rate (%) [B / A]	Remarks
Independent Director	Lee, Shih-Jen	5	0	100%	
Independent Director	Liu, Ke-Yi	5	0	100%	
Independent Director	Chang, Chin-Ming	5	0	100%	
Independent Director	Su, Lai-Shou	2	0	100%	2024.05.31 Newly elected

Other mentionable items:

1. The dates of meetings, sessions, the contents of motions, independent directors' objections, reservations, or major proposals, the Audit Committee's resolutions, and the company's response to the Audit Committee's opinion must be specified if any of the following events occur:

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Date of Audit Committee meeting	Sessions	Contents of motions	Independent directors' objections, reservations, or major proposals	Audit Committee's Resolution	The company's response to the Audit Committee's opinion
January 23, 2024	3rd Board, 3rd Meeting	1. The company proposed to participate in NaviFUS's 2024 follow-on offering.	None.	Approved.	The board has passed the resolution.
March 12, 2024	3rd Board, 4th Meeting	1. Change and appointment of the internal audit supervisor.	None.	Approved.	The board has passed the resolution.
		2. The financial statement and business report for the company for 2023.	None.	Approved.	The board has passed the resolution.
		3. 2023 evaluation of overall efficacy of internal control systems and declaration of internal control system.	None.	Approved.	The board has passed the resolution.
		4. Proposal for the 2023 distribution of retained earnings.	None.	Approved.	The board has passed the resolution.
		5. Proceed with issuance of new shares from capitalization of earnings.	None.	Approved.	The board has passed the resolution.
		6. Releasing the Directors from the Non-Competition Restrictions.	None.	Approved.	The board has passed the resolution.
May 7, 2024	3rd Board, 5th Meeting	1. 2024 financial report for the first quarter.	None.	Approved.	The board has passed the resolution.
August 6, 2024	3rd Board, 6th Meeting	1. 2024 financial report for the second quarter.	None.	Approved.	The board has passed the resolution.
		2. Set the record date of issuance of new shares from capitalization of earnings.	None.	Approved.	The board has passed the resolution.

Date of Audit Committee meeting	Sessions	Contents of motions	Independent directors' objections, reservations, or major proposals	Audit Committee's Resolution	The company's response to the Audit Committee's opinion
November 5, 2024	3rd Board, 7th Meeting	1. 2024 financial report for the third quarter.	None.	Approved.	The board has passed the resolution.
		2. Proposal of the evaluation of the independence and suitability of the CPA and approval of their appointment and remuneration.	None.	Approved.	Prior to discussing this matter, CPA Liu, Chien-Yu provided an explanation of the Audit Quality Indicators (AQIs) for the firm. Following the explanation, attendees from PricewaterhouseCoopers Taiwan, including CPA Liu, Chien-Yu and Deputy General Manager Tsai, Hsin-Yi recused themselves. Following the chairman's inquiries from other present directors, it was agreed to approve the proposal as presented.
		3. 2025 Audit plan.	None.	Approved.	The board has passed the resolution.
		4. Proposal of establishment of the company's "Regulations Governing Management of Sustainable Information".	None.	Approved.	The board has passed the resolution.
		5. Proposal of establishment of the company's "Operating Procedures of Sustainability Report and Assurance".	None.	Approved.	The board has passed the resolution.
		6. Proposal of amendment of the company's "Sales and Collection Management".	None.	Approved.	The board has passed the resolution.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors:
None.

- If there are independent directors' recusals due to conflicts of interest, the directors' names, contents of motions, causes for avoidance and voting should be specified: None
- Communications between the independent directors, the company's chief internal auditor and CPAs (e.g., the material items, methods and results of audits of corporate finance or operations, etc.):
Independent directors and accountants communicate with one another at least once a year. The accountant reports on the company's financial status and internal control inspections to the independent directors, and communicates fully if there are significant adjusting entries or legal amendments that have affected accounting conditions; a meeting may be called at any time if significant abnormal events occur.
Every month, the internal audit supervisor will send the audit report and follow-up report to the independent directors via email for review after the chairman has approved them. Relevant opinions will be responded to via email, and the meeting will be held at least quarterly to communicate with and respond to questions from independent directors.

A. Communication between independent directors and accountants:

Date	Content of Communication	Implementation Status
March 12, 2024 Audit Committee	<ol style="list-style-type: none"> 1. The consolidated financial report of 2023 was reviewed, as were communication matters with the governing unit. 2. Major adjusting entries, reclassification entries, and unadjusted entries. 3. Related party information 4. Letter of representation 5. Independence of accountants. 6. The accountant discusses and communicates regarding questions raised by the attendees. 	Accountants were present at the board meeting on March 12, 2024 and explained the consolidated and individual financial report of 2023, as well as discussed and communicated with directors on issues raised.
May 7, 2024 Audit Committee	<ol style="list-style-type: none"> 1. The consolidated financial report of the first quarter of 2024 was reviewed, as were communication matters with the governing unit. 2. Major adjusting entries, reclassification entries, and unadjusted entries. 3. Related party information. 4. Letter of representation. 5. Independence of accountants. 6. The accountant discusses and communicates regarding questions raised by the attendees. 	Accountants were present at the board meeting on May 7, 2024 and explained the consolidated and individual financial report for the first quarter of 2024, as well as discussed and communicated with directors on issues raised.
August 6, 2024 Audit Committee	<ol style="list-style-type: none"> 1. The consolidated financial report of the second quarter of 2024 was reviewed, as were communication matters with the governing unit. 2. Major adjusting entries, reclassification entries, and unadjusted entries. 3. Related party information. 4. Letter of representation. 5. Independence of accountants. 6. The accountant discusses and communicates regarding questions raised by the attendees. 	Accountants were present at the board meeting on August 6, 2024 and explained the consolidated and individual financial report for the second quarter of 2024, as well as discussed and communicated with directors on issues raised.
November 5, 2024 Audit Committee	<ol style="list-style-type: none"> 1. The consolidated financial report of the third quarter of 2024 was reviewed, as were communication matters with the governing unit. 2. Major adjusting entries, reclassification entries, and unadjusted entries. 3. Related party information. 4. Letter of representation. 5. Independence of accountants. 6. Recent regulatory updates. 7. The accountant discusses and communicates regarding questions raised by the attendees. 	Accountants were present at the board meeting on November 5, 2024 and explained the consolidated and individual financial report for the third quarter of 2024, as well as discussed and communicated with directors on issues raised.

B. Independent Directors' communication status with the internal audit :

Date	Content of Communication	Implementation Status
March 12, 2024 Audit Committee	<ol style="list-style-type: none"> 1. Audit activity report for the period of October 2023 to January 2024. 2. 2023 evaluation of overall efficacy of internal control systems and statement of internal control systems. 	The independent directors have no objections and have submitted for decision by the Board of Directors.
May 7, 2024 Audit Committee	<ol style="list-style-type: none"> 1. Audit activity report for the period of February 2024 to March 2024. 	The independent directors have no objections and have submitted for approval by the Board of Directors.
August 6, 2024 Audit Committee	<ol style="list-style-type: none"> 1. Audit activity report of April 2024 to June 2024. 	The independent directors have no objections and have submitted for approval by the Board of Directors.
November 5, 2024 Audit Committee	<ol style="list-style-type: none"> 1. Audit activity report for the period of July 2024 to September 2024. 2. 2025 Audit plan. 3. Establish the company's "Regulations Governing Management of Sustainable Information". 4. Establish the company's "Operating Procedures of Sustainability Report and Assurance". 5. Amend the company's "Sales and Collection Management" 	The independent directors have no objections and have submitted for decision by the Board of Directors.

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The company has established the Corporate Governance Best Practice Principles on March 10, 2023, and it has been disclosed in the company's website.	Complied with requirements
2. The company's shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure for handling shareholder suggestions, questions, disputes, and litigation, and implement based on the procedure?	V		(1) A. In accordance with the law, the company accepts shareholder proposals prior to the shareholders' meeting and encourages shareholders to participate in corporate governance. B. The company handles shareholder suggestions, questions, and disputes, as well as other related matters in a timely and appropriate manner using the spokesperson system.	Complied with requirements
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2). A. The company keeps track of the list of major shareholders who actually control the company and the list of ultimate controllers of major shareholders using the list of shareholders provided by the stock agent. B. In accordance with regulations, the company monitors the equity changes of shareholders, directors, supervisors, or insider shareholdings with more than 5% of the shares and reports and discloses them publicly on a regular basis.	
(3) Does the company establish and execute a risk management and firewall system within its conglomerate structure?	V		(3) Various control mechanisms were implemented according to Operational Procedures for Supervision of Subsidiaries and Regulations Governing Transactions from Enterprise, Specific Company or Related Party.	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		(4) A. By implementing “Corporate Governance Best Practice Principles” and “Operating Procedures for Internal major information processing and Prevention and Management of insider trading”, the Company forbids insiders from engaging in securities trading based on material information that is not publicly disclosed. This includes strategies to regulate insider stock trading as soon as they obtain information pertaining to the Company's financial statements or performance data, including (but not limited to) strictly forbidding directors to engage in any form of stock trading within a 30-day period preceding the disclosure of the annual financial report, and within 15 days prior to the disclosure of each quarterly financial report. When the Company published the advance notice to convene the Board of Board meeting (30 day in advance), we have reminded directors and insiders of prohibition of stock trading during the preceding closure period. B. All company insiders must sign a declaration acknowledging the Securities and Exchange Act's prohibition on insider trading before taking their positions. The laws and regulations regarding insider training were passed down to all insiders during the directors' continuing education course on May 31, 2024.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			C. Additionally, at the All Hands Meeting on December 20, 2024, inform employees about the laws and regulations governing insider trading, and remind them that profiting from information that cannot be obtained in the market is illegal. A total of 159 people spent a total of 278 man-hours on the aforementioned education and training.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?</p>	V	V	<p>(1) In the "Procedures for Election of Directors and Supervisors," the company specifies the principle of board diversity. The nomination and appointment are based on the size of the company's business development and the shareholding status of its major shareholders, as well as practical needs, and are chosen and appointed based on a variety of factors including professional background, academic experience, integrity, and independence. The following management objectives were successfully implemented and attained:</p> <p>A. Half of the board members have expertise in new drug development or the biomedical industry.</p> <p>B. The number of independent board members exceeds one-third of the total number of board members.</p> <p>C. The number of co-directors on the company's board should not exceed one-third.</p> <p>D. The implementation of diversity in the board of directors is detailed on pages 10-11 of this annual report.</p> <p>(2) The company has established both a remuneration committee and an audit committee. Other functional committees will be formed in response to actual needs.</p> <p>(3) For performance evaluation, the company has established a "Rules for Performance Evaluation of Board of Directors and Functional Committees" and specified its evaluation methods, which include internal self-evaluation by the board of directors, self-evaluation by directors, peer evaluation, and appointment of external professional institutions and experts.</p> <p>A. The board of directors' performance evaluation indicators will include five aspects:</p> <p>I. Level of participation in company operations.</p> <p>II. The quality of Board decisions</p> <p>III. Board composition and structure</p> <p>IV. Appointment of directors and their continued development</p> <p>V. Internal controls.</p> <p>B. The board of directors' (self or peers) evaluation indicators will include six aspects:</p> <p>I. Grasp of company targets and missions.</p> <p>II. Understanding of the director's role and responsibilities.</p> <p>III. Level of participation in company operations.</p> <p>IV. Internal relationship management and communication.</p> <p>V. Director's specialty and continued development.</p> <p>VI. Internal controls.</p> <p>C. The board of directors' performance evaluation and the self-evaluation of directors were completed in 2024, and the results were submitted to the board of directors for approval on</p>	Complied with requirements

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of Certified Public Accountant?	V		<p>March 11, 2025. Furthermore, in 2022, the “Taiwan Corporate Governance Association” was tasked with conducting an external evaluation of the company's board of directors' performance. On November 17, 2022, the association issued a Performance Evaluation of the Board of Directors report based on self-evaluation, written reviews, and video interviews. According to the planning schedule, the company is gradually improving the relevant suggestions. Furthermore, the Remuneration Committee will use the evaluation results as a reference for directors' remuneration and reelection nominations.</p> <p>(4) The Company performs a yearly evaluation of the competence and independence of its designated auditors. The “Statement of Independence” and “Audit Quality Indicators (AQIs)” that auditors are obligated to furnish serve as evaluation criteria. The most recent assessment was submitted to the Audit Committee on November 5, 2024, and the Board of Directors on November 5, 2024, for approval. After checking, certified public accountants Liu, Chien-Yu, and Cheng, Ya-Hui from PricewaterhouseCoopers Taiwan do not serve as directors or managers of the company, nor are they interested parties of the company, nor do they pay a salary to the company, nor does he have an investment or financial interest or sharing relationship with the company. The evaluation results indicate that all candidates meet the company's independence and suitability evaluation standards (Independence Checklist, see Note 1), are qualified to serve as the company's certified accountant, and the accounting firm shall issue a statement of independence (Statement of Independence, see Note 2).</p>	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		<p>(1) On November 9, 2021, the board of directors approved a resolution designating Chiang, Wei-Min (The Senior director of Administration Division), as the company's corporate governance supervisor. The position, which began on December 1, 2021, was responsible for preparing the board of directors, various functional committees, and shareholder meetings. In addition to operation, convening, preparing meeting minutes, and implementing various change registrations, as well as arranging directors' training courses, advocating various laws and regulations on a regular basis, and reminding or assisting directors and insiders to comply with relevant laws and regulations.</p> <p>(2) Status of continuing education for Corporate Governance Directors: See page 49 of this annual report.</p>	Complied with requirements
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		<p>In accordance with the regulations, the company has established a spokesperson system to handle related matters as a communication channel between investment shareholders and customers. It also established a “Stakeholders' Area” for interested parties on the company website to provide a channel of communication and contacts for any issues of concern to stakeholders. Information about operations and other important information will be declared or made public on the Taiwan Stock Exchange Market Observation Post System.</p> <p>The channels of communication for stakeholders are as follows:</p>	Complied with requirements

Stakeholder	Issues of concern	Channel of communication	2024 Communication results	Contact
Employee	<ul style="list-style-type: none"> ● Remuneration and benefits ● Talent Cultivation and Development ● Labor Relations ● Occupational Safety and Health 	<ul style="list-style-type: none"> ● Genovate Family Day ● Employee Welfare Committee ● Employee Health Examination and Insurance ● Safety and health education and training ● Internal Announcement System 	<p>1. In addition to gathering feedback on employee satisfaction with company policies and benefits, an annual employee satisfaction survey also collects recommendations for enhancements in other areas. The outcomes of the satisfaction survey conducted in December 2024 were presented at the administrative meeting of the Company for the purpose of ongoing evaluation and enhancement.</p> <p>2. In order to foster labor-management relations, routine labor-management meetings are conducted. Four labor-management meetings were conducted in 2024.</p> <p>3. An annual family day event is planned with the intention of bolstering employee morale and cultivating a sense of affiliation among the families of employees with the Company. Genovate's Parent-Child Day mountain cleaning and hiking activity was hosted on the Fengchi sunset trail of zhubei on May 25, 2024.</p>	Employee's Contact Administration Manager: Ms. Wu TEL: 03-5982221 #119 E-mail: kellywu@genovate-bio.com
Customers and Consumers	<ul style="list-style-type: none"> ● Product quality and safety ● Product feedback ● Customer Relationship Management 	<ul style="list-style-type: none"> ● Factory inspection ● Post-launch survey ● Phone line for ordering ● Product Seminar ● Product Education and Training ● Adverse Drug Reaction Report 	<p>1. Customers are granted access to various communication channels, such as an email and complaint hotline, the frontline sales colleagues and the dedicated person of the quality management sector would deal with related complaints or disputes. Additionally, to protect consumer rights, pharmaceutical injury relief funds are disbursed in accordance with the law.</p> <p>2. Annual product seminars are haphazardly organized through partnerships with prestigious medical facilities and attendance at medical conferences.</p>	<p>Customer's Contact: Sales Manager: Mr. Chen TEL: 03-5982221 #378 E-mail: hardwaychen@genovate-bio.com</p> <p>Consumer's contact: QA Manager : Ms. Chi TEL: 03-5982221 #317 E-mail: kerrychi@genovate-bio.com</p>

Evaluation Item	Implementation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons														
	Yes	No	Abstract Illustration																	
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6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		Appointed Capital Securities Corporation, Stock Agency Department to handle shareholder affairs.			Complied with requirements														
7. Information Disclosure																				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(1) The company's website contains some business and R&D information. The investor section of the company's website is linked to the Market Observation Post System, and it includes subsections for corporate governance information, financial information, shareholder information, major news announcements, and the most recent news for investors and the public.			Complied with requirements														
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(2) The company has set up an English website, as special personnel have been assigned to collect and disseminate company information; the spokesperson system is also being implemented. The Investors' Conference information can also be obtained via the company website's link.																	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		V		
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (including, but not limited to, employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>(1) The company's “humanity-first” management model prioritizes employee rights and interests, as well as harmonious labor relations. Attendance, remuneration, insurance, and retirement are all carried out in accordance with applicable laws and regulations. Overtime pay, self-payment of labor insurance, and other items are superior to the Labor Standards Act. Every year, the company conducts employee satisfaction surveys and high-quality health examinations, which are monitored and counseled by specialized medical personnel. The human resources department carefully manages and plans employees' physical and mental health, career development, and self-realization. While good labor relations are maintained.</p> <p>(2) The company provides accurate information, maintains open lines of communication, and respects and protects its legitimate rights and interests with regard to suppliers, customers, banks, and other stakeholders.</p> <p>(3) In accordance with regulations, the board of directors reminds participants in the discussion and voting to pay attention to matters related to recusal due to conflicts of interest in the meeting notice. Furthermore, all of the company's directors maintain a high level of self-discipline and avoid any proposals with a vested interest in them.</p> <p>(4) The company has implemented an internal control system and a risk assessment mechanism, and all investment and development plans have been thoroughly risk-assessed before being implemented. Insurance is also purchased to cover potential losses caused by the company's property, employees, and third-party liability.</p> <p>(5) To protect consumer rights, the company has a dedicated unit to handle customer complaints and track improvements.</p> <p>(6) In accordance with the company's procedures, liability insurance has been purchased for directors, supervisors, and managers who are legally responsible for their legal liability within the scope of business in order to reduce and disperse the risk of significant damage to the company and shareholders caused by mistakes or negligence on the part of directors, supervisors, and managers.</p> <p>(7) Status of continuing education for directors and supervisors: See page 49 of this annual report.</p>	Complied with requirements
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures: According to the results of the Corporate Governance Center's 2023 Tenth Corporate Governance Evaluation System, our company ranks among the top 36% to 50% of OTC companies. We will continue to improve and strengthen items that do not meet the standards outlined in the evaluation results in the future.				

Note (1): Independence checklist for 2024 Certified Public Accountants and their affiliated accounting firms

Independence	Yes	No	Remarks
Does the Certified Public Accountant not serve as a director or as an independent director of the company or any of its subsidiaries?	V		
Is the Certified Public Accountant not a shareholder or an affiliate of the company?	V		
Is the Certified Public Accountant not paid by the company or an affiliate?	V		
Is the Certified Public Accountant not providing audit services for the company for seven consecutive years?	V		
Is the Certified Public Accountant confirming that the accounting firm to which it belongs has followed the relative independence standards?	V		
Is the Certified Public Accountant's joint venture accountant from the same accounting firm not planning to serve as a director, company manager, or any other position with a significant impact on the audit case within one year of resigning?	V		
Following an evaluation, the company's Certified Public Accountants and the affiliated accounting firm were neither directors nor independent directors, shareholders, or employees of the company. As a result, the independence of the certified public accountants and the affiliated accounting firm should be unquestionable.			

Note (2): The accounting firm's Statement of Independence.

Independence of accountants

The accounting firm is preparing to audit the financial statements of Genovate Biotechnology Co., Ltd. In light of the need for the audit from Genovate Biotechnology Co., Ltd., the following statements are made:

1. The audit team appointed by Genovate Biotechnology Co., Ltd. and the accounting firm have followed the relevant provisions of Article 10 of The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and PwC's global independence policy, and there is no violation of the relevant provisions that would affect the firm's independence. If the execution of this appointment involves other PwC member firms, these firms have also followed PwC's independence policy.
2. The accounting firm confirms that since the completion of the audit/ review planning stage, there have been no circumstances affecting independence.

PricewaterhouseCoopers Taiwan

Liu, Chien-Yu

Accountants

Cheng, Ya-Hui

(4) Composition and Operations of the Remuneration Committee:

A. Members profile of the Remuneration Committee

March 31, 2025

Title Name	Criteria (Note)	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Convener/ Independent Director	Lee, Shih-Jen	Has more than five years of working experience required by the company's business, with international industrial investment and company management expertise; former managing director of Haoli Biotechnology Management Consulting Company, currently the chairman or director of several domestic biotechnology companies (Quanwei, Taho,). None of the circumstances specified in Article 30 of the Company Act.	(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 Article 27, paragraph 1 or 2 of the Company Act.	3
Independent Director	Liu, Ke-Yi	Has the more than five years of experience required. A Taiwanese Certified Public Accountant with a Master of Accounting from the University of Illinois in the United States, currently a joint venture accountant at BDO Taiwan. None of the circumstances specified 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. (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.	1
Independent Director	Chang, Chin-Ming	Has over five years of experience in company operations, holding a Ph.D. in Pharmacy from the University of Texas at Austin and having graduated from the Department of Pharmacy at National Taiwan University. With over 20 years of experience working in Eli Lilly and Allergan in the United States, serving as a R&D executive, overseeing multinational operations, and specializing in the development of small molecule drugs, possesses extensive industry experience. Currently serves as the CEO of TaiMed Biologics. None of the circumstances specified in Article 30 of the Company Act.	(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. (11) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	None

Note: For the identities of independent directors, please refer to pages 7-9 of the annual report, (1) Information on Directors.

B. Implementation Status of the Remuneration Committee

I. The company's compensation committee consists of three members.

II. The current committee members serve from August 7, 2023, to May 28, 2026. The Remuneration Committee held three meetings in the previous period, and the attendance of the committee members are as follows:

Title	Name	No. Of meetings to attend (A)	Attendance in Person (B)	No. Of meetings attended by proxy	Attendance Rate (%) 【B/A】	Remarks
Convener	Lee, Shih-Jen	3	3	0	100%	
Committee Member	Liu, Ke-Yi	3	3	0	100%	
Committee Member	Chang, Chin-Ming	3	3	0	100%	

Other mentionable items:

1. If the board of directors does not adopt or amend the recommendations of the compensation committee, the board should state the date, term, agenda, resolution, and the handling of the company's opinions on the compensation committee's views (if the compensation approved by the board is better than the recommendation of the compensation committee, the differences and reasons should be stated): None.

2. If there are members who object or reserve their opinions and have a record or written statement regarding the decision of the compensation committee, the date, term, agenda, all members' opinions, and the handling of the members' opinions should be stated as follows:

Date of Remuneration Committee Meeting	Session	Agenda	Members of the compensation committee who object or reserve their opinions and have a record or written statement	Decision of the Remuneration Committee	Handling of the company's opinions on the compensation committee
March 12, 2024	5th Board, 2nd Meeting	1. Allocation and payment of employee and director compensation for the fiscal year 2023.	None.	Agreed.	The board has passed the resolution.
		2. Allocation of director compensation for the fiscal year 2023.	None.	Agreed.	The board has passed the resolution.
		3. Distribution and payment plan of managers, including CSO and the General Manager, in 2023.	None.	Agreed.	The board has passed the resolution.
		4. Salary adjustment for executives including the CSO and General Manager.	None.	Agreed.	The board has passed the resolution.
August 6, 2024	5th Board, 3rd Meeting	1. Amendment of the company's "remuneration policy, system, standards and structure of the Company's directors, independent directors, and members of each functional committee".	None.	Agreed.	The board has passed the resolution.
December 13, 2024	5th Board, 4th Meeting	1. Evaluation of Director's remuneration.	None.	Agreed.	The board has passed the resolution.
		2. Evaluation of remuneration for Chief Strategy Officer, General Manager, and Vice President.	None.	Agreed.	The board has passed the resolution.

3. Information on Members and the Operation of the Nomination Committee: None, the company has not established a Nomination Committee.

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

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
1. Has the company established a governance framework for promoting sustainable development and established an exclusively (or concurrently) dedicated unit to be responsible for promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<p>In August 2024, the company convened the board meeting to approve “Sustainability and Risk Management Committee Charter”, by which the sustainable development functional committee in the level of the Board of Directors was officially set up; the company appointed two independent directors, Su, Lai-Shou & Chang, Chin-Ming, and Director Chu, Chia-Chia who serves concurrently as the general manager to be members of the said committee, which in charge of supervising corporate sustainability strategy, annual plan, implementation effectiveness, etc. And they should make a report to the Board of Directors at least once a year.</p> <p>Professional ability of members of the “Sustainability and Risk Management Committee”: Convener Su, Lai-Shou, an independent director, who has over 30 years of experience in government authority (National Development Fund), industry promotion, and corporate governance. In addition, Committeeman Chang, Chin-Ming is the chief executive officer of start-up biotechnology company, who is endowed with substantial practical experience and professional ability in company operation and risk management. Besides, the company’s general manager is also one of the members, who can quickly and precisely monitor and manage achievement of corporate management and sustainable vision.</p> <p>Board of Directors’ Supervision and Promotion Status: The company’s Board of Directors follows up, on a regular basis, greenhouse gas inventory, and verification, control & execution status. On November 5, 2024, the Board of Directors established “Regulations Governing Management of Sustainable Information”. and “Operating Procedures of Sustainability Report and Assurance”.</p> <p>With regard to implementation status of sustainable development, the “Sustainability and Risk Management Committee” instructs the management team to draw up the annual plan for implementation, and submits regular reports to the Board of Directors.</p> <p>On November 5, 2024, the “Sustainability and Risk Management Committee” established “Risk Evaluation and Implementation Status Report in 2024”, and “Sustainable Development Promotion Plan in 2025”; the latter covers three aspects: environment aspect includes energy-saving and carbon reduction, and climate change; society aspect includes stakeholder, society and community service; corporate governance aspect includes integrity & sustainability, and act compliance. And on November 5, 2024, the Board of Directors passed the preceding matters.</p> <p>The general manager supervises each department in person. According to departmental responsibilities, four teams are established, i.e. “Corporate Governance”, “Social Responsibility”, “Sustainable Environment”, & “Risk Management”, in charge of promotion of affairs related to sustainability and risk management, ranging from employee care, healthy workplace, environmental protection, product liability to investor rights, social welfare donation, etc., which all aim to go, with full efforts, towards the goal of sustainable development and commitment to social responsibility.</p>	Complied with requirements
2. Does the company conduct risk evaluation of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<p>In August 2024, the company’s Board of Directors approved the “Risk Management Policy and Operating Procedure”, which expressly stipulates the organization framework & rights and responsibilities, and operating procedure of risk identification, analysis, evaluation, response, and supervision.</p> <p>Taking into consideration factors such as GRI Sustainability Reporting Standards, the company’s business characteristics, internal and external environments, regulation progress, stakeholder, etc., the management team and the internal audit sector conduct project discussion to carry out risk evaluation. As a result of summarization, there are 7 items in operation aspect, 2 in finance, 3 in research and development, 2 in information, 1 in human resources, and 1 in environment; there are totally 16 risk items. Response strategy was drawn up, which was submitted to the “Sustainability and Risk Management Committee” for review, and approved through discussion at the board meeting on November 5, 2024.</p>	Complied with requirements

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
3. Environmental Issues	V		The company conducts pharmaceutical operations in accordance with the PIC/S GMP regulations, to establish various production and environmental standards, and implements various pollution prevention and resource conservation projects in accordance with the Environmental Protection Agency's environmental management systems.	Complied with requirements
(1) Has the company set an environmental management system designed for industrial characteristics?	V		Each research, development, and manufacturing process of the company does not use materials which will make great impact on the environment beyond its load; the company endeavors to improve resources utilization efficiency by strictly enforcing of trash classification and paper recycling.	Complied with requirements
(2) Does the company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		With supervision by the “Sustainability and Risk Management Committee”, the general manager leads the management team to evaluate impact made by climate change on business operation, current and future potential risks and opportunities inventory, make statistics of greenhouse gas emission volume, water consumption, and waste gross weight, establish the policy regarding carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management, comply with regulations, and strengthen response measures such as resources management, resources reuse, etc. in order to reduce impact of the company’s operational activities on climate change.	Complied with requirements
(3) The company has strictly enforced waste sorting and paper recycling policies.	V		The company has initiated the greenhouse gas inventory process in 2024; the related data will be disclosed after the third-party’s verification. As for the fuel for the boiler, the company has replaced heavy oil (which has a higher pollution risk) with natural gas, which has a lower environmental impact. Moreover, the company has implemented the Code of Conduct in the Workplace, which requires the development of water- and electricity-saving habits to save energy.	Complied with requirements
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other waste?	V			
4. Social Issues	V		The company develops various internal management measures in accordance with applicable labor laws and regulations, respects internationally recognized basic labor human rights principles, and excludes factors such as gender, age, religion, and sexual orientation from employment considerations; there is no employment discrimination, and the company protects the legitimate rights and interests of the employees.	Complied with requirements
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V			
(2) Has the company established and implemented reasonable employee welfare measures (including salary and compensation, leave, and other benefits), and is business performance or results appropriately reflected in employee salary and compensation?	V		<p>A. The company's “humanity-first” management model prioritizes employee rights and interests, as well as harmonious labor relations. Attendance, remuneration, insurance, and retirement are all carried out in accordance with applicable laws and regulations. Overtime pay, self-payment of labor insurance, and other items are superior to the Labor Standards Act. The company conducts high-quality health examinations and employee satisfaction surveys each year. The human resources department carefully manages and plans employees' physical and mental health, career development, and self-realization. While good labor relations are maintained.</p> <p>B. In accordance with Article 28-1 of the Articles of Incorporation, the Company is obligated to allocate employee compensation in accordance with the profit position of the present fiscal year, with a minimum requirement of 10% of the profit being contributed. An employee compensation of NT\$3,529 thousand was disbursed in 2024.</p> <p>C. In order to integrate remuneration with performance evaluation and rewards and penalties, the Company has enacted policies including the “Employee Remuneration Regulations,” “Regulations on Performance Bonuses,” “Performance Evaluation Regulations,” and “Employee Reward and Punishment Regulations.” In accordance with a variety of operational performance indicators, the Company promptly distributes performance bonuses. As recognition of all employees' efforts in attaining the Company’s performance objectives in 2022、2023 and 2024, NT\$9,364 thousand、NT\$13,383 thousand and NT\$11,783 thousand in performance bonuses were allocated, respectively.</p> <p>D. For three consecutive years, the company refers to the inflation indicator to raise all colleagues’ salary. The raise rate in 2022 is 3.3%, 3.3% in 2023, & 4.0% in 2024.</p>	Complied with requirements

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		<p>A. A safety and health management unit has been established by the Company, staffed with certified personnel who are responsible for ensuring safety and health. In addition to providing reports to the appropriate authority, the Company formulated workplace fire protection plans in accordance with regulations, inspect and maintain fire safety equipment on a regular basis, and inspect fire evacuation facilities and equipment in public buildings. Routine maintenance is performed on public facilities, including elevators, and access control is installed at all entrances and exits. To maintain a secure workplace and safeguard the personal information of all employees, surveillance cameras and security personnel are deployed. There are no fire incidents reported in 2024.</p> <p>B. Significant operational special hazards in the manufacturing setting consist of organic solvents, noise operations, dust operations, and specialized operations. Operation planning involves the establishment of hazard prevention measures. Personnel involved in specialized operations, tasks involving organic substances, and potential noise hazards are issued personal protective equipment (PPE). Prior to commencing operations, these employees are strictly obligated to don their full PPE, which includes masks, gloves, safety goggles, and lab coats. Chemicals and organic solvents must be handled while protected by fume hoods or extractor hoods. In noisy environments, earplugs and earmuffs are provided to employees for the purpose of preventing noise hazards. An annual health checkup is performed to monitor for noise, dust, and special chemical exposure, among other health concerns for employees. No significant violations or occupational accidents were reported in 2024.</p> <p>C. The company provides fully insured group insurance (extended to spouses and children), organizes health checkups for employees every year, and organizes various activities through the Welfare Committee. The company promotes humanized management and is dedicated to providing a healthy working environment for its employees.</p> <p>D. On an annual basis, the Company performs health examinations; contracted nurses and occupational medicine specialists are responsible for implementing the findings. As required, health education and health tracking examinations are performed, and on-site assessments are carried out to identify potential work-related illnesses. The company has designated specially trained doctors and nurses to provide consultation services and handle labor health protection issues such as health management, occupational disease prevention, and health promotion at the factory on a regular basis.</p> <p>E. In addition to employee development camps, the Company conducts training sessions on safety, hygiene, firefighting, and emergency response twice yearly. The Company's directors participate on a regular basis in these courses, which implement social responsibility-related education, training, and activities.</p> <p>F. The Health Promotion Administration of MOHW awarded the company the "Accredited Healthy Workplace" designation in January 2021, and completed the extension in 2023, and the Company is committed to creating a healthy and safe workplace environment.</p> <p>G. To demonstrate its resolve, the company issued "Directions for the Prevention and Management of Unlawful Infringement in the Performance of Duties" in writing in 2020. The general manager has signed it to demonstrate his commitment. For any violent or harmful events, the company also published the complaint channel's dedicated phone number and email address.</p>	Complied with requirements
(4) Has the company established effective employee career development training programs?	V		To allow employees to grow alongside the company, the company improves work skills through internal and external training, work performance, product and service quality, and employee and organizational competitiveness.	Complied with requirements
(5) Does the company comply with the relevant laws and international standards regarding customer health and safety, customer privacy, the marketing and labeling of products and services, and the implementation of consumer protection and grievance policies?	V		<p>A. The company has a PIC/S GMP factory that meets international specifications, and product sales and labels adhere to domestic and international laws and regulations.</p> <p>B. The company has a procedure in place to handle customer complaints, and the quality assurance unit is in charge of protecting consumer rights and interests.</p>	Complied with requirements

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		<p>A. To provide safe and high-quality products, the company has established supplier management procedures as well as strict quality standards, inspection, and evaluation procedures for upstream and downstream manufacturers. Occupational safety, labor rights, and other normative practices, in order to implement joint corporate social responsibility promotion.</p> <p>B. For major supplier contracts, the company discusses and adds breach of contract compensation and contract termination items. If the supplier's raw materials use illegal additives or mix ingredients that are prohibited by law, it is a breach of trust, and the company will seek legal restitution and terminate the contract by refusing to cooperate.</p>	Complied with requirements
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		The company will publish the "Sustainability Report" in August 2025, but it did disclose relevant and trustworthy corporate social responsibility-related information on the Industrial Value Chain Information Platform.	Complied with requirements
<p>6. If the company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the company's operations:</p> <p>The company has stipulated the corporate sustainable development best practice principles in August 2024. However, in order to enrich the company's development and to pursue the best interests of shareholders, the company has always adhered to the concept of "caring for Taiwanese people's health" and giving back to society. All important information and financial information about the company are disclosed to investment shareholders in accordance with applicable laws and regulations. The board of directors also operates normally, guides the company's business strategy, and effectively supervises the management functions of the management team in order to achieve the goal of increasing shareholder wealth and ensuring the company's long-term viability. Currently, our operation complies with related acts and regulations. There is no significant difference so far.</p>				
<p>7. Other important information to facilitate better understanding of the company's promotion of sustainable development:</p> <p>A. In May 2024, the company organized an activity on Genovate's Family Day in the name of "Mountain Cleaning and Hiking on the Fengchi Sunset Trail of Zhubei", in which parents and children had a joint trip, and cleaned mountain by the way in order to protect the environment; totally, 210 employees and their family participated in this activity.</p> <p>B. The company is based in the Hsinchu Industrial Park and actively participates in factory social gatherings, education, and training, as well as a variety of cultural and recreational activities. In order to give back to society, the company also supports public welfare organizations, science, and technology academic foundations, charities, and arts and cultural activities.</p> <p>The company donated 5 sets of explosion-proof lights to Hsinchu County Fire Department in November 2024.</p> <p>C. In order to protect consumers' rights and interests, the company has a dedicated unit to deal with customer complaints, specific responses, tracking, and improvements.</p> <p>D. In accordance with the articles of association, the company has purchased liability insurance for directors, supervisors, and managers to protect the rights and interests of investors.</p> <p>E. There is no gender, race, age, marriage, or family discrimination in the company's employment policy, implementing equal pay, working conditions, training, and advancement opportunities.</p> <p>F. Employees are valuable assets to the company, according to the company's business philosophy of integrity and prosperity. A competitive salary structure is combined with a high proportion of company profits shared with employees, as well as treasury stock, performance bonuses, employee travel, and so on. When labor and management work together, it leads to prosperity.</p> <p>G. Workplace Diversity and Equality</p> <p>Gender Equality</p> <p>Genovate prioritize substantive gender equality in employee career development also take gender diversity into account. Gender differentiation is absent in the processes of talent acquisition, development, and retention. The staff composition of 2024 was as follows: 54% male and 46% female. The gender composition of management positions was as follows: 62% male and 38% female. Both the General Manager and Deputy Financial Manager of the Company are women, occupying prominent roles within the decision-making structure. By implementing substantial gender equality in employee development, a secure and protected workplace is created. The male-to-female director ratio in 2024 was 63% to 38%.</p> <p>Prohibition of Discrimination and Harassment</p> <p>Every form of harassment, including sexual harassment, intimidation, and discrimination, is strictly prohibited by the Company. In order to ensure the protection of employees' equal employment rights and to implement suitable measures for prevention, rectification, discipline, and enhancement, the Company has implemented "Codes of Ethical Conduct" and "Regulations for Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace". Complaints can be lodged by employees via a variety of channels, including email and dedicated hotlines. To protect the privacy and rights of the parties involved, the Company will establish a Sexual Harassment Complaint Handling Committee to handle complaints confidentially and conduct investigations in a non-disclosure manner in the event of gender discrimination or sexual harassment. When individuals require counseling or medical assistance, the Company reserves the right to refer them, upon request, to professional counseling or medical institutions. In 2020, the</p>				

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons																															
	Yes	No	Abstract Illustration																																
<p>“Statement on Prohibiting Unlawful Infringement in the Workplace” was publicly announced, signed by the General Manager to demonstrate determination, and hotline numbers and email addresses for reporting violence and harm prevention were publicized.</p> <p>In order to enforce its policy against harassment and discrimination, the Company annually organizes a minimum of one education and training session pertaining to human rights, addressing the necessary obligations concerning non-discrimination and equality.</p> <p>There were no incidents of discrimination or sexual harassment in 2024.</p>																																			
● Employee structure:			● Gender ratio:																																
<table><tr><th>Category</th><th>Proportion of Total Employees (%)</th><th>Proportion in Managerial Positions (%)</th></tr><tr><td>Republic of China</td><td>86.2%</td><td>97.4%</td></tr><tr><td>Foreigners</td><td>12.2%</td><td>2.6%</td></tr><tr><td>Indigenous</td><td>1.1%</td><td>0.0%</td></tr><tr><td>People with disabilities</td><td>0.5%</td><td>0.0%</td></tr></table>			Category	Proportion of Total Employees (%)	Proportion in Managerial Positions (%)	Republic of China	86.2%	97.4%	Foreigners	12.2%	2.6%	Indigenous	1.1%	0.0%	People with disabilities	0.5%	0.0%	<table><tr><th>Rank</th><th>Total</th><th>Number of Male/Female</th><th>Male-Female Ratio (%)</th></tr><tr><td>Manager (A)</td><td>39</td><td>24 / 15</td><td>62% : 38%</td></tr><tr><td>Staff (B)</td><td>150</td><td>78 / 72</td><td>52% : 48%</td></tr><tr><td>Total (A+B=C)</td><td>189</td><td>102 / 87</td><td>54% : 46%</td></tr></table>		Rank	Total	Number of Male/Female	Male-Female Ratio (%)	Manager (A)	39	24 / 15	62% : 38%	Staff (B)	150	78 / 72	52% : 48%	Total (A+B=C)	189	102 / 87	54% : 46%
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● Employees																																			
Year		2022	2023	2024																															
No. of employees	Manufacturing personnel	95	106	106																															
	R&D Technician	22	22	22																															
	Others	63	65	61																															
	Total	180	193	189																															
Average age		42.3	41.5	42.4																															
Average Years of Service		10.5	9.8	10.7																															
Education	Ph.D.	2.2%	2.0%	2.1%																															
	Masters	17.2%	18.7%	18.5%																															
	Bachelor’s Degree	67.2%	67.9%	66.7%																															
	Senior High School	12.8%	10.9%	12.2%																															
	Below Senior High School	0.6%	0.5%	0.5%																															

Implementation of Climate-Related Information

Item	Implementation status																		
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities	<p>The highest climate governance body at Genovate Corporation is the Board of Directors, which is responsible for driving and making decisions on the company's climate-related strategies. The Board also plays a supervisory role in overseeing the implementation of overall climate actions. In addition, it serves as the key decision-making body for setting the company's climate commitments and targets. The Board periodically discusses current climate-related risks, opportunities, and trends, and formulates the company's overarching response strategies to key climate risks, thereby ensuring the stability and sustainability of the company's operations.</p> <p>Under the Board of Directors, the Sustainability and Risk Management Committee has been established, chaired by an independent director as the committee's convener. Its responsibilities include assisting the Board in implementing climate risk management policies and targets, regularly reviewing the planning and performance of climate risk responses submitted by the Sustainable Environment Task Force, and overseeing the company's progress in achieving climate goals and actions. The committee also plays a role in coordinating and communicating the company's climate governance practices and reports to the Board at least once a year on the progress of sustainability strategies and project implementation.</p> <p>The Sustainable Environment Task Force, composed of members from the Administration Department and factory-related personnel, is primarily responsible for compiling the current status of climate-related issues across the company. It also holds ESG meetings on an ad-hoc basis to evaluate key climate risks, opportunities, and trends within the industry. Based on the climate risk response status at each operational site, the task force supports resource alignment and provides strategic recommendations to enhance the company's climate resilience.</p>																		
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Genovate identifies and prioritizes key annual climate risks and opportunities by collecting insights from relevant departments on the potential impact and likelihood of each issue. The company defines short-term as within 0–2 years, medium-term as 2–4 years, and mid-to-long-term as beyond 3–6 years. Ultimately, three key climate issues have been identified, consisting of one transition risk, one physical risk, and one climate opportunity. The results of this identification process, including the expected timeframe, current status, financial impacts, and future response strategies for each issue, are presented below.</p> <table><tr><th>Aspect</th><th>Issue</th><th>Timeframe of Impact</th><th>Financial Impacts:</th><th>Impact of Climate Risks & Opportunities</th><th>Response Strategies and Management Measures</th></tr><tr><td>Transition Risk</td><td>Emerging climate-related regulations and disclosure requirements</td><td>Short-Term (within 2 years)</td><td>Increase in Operating Costs ●The implementation of intelligent and digital systems to support related operations may require additional technological investments and operating expenditures. ●To comply with increasingly stringent environmental regulations, the company will inevitably need to allocate more capital to improve related equipment and production processes.</td><td>In 2023, Taiwan passed the Climate Change Response Act to support the goal of net-zero greenhouse gas emissions. In alignment with the disclosure and assurance requirements set forth by regulatory authorities, the company must invest resources in inventory, verification, and disclosure efforts.</td><td>1. Actively coordinate with the company's internal climate change task force to consolidate and provide carbon emissions data. 2. Establish greenhouse gas inventory mechanisms and data integration processes for all sites. 3. Conduct GHG inventories, analyze emission profiles and hotspots, ensuring compliance with current regulations while preparing for future planning. 4. Perform cost structure analysis and collaborate with suppliers to enhance carbon data transparency across the supply chain.</td></tr><tr><td>Physical Risk</td><td>Increased severity and frequency of extreme weather events (e.g., typhoons,</td><td>Mid-Term (within 2–4 Years)</td><td>Increased Capital Requirements Transitioning to a sustainable operating model—such as adopting green design and construction methods in new facilities, and providing more stable pharmaceutical</td><td>The intensification of extreme weather events has exposed the world to various climate-related risks. Events such as typhoons, floods, and heavy rainfall may lead to equipment damage, flooding of production sites, and disruption of supply chains,</td><td>1. Establish backup sourcing plans for raw materials to avoid supply chain disruptions, and gradually diversify supplier bases to mitigate climate-related risks from single suppliers. 2. Equip production facilities with sufficient water pumps to alleviate potential flooding caused by heavy rain.</td></tr></table>	Aspect	Issue	Timeframe of Impact	Financial Impacts:	Impact of Climate Risks & Opportunities	Response Strategies and Management Measures	Transition Risk	Emerging climate-related regulations and disclosure requirements	Short-Term (within 2 years)	Increase in Operating Costs ●The implementation of intelligent and digital systems to support related operations may require additional technological investments and operating expenditures. ●To comply with increasingly stringent environmental regulations, the company will inevitably need to allocate more capital to improve related equipment and production processes.	In 2023, Taiwan passed the Climate Change Response Act to support the goal of net-zero greenhouse gas emissions. 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	Aspect	Issue	Timeframe of Impact	Financial Impacts:	Impact of Climate Risks & Opportunities	Response Strategies and Management Measures
3. Describe the financial impact of extreme weather events and transformative actions.		floods, heavy rainfall)		manufacturing and storage environments—will lead to higher capital expenditures.	thereby affecting product delivery. Pharmaceutical products typically require strict environmental conditions—such as controlled temperature and humidity—for proper storage. Extreme climate events can destabilize storage environments and transportation conditions, potentially compromising product quality and safety. These factors may result in significant financial impacts for the company.	3. Install diesel generator sets and stockpile fuel to mitigate power outages caused by electricity rationing. 4. Purchase 24-hour Uninterruptible Power Supply (UPS) systems to prevent equipment damage from sudden power drops or voltage fluctuations. 5. Conduct regular inspections and maintenance of building structures, doors, and windows—especially pressure tests on waterproofing and drainage systems. 6. Periodically evaluate the facility's emergency preparedness through risk alerts and identification, enhancing disaster response capabilities. 7. Purchase adequate insurance coverage based on identified risk factors to reduce potential financial losses.
	Opportunities	Adoption of more efficient production processes	Mid- to - Long-Term (within 3–6 Years)	New Value Creation Optimized and eco-friendly production processes that enable high-efficiency manufacturing can reduce energy costs and improve overall production efficiency. Additionally, a strong environmental image can attract both talent and investment, contributing to the enhancement of the company's overall value.	Implementing higher-efficiency production processes typically results in reduced energy and resource consumption, significantly lowering operating costs. The savings can be reinvested into research and innovation, supporting long-term business growth. Industrial automation technologies can substantially reduce labor costs and human error, while lowering equipment energy usage, thus enhancing overall production efficiency and reducing production expenses.	1. Plan to implement intelligent and digitalized systems to improve production efficiency. 2. Continue evaluating the feasibility of integrating automatic sleep/standby scheduling for inspection machinery and warehouse automation. 3. Use eco-friendly materials, adopt green manufacturing processes, and apply sustainable construction methods for new projects.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Genovate has established a Risk Management Policy and Operational Procedures to identify significant climate-related risks and opportunities. Each year, the Sustainable Environment Task Force collects and reviews sustainability reports from peer companies, climate-related issues from CDP questionnaires, and gathers internal data on responses to climate risks from various departments. Through surveys and interviews, the task force collects views from relevant units on the potential impact and likelihood of climate issues. This information is consolidated and used to identify Genovate key annual climate risks and opportunities. The results are then reported to the Sustainability and Risk Management Committee and ultimately reviewed and decided by the Board of Directors, which sets the company's strategic direction accordingly.					
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The company conducts a risk and opportunity analysis in response to changes in policies, regulations, markets, and technology that may arise under various climate scenarios. The assessment of related financial impacts is currently in progress and will be disclosed in a future sustainability report.					

6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>To proactively address the impacts of climate change, Genovate has established specific reduction targets for Scope 1 and Scope 2 greenhouse gas emissions. In addition, the company has set corresponding targets to respond to extreme climate conditions faced by each operational site. The Sustainability and Risk Management Committee is responsible for overseeing the company's annual progress toward these goals, implementing rolling revisions to climate-related targets, and reporting to the Board of Directors on an annual basis to ensure their continued effectiveness and relevance.</p> <p>Below is a summary of Genovate climate-related targets and the status of their achievement:</p>			
	Target Timeframe	Target Type	Target Description	Progress
	Short-Term Target (within 0-2 Years)	Energy Conservation	1. Conduct GHG inventory and complete third-party assurance. 2. Replace outdated, energy-intensive equipment with energy-efficient alternatives. 3. Promote energy-saving and carbon-reduction policies to reduce energy consumption. <ul style="list-style-type: none"> • Photocopier replacement project for lower emissions. • Plastic reduction project: Provide employees with reusable lunchboxes to minimize single-use utensils and plastic bags. • Organize a second-hand goods exchange market to promote reuse and reduce waste 	1. Completed 2-3. In progress
		Climate Change	To assess future climate-related risks and opportunities, Genovate Corporation considers potential trends in the short, medium, and long term. These efforts aim to reflect the expected timeframes involved in climate-related issues and enhance the company's preparedness against the impacts of extreme weather—such as flooding, electricity disruptions, and environmental challenges.	In Planning
	Mid-Term Target (2–4 Years)	Energy Conservation	1. Achieve a 2% electricity savings rate compared to the baseline year of 2025. 2. Research sustainable technologies related to operations; evaluate the procurement of green energy and systematically replace aging equipment with energy-efficient alternatives.	In Progress
		Water Resources	Implement water recycling and reuse measures.	In Progress
	Mid- to-Long-Term Target (3–6 Years)	Energy Conservation	1. Reach 5% usage of green or renewable energy. 2. Promote paperless operations in office environments. 3. Implement low-carbon supplier management. 4. Continuously monitor developments in carbon credits and carbon pricing.	In Planning
		Climate Change	Plan to join climate-related initiatives or alliances to demonstrate commitment to environmental sustainability.	In Planning
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The company has not yet adopted an internal carbon pricing mechanism.			

8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	In consideration of achieving net-zero emissions by 2050, Genovate will annually track consumption trends across various energy categories, continuously evaluate energy-saving initiatives, and conduct routine carbon inventories to monitor progress. The company aims to establish short-, medium-, and long-term greenhouse gas reduction targets in the future.		
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	The Carbon Footprint Verification of the Company was formally initiated in 2024, in accordance with the tasks and anticipated time of completion established by the Board of Directors. The current implementation status is as follows:		
	Job Item	Projected/ Completion date	Implementation status
	Establishing dedicated (or part-time) unit, the umber of personnel, and their scope of responsibilities	December 2024	<ul style="list-style-type: none">●In September 2022, internal personnel from engineering departments and corporate governance departments, among others, participated in the “Greenhouse Gas Inventory and Assurance Advocacy Meeting” in order to gain a better understanding of the extent of their responsibilities.●Contact professional counseling units (PWC) to plan related preparations.●Draft the scope of responsibilities for dedicated personnel.●Engage in consistent attendance at pertinent academic sessions, including "Carbon Inventory Implementation and Low-carbon Transformation."●To initiate the counseling process, counseling units have been contacted, and a task force for inventory work will be formed by the end of the year.
	Developing Inventory Plan	December 2024	<ul style="list-style-type: none">●A GHG Inventory Task Force has been established and has entered the advisory and guidance phase. By June 2024, the company will complete its greenhouse gas inventory, calculation, and analysis, and issue the "2023 Greenhouse Gas Inventory Report", laying the foundation for a standardized GHG inventory mechanism and operational process. <ul style="list-style-type: none">●"Greenhouse Gas and Climate Change Management" has been designated as a material topic in the company’s sustainability report.●The greenhouse gas inventory for the year 2024 has been completed, and the third-party verification agency has confirmed that the verification process is currently underway.
	Developing Assurance Plan	June 2025	In progress, The third-party assurance report on the company’s 2024 greenhouse gas inventory is scheduled to be completed by June 30, 2025.

(6) Fulfillment of Ethical Corporate Management and Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have a board-approved ethical corporate management policy and state in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p> <p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company clearly provide the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?</p>	V		<p>(1) The company has promulgated the “Ethical Corporate Management Best Practice Principles,” which have been approved by the board of directors, expressly requiring the company's directors, supervisors, managers, employees, or those with substantial control capabilities not to directly or indirectly provide or promise, request or accept any improper benefits, or engage in other improper behaviors that breach good faith, are illegal, or breach of fiduciary obligations, in order to obtain or maintain a position of power or influence. The code requires relevant supervisors and business personnel to sign and circulate it in order to implement the code's requirements, in addition to announcing and focusing on the code of publicity.</p> <p>(2) The company has developed “Procedures for Ethical Management and Guidelines for Conduct” and employee work rules that explicitly state that employees shall not use their powers to benefit themselves or others and shall not accept entertainment, gifts, kickbacks, or other illegal benefits. The previously mentioned content will be promoted in various education and training.</p> <p>(3) In addition to diligently publicizing the ethical principle, the company strengthens control and inspection in terms of systems and implementation to avoid breach of good faith.</p>	Complied with requirements
<p>2. Implement Ethical Corporate Management</p> <p>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors, which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?</p>	V	V	<p>(1) Taking into account the risks and the possibility of dishonesty, the company has established credit investigation procedures for all purchases and sales partners.</p> <p>(2) A. The administration division has been established as a full-time unit to promote ethical business management, and it will annually report to the board of directors on the plan's implementation. To prevent policies with conflicts of interest and provide appropriate channels for statements, the company has developed and published the “Ethical Corporate Management Best Practice Principles,”</p>	Complied with requirements

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</p> <p>(5) Does the company regularly hold internal and external educational training on ethical corporate management?</p>	V		<p>“Procedures for Ethical Management and Guidelines for Conduct,” and “Code of Ethical Conduct” in the company's information system, specifying and standardizing the code of conduct for directors, supervisors, managers, and employees engaged in business activities to avoid dishonest acts such as breach of good faith, illegality, or breach of fiduciary duties.</p> <p>B. On December 13, 2024, the board of directors proposed implementing various integrity management measures in the reporting year.</p> <p>(3) Employees' opinions can be shared with the human resources unit or management through a variety of channels, and these channels are always open.</p> <p>(4) The accounting and internal control systems will be reviewed at any time to ensure that their design and implementation are still effective. Internal audit conducts regular checks on the system's implementation, prepares an audit report, and submits it to the board of directors.</p> <p>(5) The company promotes the Ethical Corporate Management Best Practice Principles on occasion. Ethical Corporate Management, “Procedures for Ethical Management and Guidelines for Conduct”, trade secrets, and avoiding insider trading were advocated during the All-hands meeting on December 20, 2024. A total of 159 people spent a total of 278 man-hours on the aforementioned education and training.</p>	
<p>3. Implementation Status of the whistle-blowing system</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?</p> <p>(3) Does the company provide proper informant protection?</p>	V	V	<p>(1) The Internal Audit and Administration Department is the unit in charge of promoting ethical corporate management, accepting various complaints and reports, and handling them in accordance with the code of conduct and Employee Reward and Punishment System.</p> <p>(2) The company has established “Directions for Suggestion Box Setup” in accordance with the “Procedures for Ethical Management and Guidelines for Conduct,” which details the handling procedures and confidentiality principles of opinion feedback and reporting matters.</p> <p>(3) The informant will be protected from retaliation in accordance with the law.</p>	Complied with requirements

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>4. Strengthening information disclosure</p> <p>(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</p>	V		<p>(1) Following a report to the board of directors on the performance of Ethical Corporate Management and the measures taken, the following information is made available on the company website:</p> <p>A. Formulation of various Ethical Corporate Management Regulations: The company has completed the formulation of the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Codes of Ethical Conduct” and published them in the company's public information system, while specifically stating and regulating the code of conduct for directors, managers, and employees engaged in business conduct to avoid dishonest acts such as breach of good faith, illegality, or breach of fiduciary duties.</p> <p>B. Promotion of Ethical Corporate Management: The administration division is in charge of promoting the practice. The company's idea of ethical corporate management culture and values, which include innovation, cooperation, and prosperity, will be correctly communicated at the 2024 All-Hands Meeting on December 20, 2024. Employees must follow the code of conduct and moral standards when participating in various activities, emphasizing that they must not directly or indirectly provide, accept, promise, or request any improper benefits, or engage in other acts that violate integrity, illegality, or breach of entrusted obligations; disclose the whistleblowing system's operating procedures and confidentiality measures. A total of 159 people spent a total of 278 man-hours on the aforementioned education and training.</p> <p>C. In accordance with the "Measures for Reporting Illegal, Immoral, and Dishonest Acts," a suggestion box has been established, email addresses and a phone line have been established for whistleblowing, and the reporting process and precautions have been publicized in order to eliminate illegal, immoral, or unethical conduct in a timely manner. Complaint email: kellywu @genovate-bio.com Complaint hotline: 03-5982221#119 Administration Department Manager: Ms. Wu</p> <p>D. Implementation of various internal control systems: Establish an effective accounting and internal control system, have an</p>	Complied with requirements

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>independent internal audit unit conduct regular inspections, and report to the board of directors for tracking and improvement.</p> <p>E. The company enters into a contract with others, the terms of which include compliance with the Ethical Corporate Management Policy and the provision that if the transaction's counterparty engages in dishonest behavior, the company may terminate or rescind the contract at any time.</p> <p>F. Implementation of Ethical Corporate Management Information Disclosure: The company discloses relevant norms such as the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Code of Ethical Conduct” at the Taiwan Stock Exchange Market Observation Post System. In the annual report, the company also discloses information about Ethical Corporate Management.</p> <p>G. The company establishes “Regulations Governing Management of Trading between Enterprises in the Group, Specific Companies, and Related Parties” in order to prevent directors and managers from involving damage against the company’s benefits due to their own self-interest.</p> <p>H. To eliminate the disadvantages of disguised bribery, the company's various public welfare sponsorships/donations are implemented in accordance with applicable laws, company policies, and internal operating procedures.</p> <p>I. The implementation of ethical corporate management in 2024 has been summarized and reported to the board of directors on December 13, 2024.</p>	
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: Complied with requirements.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies: The company pays attention to the development of ethical corporate management standards and encourages its directors, managers, and employees to provide suggestions. These suggestions are used to review and improve the "Procedures for Ethical Management and Guidelines for Conduct," which regulate violations of ethical management and prohibited items. The company thoroughly promotes and implements these procedures to improve its ethical management effectiveness.				

(7) Other important information regarding Corporate Governance Status:

A. Since its establishment, the company has consistently aligned its planning and business strategies with the principles of corporate governance, with the aim of enhancing operations and maximizing shareholder value. The board of directors comprises diverse and seasoned professionals, including accountants, research scholars, industry experts, and financial investment specialists.

In 2024, the board of directors achieved an average attendance rate of 100%, with independent directors attaining 100% attendance, while the Sustainability and Risk Management Committee, Remuneration Committee and Audit Committee also obtained a 100% attendance. Members actively contribute to the company's strategic planning and provide effective oversight. The board adheres to the "Rules of Procedure for Board of Directors Meetings," ensuring efficiency and effectiveness.

B. The company has implemented a comprehensive internal control system to ensure the efficiency and effectiveness of its daily operations. The board of directors and management routinely review the results of each unit's self-inspection, audit reports from the audit department, and the self-inspection mechanism to validate compliance with applicable laws and regulations, and to ensure the accuracy of financial reports.

3. The table below shows 2024 Corporate Governance Officer Continuing Education:

Name	Date of Inauguration	Period of Studying		Organization	Name of Course	Study Hours	Is the course in compliance with regulations
		Start	End				
Chiang, Wei-Min	December 01, 2021	November 15, 2024	November 15, 2024	Taiwan Corporate Governance Association	Comprehensive Intellectual Property Protection Strategy – New Thinking on Use of AI to Assist in Intellectual Property Compliance & Management	3	Yes
		October 8, 2024	October 8, 2024	Taipei Exchange	Digital Finance and Sustainable Finance under the Wave of AI	3	Yes
		August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Labor Dispute Prevention and Corporate Governance	3	Yes
		May 31, 2024	May 31, 2024	Securities and Futures Institute	Business Management and Risk Response & Management	3	Yes

4. The table below shows 2023 directors' continuing education:

Title	Name	Date of Inauguration	Period of Studying		Organization	Name of Course	Study Hours	Is the course in compliance with regulations
			Start	End				
Chairman	Chen, Jen	May 29, 2023	September 10, 2024	September 10, 2024	Securities and Futures Institute	Business Risk Management and Crisis Management	3	Yes
			May 31, 2024	May 31, 2024	Securities and Futures Institute	Business Management and Risk Response & Management	3	Yes
Director	Chu, Chia-Chen	May 29, 2023	September 10, 2024	September 10, 2024	Securities and Futures Institute	Business Risk Management and Crisis Management	3	Yes
			May 31, 2024	May 31, 2024	Securities and Futures Institute	Business Management and Risk Response & Management	3	Yes

Title	Name	Date of Inauguration	Period of Studying		Organization	Name of Course	Study Hours	Is the course in compliance with regulations
			Start	End				
Corporate Director Representative	Chen, Hsiu-Hui	May 29, 2023	May 31, 2024	May 31, 2024	Securities and Futures Institute	Business Management and Risk Response & Management	3	Yes
			April 10, 2024	April 10, 2024	Taiwan Academy of Banking and Finance	Study on Corporate Governance and Corporate Sustainable Management	3	Yes
Corporate Director Representative	Huang, Chi-Ying	May 29, 2023	November 21, 2024	November 21, 2024	Securities and Futures Institute	Relevant Acts to be Noticed by the Board of Directors under the Wave of ESG	3	Yes
			May 31, 2024	May 31, 2024	Securities and Futures Institute	Business Management and Risk Response & Management	3	Yes
Independent Director	Lee, Shih-Jen	May 29, 2023	June 12, 2024	June 12, 2024	The Greater Chinese Financial Development Association	Risk of Generative AI on Enterprises and Precautions	3	Yes
			May 31, 2024	May 31, 2024	Securities and Futures Institute	Business Management and Risk Response & Management	3	Yes
Independent Director	Liu, Ke-Yi	May 29, 2023	May 31, 2024	May 31, 2024	Securities and Futures Institute	Business Management and Risk Response & Management	3	Yes
			January 12, 2024	January 12, 2024	Taiwan Corporate Governance Association	Enterprise's Thinking on Carbon Management after Approval of Climate Change Response Act	3	Yes
Independent Director	Chang, Chin-Ming	May 29, 2023	October 21, 2024	October 21, 2024	Taiwan Corporate Governance Association	Updated Practice Development of Insider Trading and Enterprise's Prevention and Response Methods in Taiwan	3	Yes
			October 1, 2024	October 1, 2024	Taiwan Corporate Governance Association	Leading Business Growth by Business Performance Management	3	Yes
			May 31, 2024	May 31, 2024	Securities and Futures Institute	Business Management and Risk Response & Management	3	Yes
Independent Director	Su, Lai-Shou	May 31, 2024	May 31, 2024	May 31, 2024	Securities and Futures Institute	Business Management and Risk Response & Management	3	Yes
			April 16, 2024	April 16, 2024	Securities and Futures Institute	How directors and supervisors supervise business risk management and crisis management	3	Yes
			February 23, 2024	February 23, 2024	Securities and Futures Institute	How the Board of Directors ensures business sustainable management – a talk on talents	3	Yes

5. The company has established “Procedures for Handling Material Inside Information and the Prevention of Insider Trading” and is aware of the operating procedures for handling the release of major announcements and the prevention of insider trading.

6. The company's managers, internal auditors, and accounting personnel who participated in the training and development related to corporate governance in 2024 are as follows:

Title	Name	Period of Studying		Organization	Name of Course	Study Hours
		Start	End			
General Manager	Chu, Chia-Chen	September 10, 2024	September 10, 2024	Securities and Futures Bureau	Business Risk Management and Crisis Management	3
		May 31, 2024	May 31, 2024	Securities and Futures Bureau	Business Management and Risk Response & Management	3
Vice President Finance	Lin, Hui-Ling	October 31, 2024	October 31, 2024	Accounting Research Development Foundation	Ongoing Education for Issuers, Securities Firms, and Securities Exchange Accounting Managers	12

The above personnel have not obtained any financial or accounting related certifications.

(8) Implementation Status of Internal Control System

A. Internal Control Declaration:

MOPS: <https://mops.twse.com.tw/mops/#/web/t06sg20>

B. If the company entrusts an accountant to review the internal control system, they shall disclose their internal control system audit report: None.

(9) Major Resolutions of the Shareholders' Meeting and the Board of Directors during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report:

1. Major Resolutions of the 2024 Annual General Meeting

Major Resolutions	Implementation Status
1. Approved the 2023 annual business report and financial statement.	Adhere to the resolution.
2. Approved the profit distribution plan for the 2023 fiscal year.	In accordance with the resolution, shareholders received a cash dividend of NT\$16,406,378 (NT\$0.15 per share) on September 25, 2024. In addition, stock dividend was distributed in the amount of NT\$32,812,760 (30 shares distributed per thousand shares), which was received for trading in the market on September 25, 2024.
3. Approved by voting processing of issuance of new shares from capitalization of earnings.	It was resolved that 3,281,276 new shares issued from capitalization of earnings (30 shares issued per thousand shares) were distributed for trading in the market on September 25, 2024.
4. Election of One Additional Independent Director for the Company.	One independent director was co-opted, formal registration on June 18, 2024 and announced on the Company's website.
5. Approved the lifting of the restriction on competition for the directors and their representatives of the company.	Execute according to the resolution.

2. Major Resolutions by the Board of Directors during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report

Name and Date of Meeting	Major Resolutions
Board Meeting January 23, 2024	1. Approval of the Company's Participation in the Cash Capital Increase Plan of NaviFUS Corporation for 2024.
Board Meeting March 12, 2024	1. Approval of the company's 2023 consolidated financial statement and business report. 2. Approval of the 2023 retained earnings distribution. 3. Approval of Conducting Capitalization of Earnings and Issuance of New Shares. 4. Approval of the company's application to banks for a short-term general credit limit in 2024. 5. Approval of the 2023 evaluation of the overall efficacy of internal control systems and declaration of the internal control system. 6. Approval of the 2023 Method of employee and director remuneration distribution and payment. 7. Approval of 2023 directors' remuneration distribution. 8. Approval of the Distribution and Payment Plan of Managers, Including the General Manager and CSO for 2023. 9. Approval of Salary Adjustment for Executives including the CSO and General Manager. 10. Approval of the Addition of 1 Independent Director. 11. Approval of the Quota and Acceptance Venue for Nominations for Additional Independent Directors and the Period for Accepting Nominations. 12. Approval of the List of Nominees for Additional Independent Directors as Nominated by the Board of Directors. 13. Approval of the proposed Annual General Meeting date and agenda for 2024. 14. Approval of the lifting of the non-compete restrictions for the directors and their representatives of this company.
Board Meeting May 7, 2024	1. Approval of the 2024 consolidated financial report for the first quarter.
Board Meeting May 31, 2024	1. Approval of the company's proposed investment in JUNTEN BIO, Japan in the amount of US\$1 million.
Board Meeting August 6, 2024	1. Approval of the 2024 consolidated financial report for the second quarter. 2. Approval of setting the record date of issuance of new shares from capitalization of earnings. 3. Approval of amendment of 2024 capital expenditure budget. 4. Approval of establishment of "Sustainable Development Best Practice Principles" in the company's regulations.

Name and Date of Meeting	Major Resolutions
	<ol style="list-style-type: none"> Approval of establishment of “Risk Management Policy and Operating Procedure” in the company’s internal regulations. Approval of establishment of “Sustainability and Risk Management Committee Charter” in the company’s internal regulations. Approval of amendment of the company’s “remuneration policy, system, standards and structure of the Company’s directors, independent directors, and members of each functional committee”. Approval of appointment of members of the 1st “Sustainability and Risk Management Committee”. Approval of the company’s proposed implementation of the 4th repurchase of the company’s shares.
Board Meeting November 5, 2024	<ol style="list-style-type: none"> Approval of the 2024 consolidated financial report for the third quarter. Approval of the evaluation of the independence and suitability of the CPA and approval of their appointment and remuneration. Approval of the 2025 audit plan. Approval of the 2025 sustainability development promotion plan. Approval of report on risk assessment and implementation status in 2024. Approval of establishment of the company’s “Regulations Governing Management of Sustainable Information”. Approval of establishment of the company’s “Operating Procedures of Sustainability Report and Assurance”. Approval of amendment of the company’s “Sales and Collection Management” Approval of amendment of the company’s “Procedure for Meetings of the Board of Directors”. Approval of amendment of the company’s “Audit Committee Charter”. Approval of amendment of the company’s “Regulation Governing the 4th Transfer of Repurchased Shares to Employees”
Board Meeting December 13, 2024	<ol style="list-style-type: none"> Approval of the evaluation of the remuneration for directors. Approval of the evaluation of the remuneration for the CSO, general manager, and vice president. Approval of the business plan and budget proposal for 2025.
Board Meeting March 11, 2025	<ol style="list-style-type: none"> Approval of the company's 2024 consolidated financial statement and business report. Approval of the 2024 retained earnings distribution. Approval of Conducting Capitalization of Earnings and Issuance of New Shares. Approval of the company's application to banks for a short-term general credit limit in 2025. Approval of the 2024 evaluation of the overall efficacy of internal control systems and declaration of the internal control system. Approval of the 2024 Method of employee and director compensation distribution and payment. Approval of 2024 directors' compensation distribution. Approval of the Distribution Plan of employee compensation for the Managers, Including the General Manager and CSO for 2024. Approval of amendment of the company’s “Articles of Incorporation”. Approval of the proposed Annual General Meeting date and agenda for 2024. Approval of Releasing the Directors from the Non-Competition Restrictions.

(10) If any directors or supervisors expressed disagreement with important resolutions passed by the Board of Directors during the most recent fiscal year and up to the date of printing of the annual reports and made any records or written statements regarding their disagreement, the following are the main contents of such records or statements: None.

4. Accountant Fees for Certified Public Accountant

(1) Accountant Fees for Certified Public Accountant

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
PricewaterhouseCoopers Taiwan	Liu, Chien-Yu & Cheng, Ya-Hui	2024/01/01~2024/12/31	1,560	780	2,340	Tax certification and other financial consulting services such as English translation of annual report, etc.
PricewaterhouseCoopers Taiwan		2024/01/01~2024/12/31	0	495	495	Consultation service on the sustainability report, assurance of greenhouse gas statement, and declaration of new bonus shares.

A. If the accounting firm is replaced and the audit fee paid in the replacement year is less than the audit fee paid in the previous year: None.

B. Situation where the audit fee has decreased by more than 10% from the previous year: None.

5. Replacement of CPA (If the company has changed its accountants in the last two years and thereafter):

(1) Regarding the former CPA

Replacement Date	The board of directors approved the change on March 10, 2023 (effective from the first quarter of 2023)		
Replacement reasons and explanations	To comply with the internal rotation policy of PwC accounting firm.		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties	CPA	Appointee
	Status		
	Termination of appointment	Not Applicable	
No longer accepted (continued) appointment			
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	No	✓	
	Remarks		
Other disclosure items (as required to be disclosed under Article 10, Paragraph 6, Subparagraphs 4 to 7 of this Regulation)	None		

(2) Regarding the successor CPA

Name of accounting firm	PricewaterhouseCoopers Taiwan
Name of CPA	Liu, Chien-Yu/ Cheng, Ya-Hui
Date of appointment	The board of directors approved the change on March 10, 2023 (effective from the first quarter of 2023)
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(3) The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.5.A and 10.5.B(c) of the Regulations: None.

6. The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Firm of the Auditing CPA or its Affiliated Businesses in the Past Year, shall disclose the title, name, and the accounting firm of the CPA or its affiliated companies: None.

7. Particulars about Changes in Shareholding and Equity Pledge of Directors, Supervisors, Managers and Shareholders Holding More Than 10% of the Company's Shares in the Past Year and as of the Date of Publication of the Annual Report:

(1) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

I. Shares Trading:

MOPS: https://mops.twse.com.tw/mops/#/web/query6_1

II. Shares Pledge:

MOPS: https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(2) Shares Trading with Related Parties: None

(3) Shares Pledge with Related Parties: None

8. The shareholding ratio accounts for the top ten shareholders, and their relatives or spouses, information on the relationship within the second degree of relatives:

Relationships Among the Top 10 Shareholders

March 31, 2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees		Remarks
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name	Relationship	
National Development Fund, Executive Yuan	30,098,438	26.72%	0	0%	0	0%	-	-	-
Representative: Chen, Hsiu-Hui	0	0%	0	0%	0	0%	-	-	-
Representative: Huang, Chi-Ying	0	0%	0	0%	0	0%	-	-	-
Purzer Pharmaceutical Co., Ltd.	1,364,140	1.21%	0	0%	0	0%	-	-	-
Representative: Lin, Chih-Hui	0	0%	0	0%	0	0%	-	-	-
Genovate Biotechnology Co., Ltd. (Treasury Stock)	1,137,000	1.01%	0	0%	0	0%	-	-	-
Lin, Tso-Yen	625,210	0.56%	0	0%	0	0%	-	-	-
Citigroup in custody of Berkley Capital SBL/PB Investment Account	597,866	0.53%	0	0%	0	0%	-	-	-
Lien Shen Investment Co., Ltd.	509,877	0.45%	0	0%	0	0%	-	-	-
Representative: Cheng, Shu-Shen	0	0%	0	0%	0	0%	-	-	-
Fu, Hui-Chung	346,000	0.31%	0	0%	0	0%	-	-	-
Tsai, Tsan-Huang	340,647	0.30%	0	0%	0	0%	-	-	-
Lin, Hsiu-Wan	338,000	0.30%	0	0%	0	0%	-	-	-
Hsu, Chung-Sheng	337,040	0.30%	0	0%	0	0%	-	-	-

9. The number of shares held by the company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the company in the reinvested enterprise, and the combined calculation of the comprehensive shareholding ratio:

March 31, 2025

Unit: shares; %

Re-invested businesses (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio
Genovate Biotechnology (Cayman) Co., Ltd.	1,000,000	100%	N/A	N/A	1,000,000	100%
Genovate-NaviFUS Inc.	650,000	30.233%	N/A	N/A	650,000	30.233%

Note: This represents a long-term equity investment accounted for using the equity method by our company.

III. Capital Overview

1. Capital and Shares

(1) Source of Share Capital:

A. Issued Shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		No. of shares	Amount (NT\$ thousands)	No. of shares	Amount (NT\$ thousands)	Source of Share Capital	Capital Increased by Assets Other than Cash	Other
2011.01	10	150,000,000	1,500,000,000	84,926,000	849,260,000	Exercise of employee stock option: NT\$650,000	None	Commercial License No. 09901292950 issued on January 3, 2011
2011.04	10	150,000,000	1,500,000,000	84,970,000	849,700,000	Exercise of employee stock option: NT\$440,000	None	Commercial License No. 10001085870 issued on April 28, 2011
2011.07	10	150,000,000	1,500,000,000	84,972,000	849,720,000	Exercise of employee stock option: NT\$20,000	None	Commercial License No. 10001171680 issued on July 28, 2011
2011.12	10	150,000,000	1,500,000,000	85,027,000	850,270,000	Exercise of employee stock option: NT\$550,000	None	Commercial License No. 10001282080 issued on December 14, 2011
2012.02	13	150,000,000	1,500,000,000	96,438,000	964,380,000	Capital increase: NT\$148,343,000	None	Commercial License No. 10101016810 issued on February 1, 2012
2012.04	10	150,000,000	1,500,000,000	96,916,000	969,160,000	Exercise of employee stock option: NT\$4,780,000	None	Commercial License No. 10101060650 issued on April 10, 2012
2012.07	10	150,000,000	1,500,000,000	96,928,000	969,280,000	Exercise of employee stock option: NT\$120,000	None	Commercial License No. 10101120720 issued on July 5, 2012
2012.09	10	150,000,000	1,500,000,000	96,948,000	969,480,000	Exercise of employee stock option: NT\$200,000	None	Commercial License No. 10101194800 issued on September 18, 2012
2013.01	10	150,000,000	1,500,000,000	96,956,000	969,560,000	Exercise of employee stock option: NT\$80,000	None	Commercial License No. 10201004040 issued on January 8, 2013
2015.02	10	150,000,000	1,500,000,000	100,806,000	1,008,060,000	Capital increase: NT\$38,500,000	None	Commercial License No. 10401020890 issued on February 6, 2015
2019.08	10	150,000,000	1,500,000,000	105,814,900	1,058,149,000	Capitalization of retained earnings: NT\$50,089,000	None	Commercial License No. 10801112350 issued on August 16, 2019
2020.09	10	150,000,000	1,500,000,000	107,888,638	1,078,886,380	Capitalization of retained earnings: NT\$20,737,380	None	Commercial License No. 10901172170 issued on September 23, 2020
2021.10	10	150,000,000	1,500,000,000	110,003,851	1,100,038,510	Capitalization of retained earnings: NT\$21,152,130	None	Commercial License No. 11001180560 issued on October 4, 2021
2022.02	10	150,000,000	1,500,000,000	109,375,851	1,093,758,510	Capital Reduction via Buyback of Treasury Stocks: NT\$6,280,000	None	Commercial License No. 11101029490 issued on February 25, 2022
2024.09	10	150,000,000	1,500,000,000	112,657,127	1,126,571,270	Capitalization of retained earnings: NT\$32,812,760	None	Commercial License No. 11330164170 issued on September 18, 2024

B. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common stock	112,657,127	37,342,873	150,000,000	OTC stocks

C. The relevant information on the comprehensive declaration system: None.

- (2) List of Major Shareholders: Shareholders with ownership stakes of 5% or more of the total shares or shareholders ranking among the top ten in terms of ownership percentage.

March 31, 2025

Shareholder's Name	Shareholding	Shareholding percentage
National Development Fund, Executive Yuan	30,098,438	26.72%
Purzer Pharmaceutical Co., Ltd.	1,364,140	1.21%
Genovate Biotechnology Co., Ltd. (Treasury Stock)	1,137,000	1.01%
Lin, Tso-Yen	625,210	0.56%
Citigroup in custody of Berkley Capital SBL/PB Investment Account	597,866	0.53%
Lien Shen Investment Co., Ltd.	509,877	0.45%
Fu, Hui-Chung	346,000	0.31%
Tsai, Tsan-Huang	340,647	0.30%
Lin, Hsiu-Wan	338,000	0.30%
Hsu, Chung-Sheng	337,040	0.30%

- (3) Dividend Policy and Implementation Status:

A. Dividend Policy:

The company's dividend policy is determined based on its operational strategy, short-term and long-term investment plans, capital budget, and changes in the internal and external environments. Depending on the annual profit situation, the board of directors will propose a distribution plan to be approved and implemented during the shareholders' meeting. The company follows the principle of balanced dividend distribution, which mandates that at least half of the profits that can be distributed as dividends should be given to shareholders. A minimum of 10% of profits will be distributed as cash dividends.

B. Proposed Distribution of Dividends at the Shareholder's Meeting:

The company's board of directors decided to distribute cash dividends of NT\$ 0.1 per share and stock dividend of NT\$0.2 on March 11, 2025. After the annual general meeting on May 29, 2025, the distribution will be processed in accordance with applicable regulations.

- (4) The impact of the Bonus shares proposed at this shareholders' meeting on the company's operating performance and earnings per share: Not applicable.

- (5) Compensation of Employees and Directors:

A. According to Article 28-1 of the company's Articles of Incorporation, the company is required to allocate employee compensation based on a percentage of not less than 10% of the current year's profit situation. Additionally, director's compensation should not exceed 2% of the current year's profit. However, the company should compensate for any accumulated losses.

Employee compensation may be given in the form of stock or cash, and subsidiary company employees who meet certain conditions may be eligible to receive such compensation.

The profit of the current year mentioned in Paragraph 1 refers to the pre-tax profit of the current year before deducting the distribution of employee and directors' compensation.

A resolution of the board of directors with the support of the majority of the present directors and at least two-thirds of the present directors should approve the distribution of employee compensation and director and supervisor compensation. A report should be submitted to the shareholders' meeting for approval.

B. The basis for estimating employee and directors' compensation, calculating the number of shares to be distributed as employee compensation, and accounting for any difference between the actual distributed amount and the estimated figure for the current period is as follows:

I. The compensation for employees and directors for 2024 was estimated based on the profit situation and the proportions defined in the Articles. This resolution was passed by the board of directors on March 11, 2025, and the disbursement was carried out accordingly.

II. If there is a discrepancy between the estimated amount and the disbursement amount determined by the Board of Directors, accounting estimates are adjusted accordingly, and the adjustment is accounted for in the year of the Board's decision.

III. There were no plans to distribute employee stock rewards during the current period, so no related amounts were estimated.

C. Board of Directors' approval of the distribution of remuneration:

I. The amount of employee and director compensation distributed in cash or stocks. If there is a difference between the actual amount and the estimated amount of recognized expenses for the year, the difference, reason, and treatment should be disclosed:

The following outlines the strategy for distributing employee and director compensation for the fiscal year 2024, as approved by the board of directors on March 11, 2025: In cash, NT\$705,895, representing director compensation, and NT\$3,529,479 for employee compensation are disbursed, with no deviance from the estimated expense recognized for 2024.

II. The proportion of the amount of employee compensation distributed in stocks and the total amount of after-tax net income and employee compensation in the individual or separate financial statements for the period:

The company did not distribute employee stocks in 2024, so it is not applicable.

D. The actual distribution situation of employee and director compensation for the previous fiscal year (including the number of shares, amount, and stock price), and any differences from the recognized employee and director compensation should be explained, including the difference, reason, and treatment:

Actual distribution of employee and director compensation in 2023:

Employee compensation amounted to NT\$3,502,876, and director compensation totaled NT\$700,575, which were fully paid in cash, and there was no difference from the estimated amount in 2023 recognized expenses.

(6) Buy-back of Treasury Stock (Repurchases already completed):

March 31, 2025

Board resolution date/ Repurchase Batch	November 7, 2019/ 3rd Batch	August 6, 2024/ 4th Batch
Purpose of Repurchase	Transfer shares to employees	Transfer shares to employees
Repurchase Period	From November 8, 2019 to January 7, 2020	From August 7, 2024 to October 6, 2024
Repurchase Price Range	NT\$25 to NT\$37.15	NT\$14.95 to NT\$35.85
Types and Quantities of Shares Already Repurchased	1,500,000 common shares	1,137,000 common shares
Amount of Shares Repurchased	NT\$39,003,339	NT\$25,718,292
Percentage of Shares Repurchased Compared to the Planned Repurchase Quantity (%)	100%	94.75%
Number of Shares Already Canceled or Transferred	1,500,000 shares	0 shares
Cumulative Number of Shares Held by the Company	0 shares	1,137,000 shares
Percentage of Cumulative Shares Held by the Company Compared to the Total Issued Shares (%)	0%	1.01%

(7) Buyback of Treasury Stock (still in progress): None.

2. Corporate Bond: None.
3. Preferred shares: None.
4. Overseas Depositary Receipts: None.
5. Issuance of Employee Stock Options: None.
6. Issuance of new restricted shares for employees: None.
7. Status of the Issuance of New Shares in Connection with Mergers and Acquisitions (including Mergers, Acquisitions, Splits): None.
8. Financing Plans and Implementation:
For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits, such plans do not exist and are, therefore, deemed inapplicable.

IV. Operations Profile

1. Business Activities

(1) Business Scope

A. Main areas of business operations

- I. Research, development, production, manufacturing, and sales of various Western medicine preparations, biopharmaceuticals, active pharmaceutical ingredients, and intermediates.
- II. Research, development, production, manufacturing, and sales of controlled-release dosage forms of Western medicine.
- III. Technical consulting services and import/export trade of the above products.
- IV. Manufacturing and sales of various Western medicines, biopharmaceuticals, and food products.
- V. Sales and import/export of Western medicine products, Western medicine raw materials, antibiotics, serum, vaccines, and medical equipment.
- VI. Clinical trial services for various drugs.
- VII. General import/export trade business and department store sales.
- VIII. C802100 cosmetic manufacturing.

B. Operating ratio

Unit: NT\$ thousands

Product Category \ Year	2024	
	Operating Revenue	Operating ratio
Drug manufacturing	502,257	98.32%
Product agency	233	0.05%
Technical service revenue	8,351	1.63%
Others	15	0.00%
Total	510,856	100.00%

C. The current product (service) offerings of the company:

- I. Neurological drugs
- II. Neurological drugs
- III. Non-narcotic Analgesics and anti-inflammatory drugs
- IV. Genitourinary drugs
- V. Antimicrobial
- VI. Cardiovascular system drugs
- VII. Acne therapeutic agent
- VIII. Antitumor drugs
- IX. Hypoglycemic agents
- X. Dosage form improvement/development technology export services.

D. New products (services) planned to be developed:

I. PMR (Anti-intermittent claudication /Antithrombotic drug)

PMR is a medication developed to treat intermittent claudication, a symptom of peripheral arterial occlusive disease, which is a type of systemic atherosclerosis that often occurs together with other atherosclerotic diseases like coronary artery disease and cerebrovascular disease. The risk factors for peripheral arterial occlusive disease include hypertension, high blood sugar, hyperlipidemia, hyperuricemia, and smoking. The disease can cause reduced blood flow to the lower extremities, resulting in symptoms that vary based on the severity of the condition. The most common symptom is intermittent claudication, where the patient feels pain in their legs after walking, which disappears after resting. Other symptoms include numbness in the legs or feet, severe pain even when at rest, leg ulcers, and slow-healing wounds. Patients with peripheral arterial occlusive disease are at risk of developing cardiovascular diseases like stroke and myocardial infarction, and prompt treatment is necessary to reduce this risk. PMR's main component is Cilostazol, which has antiplatelet and vasodilation effects and can improve intermittent claudication symptoms. The currently available immediate-release formulation releases a large amount of the drug within a few hours, causing side effects such as headaches and palpitations, which may lead to treatment discontinuation. The PMR formulation is designed using a new release technology that allows the drug to be continuously released for up to 24 hours, reaching the required therapeutic concentration while reducing the incidence and severity of adverse reactions and enhancing the overall treatment effect.

PMR has received funding from the Ministry of Economic Affairs' Department of Technology's Fast Track clinical trial program and has completed pharmacokinetic tests demonstrating that the once-a-day PMR can reach the target concentration range as expected.

Cilostazol has already been approved in Japan for the treatment of peripheral artery occlusive disease and for preventing recurrent cerebral embolism. This indicates that there is potential for PMR to expand its indication to include stroke treatment, paving the way for future development opportunities. After successfully completing Phase II clinical trials in humans, PMR signed a commercial agreement with Otsuka Pharmaceutical Co., Ltd. in August 2014 to facilitate joint clinical development, registration, sales, and production of PMR in Taiwan and the Asia-Pacific region. The pivotal clinical trials for registration and inspection began in mid-2016, and a positive response was received after a pre-IND meeting with the US FDA at the end of 2016. In order to expand its R&D capabilities and explore the R&D strategy in the United States, the PMR team decided to focus its resources on entering the international market, terminating its clinical trials and cooperative development in Taiwan.

The company has successfully completed all clinical trial evaluations required by the US FDA, and the statistical analysis shows that the results align with the primary efficacy indicators. Following positive feedback from the FDA's pre-IND meeting in 2020, the company has optimized the prescription design. The preclinical pharmacokinetic test of the modified prescription has been completed. In 2024, a pivotal pharmacokinetic study was completed, and the statistical results met the primary efficacy endpoints. An NDA Core Team has been established to initiate and regularly monitor operations related to commercialization, regulatory affairs, GMP compliance, and clinical trials.

If approved, this product will be the world's first drug for intermittent claudication with once-daily dosing, providing patients with a more convenient, effective, and less side-effect treatment option.

II. GX17 immunomodulatory drugs:

The primary component of GX17 is hydroxychloroquine (HCQ), which is an important medication for treating rheumatoid arthritis and systemic lupus erythematosus and is included in the World Health Organization's essential medicines list. HCQ contains a stereo center and, therefore, has two optical isomers that exhibit different pharmacokinetic properties in vivo.

Recent studies have shown that the (S)-(H) form of HCQ has advantages over commercial products, including lower fluctuations in blood concentration, a longer duration of action, and fewer side effects, making it safer for long-term use in patients. The GX17 project aims to develop a patent preparation method for the (S)-(+)-HCQ crystal form, which will be used to create new drug formulations and indications.

Unipharma Co., Ltd. is collaborating with the formulation research and development team on this project, and a patent for the raw crystal form has already been obtained. Animal experiments have been conducted, and formulation development will proceed once the relevant biochemical evaluations are completed. Additionally, the US FDA has approved the second indication for Antiphospholipid Syndrome (APS), and the first human pharmacokinetic trial was successfully completed in 2022. The FDA has issued a "Study May Proceed Letter," and clinical trial preparation is currently underway. Patents for the crystal form of GX17 and its use in APS have also been filed in multiple major countries worldwide. Successful development of GX17 will result in a new drug for the treatment of rheumatoid arthritis, systemic lupus erythematosus, and APS, with fewer side effects and a longer duration of action, providing patients with a more effective and safer treatment option.

III. NF02 Epilepsy Treatment Device:

The blood-brain barrier presents a major challenge for the treatment of brain disorders, as it impedes the vast majority of medications from crossing the brain's blood vessels. However, the NaviFUS® Model 101 Neuronavigation-guided focused ultrasound equipment, developed by our sister company NaviFUS Corporation, has shown promising results in overcoming this obstacle. By emitting signals to blood vessels close to brain lesion tissue through the skull from outside the body, this equipment induces the expansion of microbubbles within the blood vessels via its mechanical energy. As a result of the vibration that compresses the blood vessel wall, the blood-brain barrier becomes temporarily permeable, enabling up to many times more efficient drug penetration from the blood vessel into the lesion area. This breakthrough is expected to significantly increase delivery of drugs to the brain and enhance the efficacy of treatments for brain diseases. In addition, NaviFUS employs a surgical navigation system to accurately direct the ultrasound beam to the target area.

Genovate and NaviFUS established a holding company to invest in Australia and launch a research and development venture there. The goal was to take advantage of Melbourne's neuromedical research and development center, as well as the favorable local tax and regulatory environment, to plan Alzheimer's disease trials using an Academic-Industry approach. The Human Research Ethics Committees of the Australia Therapeutic Goods Administration approved the clinical study application in August 2020, but the start of the project was delayed due to the epidemic. After reassessing priorities in 2022, it was decided to discontinue the Alzheimer's Project and participate in a multinational, multi-center clinical trial jointly established by Stanford and Harvard BWH, with epilepsy as the target indication. The assembly and validation of the system instruments have been

completed, and the epilepsy trial protocol has successfully passed the review of the ethics committee of the testing hospital. Enrollment officially commenced in May 2023, and the trials are currently on going.

(2) Industry overview

A. Industry Status and Development

Taiwan's pharmaceutical industry, which primarily relies on the production of generic drugs for the domestic market, faced limited revenue growth from exports. Despite the availability of favorable policies, the new drug sector has not become the mainstream of the industry, leaving much room for improvement. Although regional generic drug market will be squeezed by oligopoly market of original manufacturers, new market opportunities will arise from expiration of patents of OEM drugs. Above all, in face of increased medical expenses, incurred by the aged society, each country would further encourage use of generic drug to relax financial pressure, leading to expansion of generic drug market size.

Over the past 30 years, Taiwan's pharmaceutical industry has developed a relatively complete industrial chain, including new drug research and development, production of raw materials, formulation development, pharmaceutical production, contract research organizations (CROs), and clinical trials. Thanks to mature government regulations and review processes, the industry's vertical and horizontal division of labor has been established to some extent. However, due to the small market size and limited domestic demand, Taiwan must expand its market internationally to thrive. In recent years, the government has designated biotechnology and pharmaceuticals as one of the key "5+2" innovative R&D industries and launched the "Biomedical Industry Innovation Program" to promote industry growth. The program aims to achieve this by "Building the Biomedical Corridor," "Upgrading Industry Infrastructure and Ecosystem," "Connecting the World," and "Pursuing the Industries of the Future." The ultimate goal is to transform the biotech and pharmaceutical industries into a new engine for Taiwan's economic development. The government has incentivized investment and encouraged innovation while also relaxing regulations to meet international standards.

In 2017, the Pharmaceutical Affairs Act was amended by the Legislative Yuan to establish a drug patent-approval linkage. This new requirement means that generic drug manufacturers must notify the Ministry of Health and original drug manufacturers that they have not infringed relevant patents before applying for market approval, which has raised the threshold for generic drug development. This change has forced manufacturers to consider transitioning to new drug development. In addition, the Taiwan Food and Drug Administration (TFDA) has amended the "Pharmaceutical Affairs Act Enforcement Rules" to authorize various agencies, such as CDE and hospitals, to handle clinical trial procedures and approvals in a layered manner, shortening review time and benefiting new drug development investments.

Taiwan officially became a member of the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) in 2018, which further synchronizes Taiwan's medical regulations with international standards and has a positive impact on the development of Taiwan's pharmaceutical industry. With various international certifications, the industry can accelerate upgrades, seek international orders, and expand its scale.

The convergence of Taiwan's strengths in the Information and Communications Technology (ICT) industry with the biotech industry has become a prominent trend. ICT companies have utilized their advanced technology and funds to venture into the field of AI medical, medical equipment, testing, and cloud systems, covering not only diagnosis, treatment, and care for the sick but also prevention, risk assessment, and home health management.

According to statistics, among US FDA-approved new drugs, over half adopts accelerated review or priority review process. These cases, which aim to provide new drugs to meet unmet medical needs, have established important pathways for successful drug approvals. China's food and drug administration has also implemented comprehensive reforms to simplify the review process, shortening the drug lag period by a multiple. This indicates that rapid development of new drugs and drug approval has become a new trend. Therefore, selecting topics that meet unmet needs is crucial to whether a product can be launched as soon as possible and is an important key to success.

For many years, Taiwan's biotech and pharmaceutical industry has been focusing on the development of key technologies to improve the industry's ecological system and has gradually achieved stage results. Not only has Taiwan independently developed new drugs that have been approved for marketing in the US, Europe, Japan, and other countries, but there are also many cases of new drugs being licensed to international giants. Since the government implemented the "Act for the Development of Biotech and Pharmaceutical Industry" in 2007, it has led the industry's development. As of the end of July 2024, there were a total of 211 biotech new drug companies approved, 533 items approved as biotech new drugs, and 84 items had obtained marketing authorization. At the meantime, there are already

134 biotech companies listed on the domestic stock market, with a total market capitalization of more than NT\$1.32 trillion, with contributions to the biotech industry's revenue increasing year by year.

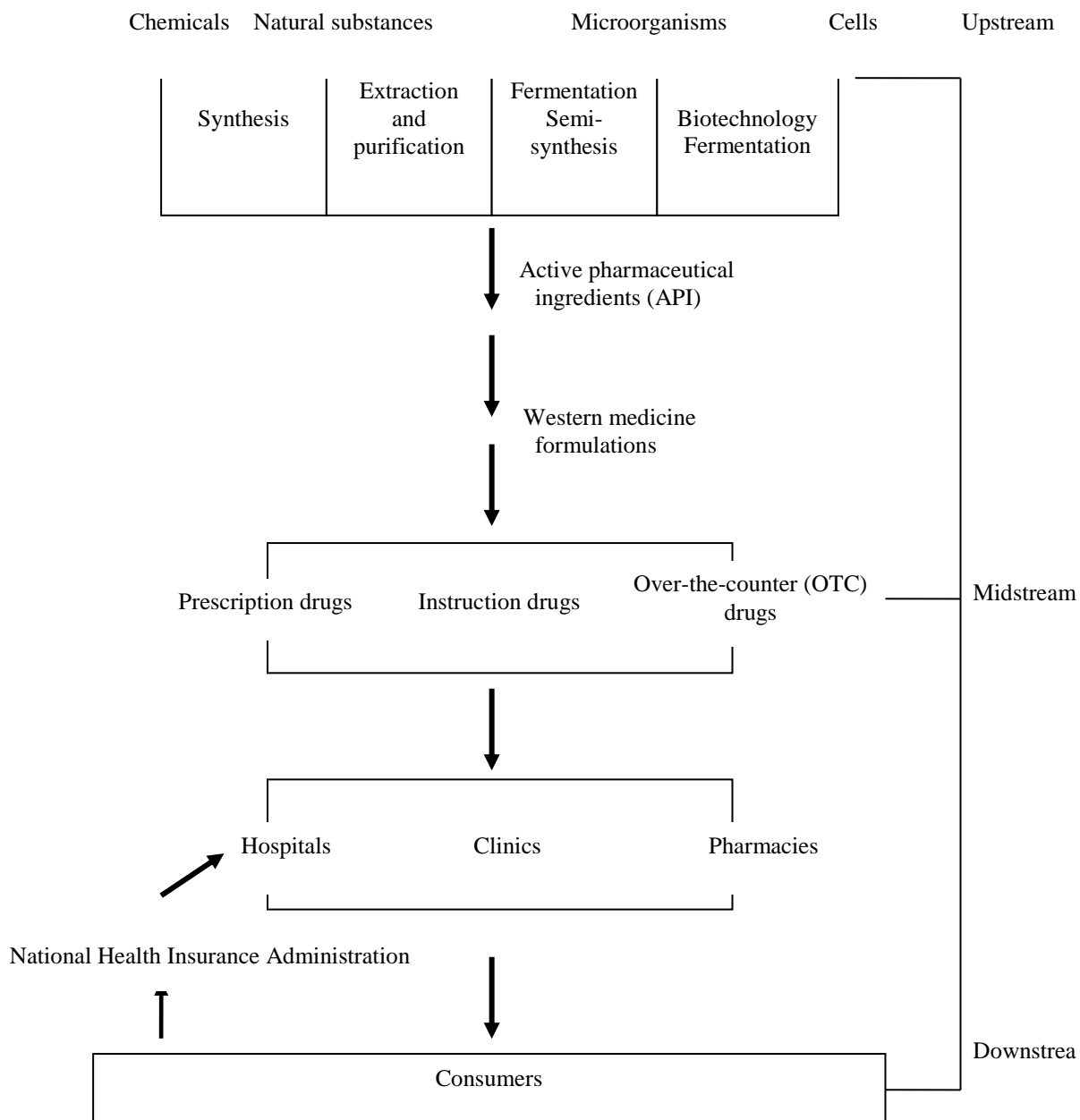
The recent amendment to the "Act for the Development of Biotech and Pharmaceutical Industry" in Taiwan reflects the government's efforts to support the development of emerging projects such as new dosage medications, regenerative medicine, digital health, and innovative technology platforms. By leveraging the strengths of the medical technology and information technology industries, Taiwan can develop more precise treatments and expand its biotechnology and pharmaceutical manufacturing capabilities. The establishment of Contract Development and Manufacturing Organization (CDMO) enterprises will also contribute to the growth of the industry.

In 2025, a super aged society will come up in Taiwan. In response to social impact, made by such a phenomenon, the government plans the "Gerontechnology Industry Action Plan", which was officially launched in 2024. Under the framework, mainly built on four bases of promotion of market economy, expansion of digital empowerment, reinforcement of care effectiveness, and optimization of senior life, the plan aims to foster dedicated talents, improve infrastructure, promote development of the gerontechnology industry, strengthen elderly's digitized learning, increasing social contact/social connection, development of product/service/system designed for users as caregivers, mitigation of caregiver's burden, and demonstration of the "people-oriented" prospect of the Taiwan technology. Therefore, research, development and design of products characterized by convenience, simplicity, and certain support in drugs for the elderly.

Despite the favorable environment for the industry, many domestic pharmaceutical companies face challenges such as limited profits and competition in a crowded market. To establish a world-class biotech industry comparable to the IT and semiconductor industries, Taiwan must focus on developing niche products, collaborating with government resources and private investment, integrating the strengths of the upstream, midstream, and downstream sectors, and overcoming obstacles to enter the international market. By pursuing these strategies, Taiwan's biotech and pharmaceutical industry can continue to thrive and make significant contributions to the country's economic growth.

B. The Industry's upstream, midstream, and downstream links:

The upstream of the pharmaceutical manufacturing industry is the acquisition of raw materials, the middle stream is the production of preparations, and the downstream is the development of marketing channels. The correlation is shown in the following figure:



△ excerpt from: Yearbook of Pharmaceutical Industry 2003 (Biotechnology Center, ITIS compilation)

C. Product Development Trends and Competitions:

I. The Rising Tide of Aging Population and the Surging Need for Medical Care

According to the “Global Trends Report” released by the United Nations Population and Development Committee, the global population was 7.6 billion in 2017, with the elderly population accounting for 9% (700 million people). By 2025, the global population is expected to reach 9.8 billion, with the elderly population over 65 exceeding 1.5 billion and accounting for 16%. With the improvement of human living standards, the demand for medical care is increasing. The aging of the population is a global trend, and the medical needs related to elderly diseases, chronic diseases, and lifestyle diseases are the key focus of industry development.

II. The Escalating Incidence of Mental Disorders in a Fast-Paced World

In modern society, people are under a lot of pressure, and the number of people suffering from various mental disorders such as anxiety, fear, obsession, depression, and weakness is increasing. Some of these disorders, such as dementia and schizophrenia, belong to the realm of neuropsychiatric diseases. They are the areas in which the modern medical system will increase investment in the future, in which new drug research and development can progress.

III. The threat of cancer

In 2004, WHO reported that around 7.4 million people died of cancer worldwide, and this number is expected to rise to 11.8 million by 2030. In Taiwan, cancer has remained the leading cause of death for 31 consecutive years. The severity of this disease has prompted pharmaceutical companies to invest heavily in research and development in this area. Early establishment of relevant R&D product lines can give companies a competitive edge in the future markets.

In recent years, due to severe government deficits and excessive borrowing, budget tightening and cost-cutting have put pressure on medical insurance expenditures. This has compressed the growth of medical insurance expenditures, resulting in an increase in the use of relatively cheap generic drugs. In order to control health insurance expenditure, the Health Insurance Bureau has adopted the “Grouping Drug Price Setting Strategy.” Medical institutions have also turned to using domestic generic drugs to make a profit. Thus, the growth of the Taiwan generic drug market appears predictable. However, the low entry barrier to the generic drug market and immediate profit effects have caused most domestic pharmaceutical companies to concentrate on manufacturing generic drugs. This has resulted in a small market with insufficient intake and intense price competition among pharmaceutical companies. The Health Insurance Bureau's regular drug price adjustment measures have further eroded pharmaceutical companies' profit margins. As a result, the battle in the Red Sea remains unwinnable. A continuing goal will be to figure out how to make good use of diverse drug regulations and various marketing strategies, combine quality advantages and brand image, expand the target market, and capture large hospitals and medical centers.

Genovate has a history of staying ahead of competitors by effectively identifying and developing trends. They strategically chose to develop PMR (peripheral arterial occlusion), GX17 (immunomodulator), and MMF (lupus nephritis) based on their insights into the trends mentioned above. To reduce risks, Genovate combines production, government, and academia through alliances. In the future, they plan to leverage their developmental achievements to expand internationally by introducing international partners through licensing fees, thereby achieving their goal of internationalization.

With the development of PMR in the United States, the new indication drug MMF (lupus nephritis) being launched, and the entry into cutting-edge areas such as high-end medical devices and Cytotherapy through investment companies, Genovate plans to gradually move away from the Red Sea of the domestic drug market. They will leverage their market advantage in niche items to expand internationally and create value based on a diversified and advantageous product portfolio. They will also focus on growth through commissioned manufacturing for the original manufacturers.

(3) Research and Development Overview:

A. Research and Development Expenses:

Unit: NT\$ thousands		
Year	2024	As of March 31, 2025
Amount	59,488	12,076

B. Research and Development Achievements:

I. DBPR108 (prusoglipthine), a new drug with new ingredients for diabetes treatment, is named among commodity in China “Shan Tse Ping”.

As a leader, Genovate united six local pharmaceutical companies to organize an industry alliance, which collaborate with academic research sectors such as National Health Institutions, Taipei General Veterans Hospital, etc. for development. In the initial stage of development, Phase I trial is carried out with approval respectively by Taiwan and US FDA, along with acquisition of 3-year subsidy in the total amount of NT\$150 million in the name of first case of “Contributive Biotechnology”, sponsored by the Executive Yuan. It is the first successful case in a concrete sense.

DBPR108 is a kind of new drug for diabetes with DPP4 inhibitor. Its competition edges are:

- Effective oral dosage with high acceptance by patients.
- Novel small polymeric compound, protected by international patents, including US, ROC, Australia, Korea, China, etc.
- In comparison with DPP4 inhibitor in the same series, its safety is high as a result of pre-clinical animal toxicology study with low side effect. In the late stage of development, we sign a technology licensing and co-development agreement with CSPC Pharmaceutical Group Ltd. in China in terms of DBPR108 to jointly undertake matters such as research & development, registration, promotion, sales & production etc. of the said drug. It lasts 12 years; the drug certificate has been successfully issued by National Medical Products Administration (NMPA) of China with approval for listing in the market this year.

II. MMF (Mycophenolate mofetil) - a new drug for lupus nephritis: Systemic lupus erythematosus (SLE) is an autoimmune disease that can affect any organ in the body, with the kidneys being one of the most commonly affected organs. Severe lupus nephritis, if not treated appropriately, can progress to end-stage renal disease and even death. High-dose steroids combined with immunosuppressants or cytotoxic agents are the current mainstay of treatment for this disease.

However, in recent years, mycophenolate mofetil (MMF), originally used as an immunosuppressant for organ transplantation, has been found to have good efficacy in the induction and maintenance therapy of proliferative lupus nephritis. Clinical trials have shown that MMF has superior efficacy compared to AZA, including delaying the time of treatment failure and experiencing fewer severe adverse events. As a result, MMF has gradually become the first-line standard medication for maintenance treatment of lupus nephritis.

While the cost of MMF for the treatment of lupus nephritis is already covered by national health insurance in some Asian countries, including South Korea, Malaysia, and China, it has not been included in the list of reimbursable items in Taiwan. To meet the medical needs of SLE patients in Taiwan and reduce their financial burden, Genovate has actively developed this new indication.

Clinical trials for registration and verification have been completed, and the final report has been approved by the TFDA for listing. In August 2018, the Ministry of Health and Welfare issued a new indication drug certificate, with a five-year administrative protection period. This achievement marks a milestone in Genovate's R&D capabilities, as the product has been developed in just four years.

III. PMR is an anti-intermittent claudication drug that has undergone various stages of development. With the support of the Ministry of Economic Affairs' Fast Track program, PMR's pharmacokinetic study was completed, demonstrating that a once-daily dose can effectively achieve the target concentration range. The drug has completed Phase II clinical trials on humans, yielding promising results. Following the successful Phase II trial, a commercial agreement was signed in August 2014 with Otsuka Pharmaceutical Co., Ltd. of Japan to jointly develop, register, sell, and produce PMR in Taiwan and the Asia-Pacific region. In mid-2016, a pivotal clinical trial for registration began enrolling subjects, and a pre-IND meeting with the US FDA yielded positive feedback at the end of the year. However, in order to expand R&D capabilities and enter the international market, the PMR team has decided to terminate clinical trials and cooperative development in Taiwan.

The pharmacokinetic test was conducted in 2022, after finalizing the prescription revision. In 2023, clinical batch production with dosage adjustments was completed, along with pharmacokinetic trials. If successful, this product will be the world's first new drug for intermittent claudication with once-daily dosing and represent a potentially superior treatment option for patients, providing high efficacy, convenience, and low side effects.

In 2024, the company set up a NDA Core Team to make a milestone progress in NDA of new drug in the US.

If successful, this product will be the world's first new drug for intermittent claudication with once-daily dosing and represent a potentially superior treatment option for patients, providing high efficacy, convenience, and low side effects.

IV. NF02 Epilepsy Treatment Device:

The blood-brain barrier presents a major challenge for the treatment of brain disorders, as it impedes the vast majority of medications from crossing the brain's blood vessels. However, the NaviFUS® Model 101 Neuronavigation-guided focused ultrasound equipment, developed by our sister company NaviFUS Corporation, has shown promising results in overcoming this obstacle. By emitting signals to blood vessels close to brain lesion tissue through the skull from outside the body, this equipment induces the expansion of microbubbles within the blood vessels via its mechanical energy. As a result of the vibration that compresses the blood vessel wall, the blood-brain barrier becomes temporarily permeable, enabling up to many times more efficient drug penetration from the blood vessel into the lesion area. This breakthrough is expected to significantly increase delivery of drugs to the brain and enhance the efficacy of treatments for brain diseases. In addition, NaviFUS employs a surgical navigation system to accurately direct the ultrasound beam to the target area.

Genovate and NaviFUS established a holding company to invest in Australia and launch a research and development venture there. The goal was to take advantage of Melbourne's neuromedical research and development center, as well as the favorable local tax and regulatory environment, to plan Alzheimer's disease trials using an Academic-Industry approach. The Human Research Ethics Committees of the Australia Therapeutic Goods Administration approved the clinical study application in August 2020, but the start of the project was delayed due to the epidemic. After reassessing priorities in 2022, it was decided to discontinue the Alzheimer's Project and participate in a multinational, multi-center clinical trial jointly established by Stanford and Harvard BWH, with epilepsy as the target indication. The assembly and validation of the system instruments have been completed, and the epilepsy trial protocol has successfully passed the review of the ethics committee of the testing hospital. Enrollment officially commenced in May 2023, and the trials are currently on going.

(4) Long-term and Short-term Development Plan:

A. Short-term Development Plan:

- I. Invest in hardware and software to improve production quality in compliance with the PIC/S GMP certification by the Ministry of Health and Welfare, and strive to produce OEM products for foreign manufacturers with high profits.
- II. Reduce raw material costs, improve production processes, and increase efficiency through batch amplification to maximize product profits.
- III. Expand into other biomedical product fields beyond small molecule drugs (such as innovative medical devices and Cytotherapy) and move towards diversified development.
- IV. Strengthen the advantages of dosage form development and professional technical expertise in drug production to explore international technical cooperation opportunities.
- V. Through investment strategy cooperation, apart from strengthening the product line, the company also implements investment performance management to accumulate company value.

B. Long-term Development Plan:

- I. Implement the innovative R&D mode of industry-academia collaboration and industry alliances to carry out new drug development plans. And with the "sharing of R&D and gradual authorization" approach, strive to maximize the value of new drugs.
- II. Enhance the company's value through strategic alliances, according to the principle of "regional marketing, international R&D."
- III. Continuously generate profits, maintain sustainable operations, seek maximum benefits for employees and shareholders, fulfill corporate social responsibilities to give back to the community, and establish a brand image.

2. Market and Sales Overview

(1) Market Analysis

A. Sales/provision of main products/services in market share by region:

In the domestic pharmaceutical market, large medical institutions are the main consumers, but their distribution channels are largely controlled by foreign pharmaceutical companies and a small number of original manufacturers. Currently, the company's products are primarily sold in the domestic market, with some success in Vietnam, Hong Kong, South Korea, and Thailand. However, the revenue generated from these regions remains relatively small. The company's distribution channels primarily include newly established hospitals and regional hospitals, supplemented by sales to large hospitals through distributors, with gradual gains.

B. Future Market Growth and Supply-Demand Dynamics:

Taiwan has joined the ranks of "developed countries," and the expansion of medical expenditures is expected to continue. Biopharmaceuticals are also a key development industry for the country, with short- to medium-term growth prospects. However, the company is facing fierce competition due to the impact of the National Health Insurance deficit,

budget allocation, and drug price adjustments. As such, the company needs to focus on innovative product concepts, strong R&D capabilities, and practical international perspectives to create differentiated products that can provide value to customers and generate profits.

C. Factors affecting competitive niches and future development, and corresponding strategies:

I. Favorable Factors:

- (a) The pharmaceutical industry is relatively stable and less affected by economic conditions, and the implementation of national health insurance ensures stable medicine usage.
- (b) The management team has a global perspective and practical experience in developing new drugs, with clear goals.
- (c) The company has a strong product development team with a precise selection of direction and experience in conducting FDA new drug reviews and GCP clinical trials.
- (d) The company's factory complies with PIC/S GMP specifications and produces high-quality products.

II. Unfavorable factors and countermeasures:

- (a) High risk in developing new drugs
 - Corresponding strategy: Develop new drugs with lower risks, such as new dosage forms, new uses, and niche generic drugs, while seeking joint development partners and applying for government subsidies through the industry-academy-research alliance model to diversify risks and accelerate development schedules.
- (b) Long product development schedule
 - Corresponding strategy: Effectively control the product development schedule to shorten the product development timeline. For newly developed drugs, collaborate with international pharmaceutical companies or license the product before it is launched to expand the global market.
- (c) Tightening of drug price reimbursements by the National Health Insurance
 - Corresponding strategy: Actively expand into the international market to reduce dependence on the domestic market and develop non-reimbursable items.
- (d) Lack of experience in supplying and selling medicines to large hospitals
 - Corresponding strategy: We take the lead to use brand new drug and niche generic drug, imitate OEM model, and put sound focus, step by step, on doctors in major department and patients' clubs as leaders with internal and external cooperation to compete in the market.

(2) Main uses and production processes of main products

A. Neurological drugs

Antianxiety, sedative-hypnotic, muscle relaxant, and antihistamine

B. Gastrointestinal drugs

Cholagogue and enteritis

C. Non-opioid Analgesics and anti-inflammatory drugs

Arthritis

D. Genitourinary drugs

Urinary incontinence and prostate enlargement

E. Antimicrobial

Fungal infections

F. Cardiovascular drugs

Angina pectoris, shock, and antihypertensives.

G. Acne therapeutic agent

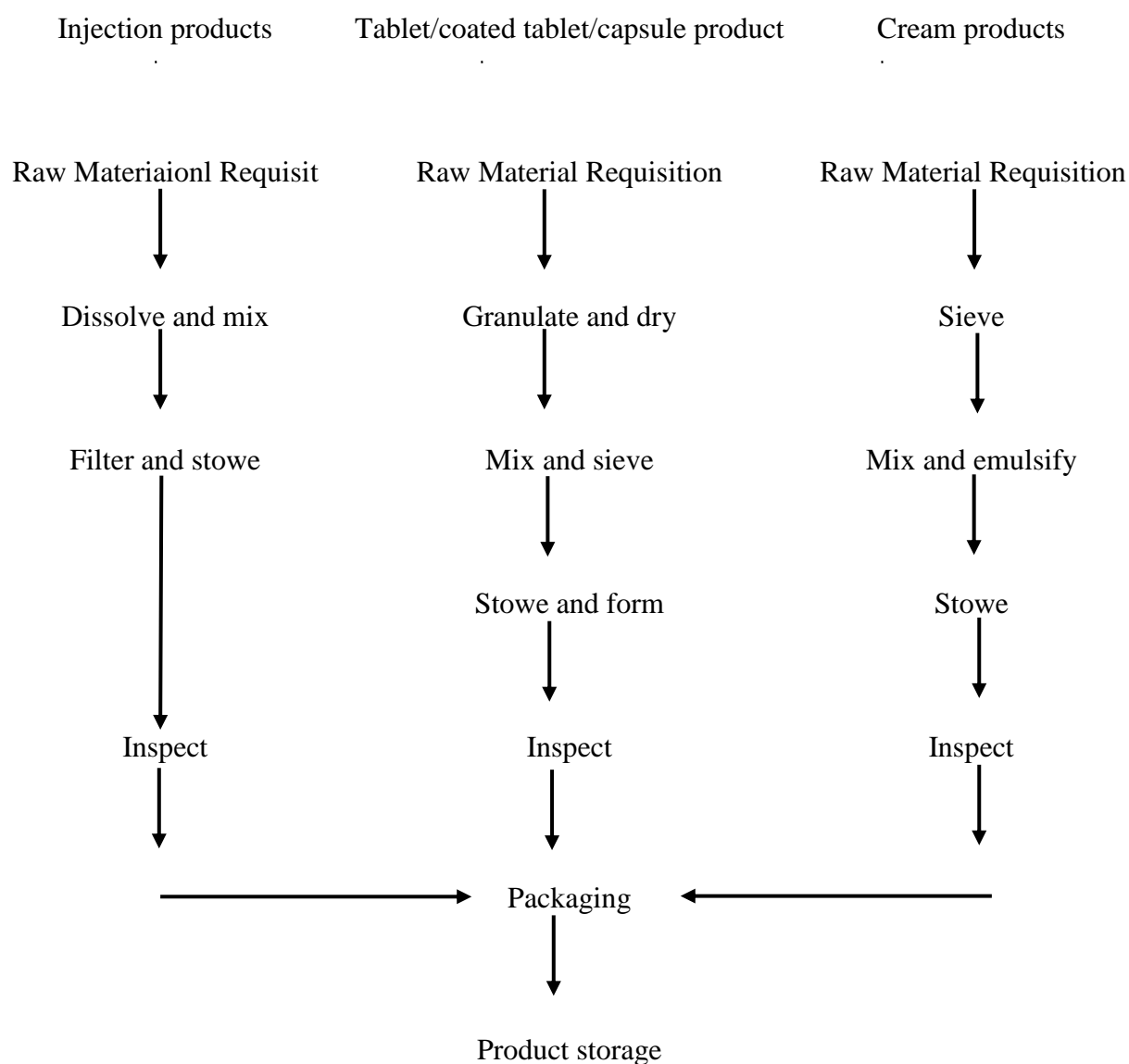
Acne vulgaris

H. Antitumor drugs

Breast cancer and pneumonia

I. Hypoglycemic drugs

Diabetes mellitus.



(3) Supply status of the main raw materials:

The company's main raw materials come from two sources, domestic and foreign suppliers of raw materials. In order to ensure a stable supply of raw materials and obtain more favorable prices, the company adopts a procurement strategy of signing supply contracts and receiving batch deliveries. The company also operates with at least two suppliers for each of their main raw materials to respond to unforeseen circumstances. Therefore, the supply of their main raw materials is stable.

(4) Name of clients who accounted for more than 10% of total purchases (sales) in any of the last two years, along with their purchase (sales) amount and proportion, and explain the reason for the increase/ decrease:

A. Suppliers who have accounted for more than 10% of the total purchases in any of the last two years

Unit: NT\$ thousands

2023					2024				As of the previous quarter of 2025(Note 2)			
Item	Name	Amount	Total annual purchase net amount ratio (%)	Relationship with issuer	Name	Amount	Total annual purchase net amount ratio (%)	Relationship with issuer	Name	Amount	Purchase net percentage as of the last quarter of the current fiscal year	Relationship with issuer
1	Other	134,657	100	N/A	Other	144,414	100	N/A	F. D. Enterprise Corp.	4,595	17	N/A
2	-	-	-	-	-	-	-	-	Other	23,059	83	N/A
3	-	-	-	-	-	-	-	-	-	-	-	-
	Net Total Supplies	134,657	100		Net Total Supplies	144,414	100		Net Total Supplies	27,654	100	

Note 1: The names and purchase amounts of suppliers, whose purchase amount accounts for over 10% of the total purchase amount in the past two years, are listed. However, if the contract stipulates that the supplier's name or the counterparty is an individual who is not a related party cannot be disclosed, a code name may be used instead.

Note 2: For companies that have been listed or whose stocks have been traded in securities firms before the printing date of the annual report, if there is financial information that has been audited and reviewed by accountants recently, it should also be disclosed.

Note 3: The consolidated financial information is prepared in accordance with International Financial Reporting Standards.

Note 4: Explanation of the changes in purchases between 2024 and 2023: The main raw material suppliers have changed flexibly according to the different demands of customers.

B. Major Clients Accounted for More than 10% of Total Sales in Any of the Last Two Calendar Years

Unit: NT\$ thousands

2023					2024				As of the previous quarter of 2025 (Note 2)			
Item	Name	Amount	Ratio of annual net sales (%)	Relationship with issuer	Name	Amount	Ratio of annual net sales (%)	Relationship with issuer	Name	Amount	Ratio of annual net sales (%) (As of the previous quarter)	Relationship with issuer
1	Company B	170,919	32	None	Company B	157,647	31	None	Company B	43,403	33	None
2	Other	357,593	68	N/A	Other	353,209	69	N/A	Other	87,903	67	N/A
3	-	-	-	-	-	-	-	-	-	-	-	-
	Net sales	528,512	100		Net sales	510,856	100		Net sales	131,306	100	

Note 1: The names and sales amounts of customers, whose sales amount accounts for over 10% of the total sales amount in the past two years, listed. However, if the contract stipulates that the customer's name or the counterparty is an individual who is not a related party cannot be disclosed, a code name may be used instead.

Note 2: For companies that have been listed or whose stocks have been traded in securities firms before the printing date of the annual report, if there is financial information that has been audited and reviewed by accountants recently, it should also be disclosed.

Note 3: The consolidated financial information is prepared in accordance with International Financial Reporting Standards.

3. Human Resources:

Employee Information for the Past Two Years and as of the Publication of the Annual Report

March 31, 2025

Year		2023	2024	As of March 31, 2025 of the current fiscal year
No. of Employees	Manufacturing staff	106	106	104
	R&D technicians	22	22	21
	Other personnel	65	61	59
	Total	193	189	184
Average Age		41.5	42.4	43.1
Average Years of Service		9.8	10.7	11.0
Education	Ph.D.	2.0%	2.1%	2.7%
	Masters	18.7%	18.5%	17.4%
	Bachelor's Degree	67.9%	66.7%	66.9%
	Senior High School	10.9%	12.2%	12.5%
	Below Senior High School	0.5%	0.5%	0.5%

4. Environmental Expenditure Information:

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):

- (1) The company did not incur any fines for violating environmental regulations as of the publication date of the 2024 annual report.
- (2) The company places emphasis on environmental protection and complies with regulations to the best of its ability. Currently, operations are running smoothly and no violations have occurred. Therefore, the company has not yet estimated the major expenses and projects related to environmental protection.

5. Labor Relations

- (1) Overview of the employee welfare measures, training and development, retirement system, and labor-management agreements, as well as measures for safeguarding employee rights and interests in our company:

A. Main Employee Welfare Measures and Implementation:

I. Insurance

All employees of our company participate in labor insurance (with the company paying the portion of the self-payment), national health insurance, and group insurance (including medical insurance, cancer insurance, and spouse/children insurance, with the company paying the full premium for enrollment).

II. Health Checks and Health Promotion

All employees receive an annual comprehensive health checkup, including regular blood and urine tests, cancer screening, X-rays, electrocardiograms, abdominal ultrasounds, etc. We also conduct surveys on overwork and mental health and have medical professionals explain the results to employees for follow-up care.

Starting in 2020, the company contracted with doctors and nurses to provide on-site health management services, including occupational disease prevention and health promotion.

III. Employee Welfare Committee

The Employee Welfare Committee provides employees with bonuses for major holidays, birthday gifts, marriage/funeral/childbirth subsidies, hospitalization/emergency assistance, and subsidies for domestic and international travel and club activities.

IV. Overtime pay

The company's system for paying overtime is more favorable than that required by the Labor Standards Act. (Employees are paid 1.5 times their regular hourly rate for the first two hours of overtime worked)

V. Travel incentives for achieving performance goals

Each business unit can enjoy performance-based bonuses or fully funded trips abroad for achieving performance goals.

VI. Cash Gifts

The company provides employees with cash gifts on occasions such as weddings and funerals.

VII. Meals

The company provides lunch for all employees and, occasionally, afternoon teas to help relieve employee stress and improve work efficiency.

B. Continuing Education and Training:

The company places a high priority on education and training, which is reflected in its policy and organizational structure. All employees receive annual GMP training within the company, and to further enhance their professional and industry competitiveness, the company sponsors employees to attend domestic and foreign training courses and seminars related to their work and business as needed. In 2024, a total of 419 employees participated in relevant internal and external training courses, accumulating a total of 1421.8 training hours. This commitment to education and training ensures that the company's employees are equipped with the skills and knowledge necessary to succeed in their roles and contribute to the company's growth and success.

Category of training	Internal Training	External Training
Number of trainees	324	95
Training hours	725.3	696.5
Expenditure (NT\$)	2,331,149	154,230
course Name	<ul style="list-style-type: none"> •Internal Production Training •GMP Audit Checklist and Common Deficiencies •Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct •Genovate's Vision Consensus Camp in 2024 	<ul style="list-style-type: none"> •2024 Health Food NDA Regulations Communication Seminar •2024 Drug NDA Seminar •Low-carbon Transformation of Manufacturers in the Science Park Demonstration Seminar •Drug Particulate Matter Testing and Management Seminar •Strategy of Pollution Control Based on Quality Risk Management •Drug Testing and Analysis Technology Seminar •2024 Foreign Pharmaceutical Manufacturers Management and Examination Practice Seminar •Product Carbon Footprint Verification and Carbon Management •Seminar on Application of Digital Tool to Strengthen Information Security for Achievement of ESG Paperless Goal •2024 Drug Microbe/Cell Preparations Control Technology Forum •GMP Operation of Sterile Product Manufacture Forum •Seminar on Out of Specification, Deviation, and Corrective & Preventive Action •Seminar on 2024 Pharmaceutical Company's GMP and Topic Forum on "Supply Chain Management" •Academic Seminar on Drug Development and Advanced Technology in Taiwan •Seminar on Sterile Manufacturing Process Filtration Technology and Integrity Test •Seminar on Comprehensive Analysis of Sterile Test in Drug Industry •2024 Pharmacovigilance and Audit Seminar •Educational Training on "Improving Domestic Pharmaceutical Quality and Research & Development Capacity" •Seminar on Selection of Packaging Materials of Injection Drug and Regulation Interpretation •Key Points and Consideration of Generic Drug Impurities Examination in US and Taiwan •Seminar on Excipient Application Technology in Development of Preparations Prescription •Exploration on International GMP Inspection Preparations and Lyophilization Manufacturing Process •Seminar on 2024 Controlled Drug in Medical Education, Research and Pilot Plan •Seminar on Promotion of Drug Quality with Ongoing Improvement

C. Retirement System and Implementation Status:

The company has a retirement policy in place for employees, and it complies with the law by setting aside monthly retirement benefits based on actuarial reports. The funds are deposited into a special account at the Bank of Taiwan. As per Article 56 of the newly amended Labor Standards Act, the retirement benefits for employees who meet the retirement conditions in the following year are fully reserved. In 2024, one colleagues retired honorably and were issued retirement benefits according to their seniority under the old system. The company has been following the regulations of the “Enforcement Rules of the Labor Pension Act” since July 1, 2005, and contributes 6% of each employee's monthly salary to their personal pension account at the Labor Insurance Bureau for those who choose or are eligible for the new pension scheme.

D. Labor-management accord and safeguards for employee rights:

I. The company is committed to complying with the Labor Standards Act and other relevant laws and regulations. Regular labor-management meetings are held to negotiate employee protection measures. To improve employee retention, the company recently introduced incentives such as company treasury stock, employee stock option certificates, and individual performance bonuses. The company's management style emphasizes humanization and respect for the individual, which fosters harmonious labor-management relations.

II. Diversity and inclusivity are highly valued by the company, and it actively seeks to employ individuals from vulnerable groups, such as indigenous peoples and people with disabilities. This is in line with the government's efforts to promote equal job opportunities for all individuals.

III. The company has established a code of ethics and some measures to prevent and punish workplace sexual harassment, protect employee rights, and ensure a safe and healthy work environment.

- (2) Disclosure of losses incurred due to labor disputes in the current and previous fiscal years until the printing date of this annual report (including violations of labor laws resulting from labor inspections, and should state the date of punishment, punishment number, the content of the violation, the content of the violation of the law, and the punishment content). The estimated amount of potential future losses and corresponding measures should also be disclosed. If the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained: None.

6. Information Security Management:

- (1) Description of the framework for managing information security risks, information security policies, specific management plans, and resources invested in information security management:

To implement information security management, the company has established the “Electronic Computer Processing Operation” and related security control rules to execute the information work plan. In addition to regularly assessing the availability of hardware and software, replacing old equipment, and strictly implementing backup operations, the company has also established “Business Information Management Regulations” and “Personal Information Security Maintenance Regulations” to strictly manage the use and security maintenance of data. In order to reduce the company's information security risks, the company has also set up firewalls, electronic file encryption systems, and important information storage platforms to control and audit user access and records.

- (2) List the losses suffered due to significant information security incidents in the past fiscal year up to the date of publication of the annual report, potential impacts, and response measures. If it is not reasonably estimated, it should be explained that it cannot be reasonably estimated: None.

7. Important Contracts:

Contract Type	Counterparty	Contract Period	Major Contents	Restrictions
Manufacturing Agreement	Daiichi Sankyo Taiwan Ltd.	2009.12.24~	Manufacturing Agreement on Cravit IV	None
Manufacturing Agreement	TSH Biopharm Corporation Ltd.	2012.09.01~ 2027.12.31	Manufacturing Agreement on Linicor	None
Cooperative Development Agreement	CSPC Zhongqi Pharmaceutical Technology (SJZ) Co., Ltd., Shijiazhuang	2013.01.23~ Completion of Development	Technology licensing and cooperative development contracts	None
Manufacturing Agreement	Universal Integrated Corp.	2021.04.01~ 2026.03.31	Manufacturing Agreement - Bowklean Powder	None
Investment Contract	NaviFUS Corporation	2016.07.05~ Effective upon implementation	Share Purchase Agreement	None
Investment Contract	Soleno Therapeutics, Inc. (Formerly Capnia Inc.)	2017.03.06~ Effective upon implementation	Share Purchase Agreement	None
Investment Contract	NaviFUS Corporation	2018.01.19~ Effective upon implementation	Agreement on Joint Venture Establishment of Holding Company between Genovate Biotechnology Co., Ltd. and NaviFUS Corporation	None
Investment Contract	JUNTEN BIO Co., Ltd.	2025.02.07~ Effective upon implementation	Investment Agreement and Shareholders Agreement	None

V. Review and Analysis of Financial Status and Business Results and Risk Issues

1. Financial Status:

Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	765,452	771,772	(6,320)	(0.82)
Non-Current assets	824,762	828,684	(3,922)	(0.47)
Total assets	1,590,214	1,600,456	(10,242)	(0.64)
Current liabilities	136,480	117,726	18,754	15.93
Non-current liabilities	4,596	13,960	(9,364)	(67.08)
Total liabilities	141,076	131,686	9,390	7.13
Capital stock	1,126,571	1,093,758	32,813	3.00
Capital reserve	210,664	210,556	108	0.05
Retained earnings	152,629	177,794	(25,165)	(14.15)
Other equity interests	(15,008)	(13,338)	(1,670)	12.52
Treasury Stock	(25,718)	-	(25,718)	100.00
Total Stockholders' Equity	1,449,138	1,468,770	(19,632)	(1.34)

Note: Financial information has been compiled in accordance with International Financial Reporting Standards.

(1) Major items with a change of 20% or more are explained as follows:

A. Non-current liabilities: Mainly due to allocation of old-system pension and recognition of actuarial gains in the defined benefit plans in the current period.

B. Treasury Stock: Mainly due to exercise of repurchase of the company's shares in the current period, which have not been transferred to employees as of December 31, 2024.

(2) Impact and future plans regarding the significant items are as follows:

A. Impact: There is no significant impact on the financial position.

B. Future plans: Not applicable.

2. Financial Performance:

Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2024	2023	Increase (Decrease)	Percentage change (%)
Net Operating Revenue	510,856	528,512	(17,656)	(3.34)
Decrease: Operating costs	318,207	317,596	611	0.19
Operating margin	192,649	210,916	(18,267)	(8.66)
Decrease: Operating expenses	169,219	183,909	(14,690)	(7.99)
Operating income (loss)	23,430	27,007	(3,577)	(13.24)
Non-operating income and expenses	7,630	3,818	3,812	99.84
Net income (loss) of continuing business units	31,060	30,825	235	0.76
Decrease: Total income tax expense	5,362	1,491	3,871	259.62
Net income (loss)	25,698	29,334	(3,636)	(12.40)

Note: Financial information has been compiled in accordance with International Financial Reporting Standards.

(1) Major reasons for significant changes exceeding 20%:

- A. Non-operating income and expenses: Mainly due to a decrease in the share of losses from associated enterprises and joint ventures recognized using the equity method during the period.
- B. Income tax expense: Mainly due to deduction of losses in the preceding period.

(2) Expected sales quantities and their basis:

A. Expected sales volume in 2025

Unit: Thousands

Item	Sales Volume
Pharmaceutical Manufacturing	160,431
Agency	5
Total	160,436

Note: The sales volume in the above table is based on consolidated financial information.

B. The expected sales volume is evaluated based on the following factors:

- I. Reference to past sales records and signed distribution contracts.
 - II. Competition status of similar products in the market.
 - III. Health insurance policies of the National Health Insurance Administration, such as drug price reductions, total drug price payment policies, health insurance subsidy policies, and drug importation policies.
 - IV. Seasonality of the products.
- C. Possible impacts on the company's future financial and business operations and response plans: Based on the relevant estimations of the 2024 financial condition, sales, finance, and other factors, the company's operation is in a stable state, and the future financial and business impacts are positive, which will benefit the company's expansion of related business development.

3. Cash Flow:

Analysis of Cash Flow

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities of the Year (2)	Net cash flow from investing and financing activities for the year (3)	Cash surplus (deficiency) (1)+(2)+(3)	Leverage of Cash Surplus (Deficit)	
				Investment plans	Financing Plans
\$180,032	\$55,112	(\$13,542)	\$221,602	N/A	N/A

Note: Financial information has been compiled in accordance with International Financial Reporting Standards.

(1) Analysis of cash flow changes during the year:

- A. Operating Activities: Mainly due to an increase in net profit before tax of the current period, resulting in cash inflows.
- B. Investing activities: Mainly due to a decrease of financial assets measured at amortized cost of the current period, resulting in cash inflow.
- C. Financing Activities: Mainly due to payment of cash dividends and repurchase of the company's shares in the current period, resulting in net cash outflow.

(2) Remedial measures and liquidity analysis for expected cash shortfalls: Not applicable.

(3) Analysis of cash flow liquidity for the next year:

Unit: NT\$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Net cash flow from investing and financing activities for the year (3)	Cash surplus (deficiency) (1)+(2)+(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
\$221,602	\$44,696	(\$120,973)	\$145,325	N/A	N/A
<p>1. Analysis of expected cash flow changes in the next year:</p> <p>(A) Operating activities: The main reason is the estimated cash inflow generated from operations in 2025.</p> <p>(B) Investing and financing activities: The main reasons are the purchase of real estate, factories and equipment, and the estimated cash dividend payments.</p> <p>2. Improvement plans for expected cash shortage and liquidity analysis: Not applicable.</p>					

4. Impact of Significant Capital Expenditures on Financial Operations in the Recent Year: None.

5. Recent Investment Policy, Main Reasons for Profit or Loss, Improvement Plan, and Future Investment Plan:

(1) Recent Investment Policy:

The company has adopted a new drug development strategy, new product combinations, and expanded marketing channels and regional markets through diversified investment to reduce the risk of new drug research and development and enhance the company's value and competitiveness.

(2) Major reasons for profit or loss and improvement plan for investment and divestment activities:

Re-invested businesses	Major reasons for profit or loss and improvement plans.
Genovate Biotechnology (Cayman) Co., Ltd.	The main purpose is for investment, and profits will be generated through relevant investments in the future.
Genovate-NaviFUS Inc.	The company is a holding company established in a third location by Genovate Biotechnology CO., Ltd. and NaviFUS Corporation. A research and development company was set up in Australia by the third location holding company, hoping to leverage the favorable environment of local regulations and taxation, and to combine the advantages of the Melbourne area's neurology research and development hub through an industry-academic partnership model. The company planned human trials related to Alzheimer's disease. In August 2020, the company received approval for clinical trial applications from the Australian Clinical Trials Center Ethics Committee. However, due to the impact of the epidemic, the formal launch of the trial has been delayed. In mid-2022, the company assessed the priority order of the plan and decided to postpone the Alzheimer's disease plan, and instead participate in a multinational, multicenter clinical trial designed jointly by Stanford and Harvard BWH, with the indication being epilepsy. The assembly and validation of the system instruments have been completed, and the epilepsy trial protocol has successfully passed the review of the ethics committee of the testing hospital. Enrollment officially commenced in May 2023, and the trials are currently progressing smoothly.

(3) Investment Plan for the Next Year:

The company will evaluate and invest in opportunities that complement its expertise and product lines, and will introduce cooperation or joint development as appropriate to expand the company's product portfolio and research and development capabilities. We will continue to expand start-up medical equipment and immunotherapy-related fields with a view to increasing research and development cooperation of new products, and improving Genovate's value and international competitiveness.

6. Risk assessment:

(1) Impact of interest rates, exchange rate fluctuations, and inflation on the company's income and future response measures:

A. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

I. The company's exchange gains and losses, interest income and expenses over the past two years:

Unit: NT\$ thousands

Item	2024	2023
Net foreign exchange gains (losses) (A)	431	214
Interest income (expenses) (B)	5,982	4,751
Operating revenue (C)	510,856	528,512
Operating margin (D)	192,649	210,916
A/C	0.08%	0.04%
A/D	0.22%	0.10%
B/C	1.17%	0.90%
B/D	3.11%	2.25%

Data source: Financial information have been compiled in accordance with International Financial Reporting Standards.

II. Impact of inflation on company's profitability in the recent fiscal year:

The recent inflation in the fiscal year did not have a significant impact on the company's profitability. The company will continue to monitor the inflation situation and adjust product prices and control related costs as appropriate.

B. Measures taken by the company in response to exchange rate fluctuations, interest rate changes, and inflation:

In 2024, the exchange gain or loss accounted for a lower percentage of net revenue, so the impact of exchange rate fluctuations and inflation on the company was minimal. At the same time, the company collects daily information on exchange rate fluctuations and takes appropriate response measures in a timely manner.

(2) Policies, main reasons for profits or losses, and future response measures for engaging in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, and derivative commodity trading:

In the recent fiscal year and as of the date of publication of the annual report, the company did not engage in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, or derivative commodity trading. If there is a need for capital financing, endorsement guarantees for others, or transactions of derivative financial products in the future, the company will follow the "Regulations Governing the Acquisition and Disposal of Assets," "Operational Procedures for Endorsements and Guarantees," and "Operational Procedures for Lending Funds to Others" established by the company and announce all relevant information in a timely and accurate manner in accordance with laws and regulations.

(3) Future R&D plans and expected R&D expenditures:

A. Execution status of R&D plans in the recent fiscal year:

The projects developed in recent years are new dosage form drugs, new indication drugs, and quasi-new drugs. The main goal is to complete pivotal or clinical trials to support product safety and efficacy, register new drugs, or become staged products, seek licensing opportunities for multinational pharmaceutical companies, develop European, American, and Chinese markets, collect royalties, and retain the Asian market for self-development.

Item	Completed Stage	Development Timeline (years)	Development Cost (NT\$ millions)
New Drug with New Dosage Form	The US Pivotal trial has been completed.	1	0.1
New Chemical Entity, NCE	NDA in China has been completed, and authorization has been made in China region.	1	0.1

B. Factors affecting future R&D success:

During the development of new drugs, uncertainties such as efficacy, safety, and regulatory issues may lead to potential delays in timelines, increased costs, or changes in plans due to poor competitiveness. However, the company will generally use a risk-balanced product portfolio to mitigate the impact of failures in certain products.

(4) Impact of important domestic and international policies and legal changes on the company's financial operations and response measures:

The adjustment of our country's national health insurance policy has a significant impact on our company's profitability. In addition to actively expanding our product portfolio, we are also expanding into overseas markets to boost our profits.

(5) The impact of and response measures to technological changes (including information security risks) and industry changes on the company's financial operations:

For the pharmaceutical industry, recent technological and industry changes have not had an immediate and significant impact. However, the market is becoming increasingly competitive, and our company's priority response measures are to strengthen the development of products that can be launched in the short term and to reduce product costs. The company is also actively involved in fields outside small molecule drugs, such as innovative medical materials, immunotherapy, etc., accumulating the energy to cope with the ever-changing medical technology.

(6) The impact and response measures to changes in the company's image on crisis management:

On January 12, 2012, our company officially became a listed company on the over-the-counter stock market, and all operations are running normally. Our performance is gradually showing, and our research and development capabilities and product quality are highly recognized by the industry. In case of any untrue or negative news, our company promptly clarifies the situation through the Taiwan Stock Exchange Market Observation Post System, which therefore have no significant impact on the company.

(7) Expected Benefits from, Risks Relating to, and Response to Merger and Acquisition Plans: None.

(8) Expected benefits, possible risks, and response measures for expanding factories: None.

(9) Risks and response measures faced by concentrations of purchases or sales: None.

(10) Effects of, Risks Relating to, and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of Over 10%: None.

(11) The impact, risks, and response measures in the event of a change in the company's management rights: None.

(12) Annual litigation or non-litigation events should list significant lawsuits, non-lawsuits, or administrative disputes that have been determined or are pending involving the company, directors, supervisors, general managers, substantial responsible individuals, major shareholders holding more than 10% of the shares, and subsidiaries. If the outcome may have a significant impact on shareholder rights or security prices, the disputed facts, target amount, litigation start date, main parties involved in the lawsuit, and the handling situation as of the date of publication of the annual report should be disclosed: None.

(13) Other significant risks and response measures: None.

7. Other important matters: None.

VI. Special notes

1. Information about the company's affiliates:

- (1) Consolidated Business Report of Affiliates
- (2) Consolidated Financial Statements of Affiliates
- (3) Related Reports

MOPS: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

2. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the company, participation in the operations of the company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan: None.
3. Other necessary supplementary information: None.
4. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one: None.