長聖生技
Ever Supreme Bio Technology

Stock code : 6712

EVER SUPREME BIO TECHNOLOGY CO., LTD.

2024 Annual Report

Summary Translation

Note：This English translation is for reference purpose only. In the event of any discrepancy between Chinese original and this English translation, the Chinese original shall prevail.

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Taiwan Stock Exchange Market Observation Post System:

http://newmops.twse.com.tw

Annual Report is available at: https://www.ever-supreme.com.tw

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Deputy Spokesperson

Name: Lee Po-Chin　　Title: Financial Manager
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Ⅰ. Letter to Shareholders

Looking back at the year, thanks to the efforts of our management team, we have gradually achieved various research and development plans according to our plans. The following is a brief report on the operating results of the year and the business plan for the year.

Ⅰ.2024 Operating Results

1. Implementation of the Business Plan

   Based on the Regulations Governing the Application or Use of Specific Medical Techniques or Examinations, or Medical Devices, the Company has cooperated with several hospitals and submitted plans for the Special Management Measures to the Ministry of Health and Welfare. We have also been approved to carry out the following treatments: dendritic cell-cytokine-induced killer cell (DC-CIK) therapy, cytokine-induced killer cell (CIK) therapy, and autologous bone marrow mesenchymal stem cell transplantation for degenerative arthritis and knee joint cartilage defects (BMSC).

   In 2024 fiscal year, the Company's individual operating income was NT$783,896 thousands, and the consolidated operating income was NT$933,813 thusands. The consolidated operating profit was NT$421,191 thusands, and the consolidated net profit after tax was NT$367,250 thusands. As of December 31, 2024, the total consolidated assets were NT$2,136,096 thusands, and the total consolidated liabilities were NT$341,817 thusands. Our financial structure is considered normal and healthy.

2. Budget Implementation

   The Company did not disclose financial forecasts to the public, so it is not applicable.

3. Analysis of Receipts, Expenditures, and Profitability

Item	2024	2023
Current Ratio	371.71%	656.56%
Debt Ratio	16.00%	11.22%
Return on Stockholders' Equity	20.47%	29.27%
Profit Ratio	39.33%	71.12%
Earnings Per Share	4.55	6.59

4.Research and Development

Summary of the development achievements of the Company in 2023 is as follows.

(1) Dendritic cell vaccine therapy for malignant brain tumors: Phase II clinical trial has been enrolled and is ongoing.

(2) Umbilical cord mesenchymal stem cell therapy for myocardial infarction: Phase IIa clinical trial application is being submitted.

(3) Umbilical cord mesenchymal stem cell therapy for stroke: Phase I clinical trial is underway.

(4) Umbilical cord mesenchymal stem cell therapy for multiple sclerosis: Phase I/IIa clinical trial is underway.

(5) Chimeric Antigen Receptor T Cell Therapy (CAR001) for the Treatment of Late-Stage Recurrent/Refractory Solid Tumors: A Phase I/IIa Clinical Trial has been approved by the US FDA and is currently undergoing TFDA clinical trial application.

Ⅱ. Business Plan for 2025

1. Business Policy

The Company aims to promote the Regulations Governing the Application or Use of Specific Medical Techniques or Examinations, or Medical Devices and integrate internal resources to provide high-quality services and guidance to medical institutions free of charge, helping them pass the program. After the program is approved, the company will assist the medical institutions in establishing standard operating procedures, conducting personnel education and training, practical exercises, and on-site observation and guidance during the first case. The company hopes to accumulate clinical treatment experience with various medical institutions in the domestic Special Medical Care Program, create

the best treatment reputation, and cooperate with medical institutions to promote international medical services, attracting global patients to seek medical treatment in Taiwan and leading the globalization of the healthcare market.

2. Sales Volume Forecast and the Basis Thereof

The Company's research and development products are still in the clinical trial stage. Currently, in accordance with the amended regulations published by the Ministry of Health and Welfare, regarding the management of cellular preparations, we have been entrusted with manufacturing services. Therefore, we have initiated collaborations with medical institutions in our country to provide domestically required cellular preparations for the implementation of the special management regulations. This involves advancing the application of our previously developmental-stage autologous immune cell and autologous stem cell therapy techniques to the market. As of now, we have assisted 19 medical institutions in gaining approval, and the Ministry of Health and Welfare has approved a total of 45 cases. This has become a significant source of revenue before the launch of new pharmaceuticals. Due to the fact that the products we sell are cellular preparations approved under the special management regulations, their unit prices are relatively high, and there is a considerable variation in prices among different products. Therefore, using sales quantity as a measure is not appropriate. However, our company anticipates a steady growth trend in business over the next year.

3.Research and Development

In addition to our existing technology research and development and clinical trial applications, the Company will actively seek other developmental technologies. We will consider technology transfer and cooperation with other biotech companies, as well as equity investment as possible methods of acquisition.

4. Important Production and Sales Policies

The Company's cellular products are targeted towards critically ill patients, which is why our distribution strategy is focused on the development of partnerships with regional hospitals and medical centers. Due to the high level of specialization in our product offerings, which requires a certain level of product knowledge, we have hired dedicated professional market development and sales promotion personnel. To ensure the successful achievement of performance targets, our company has established clear guidelines for the business department. These guidelines stipulate that the business department must regularly collect market information, analyze market trends, and study competitor strategies. Based on this information, annual, quarterly, and monthly performance targets are set. At the end of each year, the business department is required to propose a business promotion plan, allocating targets for different products, regions, and hospitals. At each stage, the targets must be periodically reviewed and assessed with a focus on variance analysis. If there are instances where actual performance falls below the set targets, a separate analysis and improvement strategy should be proposed.

Ⅲ. Future Development Strategy

The company is engaged in the research and development of new drugs involving immunotherapy and stem cells. Our cell therapy products are primarily focused on severe conditions such as malignant brain tumors, acute myocardial infarction, acute ischemic stroke, and novel coronavirus infections. While there are currently treatment options available for these diseases in the form of chemical drugs (small molecule drugs) or biologics (large molecule protein drugs), they have not been able to provide complete cures for patients. This presents significant market potential and product development value. The future development of our company will revolve around two major technological platforms: immune cells and stem cells. The research and development of these cellular new drugs and cell therapy products align with the global market trend towards innovative

disease treatments. We aspire to become a high-level cell pharmaceutical company in the Asia-Pacific region, collaborating with top industry peers worldwide. Together, we aim to usher in a new era of precision personalized healthcare by capitalizing on cutting-edge advancements in innovative disease treatments.

IV. The Effect of External Competition, the Legal Environment, and the Overall Business Environment.

Currently, both domestically and internationally, cell therapy is a focal point of active development. To mitigate the risks associated with market competition and enhance future sales and licensing opportunities, our company utilizes the special management regulations to generate stable cash flow. This approach not only ensures financial stability but also expedites our new drug development endeavors. The two core aspects of our business, new drug development and the preparation of cellular products under the special management regulations, complement each other effectively, contributing to the sustainable growth of our company. Simultaneously, we are proactively planning for the future. With the anticipation of the enactment of the Regenerative Medicine Product Management Act, we aim to expedite the new drug development process and secure market approval as soon as possible. Leveraging the experiences gained from domestic compliance with the special management regulations, we intend to establish a solid foundation of clinical use. By actively participating in international seminars and leveraging the progress of new drug development and our experience in special management clinical use, we seek opportunities to raise our company's profile. Furthermore, we are engaging in active negotiations with international pharmaceutical giants to pursue licensing opportunities.

Looking ahead to the future, our company will continue to uphold the spirit of "Hope for Life, Wishing for Health" and strive towards improving the welfare of patients as our ultimate goal. We would like to express our deepest gratitude to all of our shareholders for their unwavering support.

Chairman：Liu Chu-Chi

General Manager：Huang Wen-Liang

Financial Manager：Lee Po-Chin

Ⅱ. Corporate Governance Report

2.1. Directors, Supervisors and Management Team

2.1.1 Directors

2.1.1.1 Directors

March 4, 2025

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R.O.C.	Liu Chu-Chi	Male 61~70	2024.4.30	3	2016.11.23	1,122	1.52	1,234	1.51	12	-	-	-	Department of Medicine, Yang-Ming University. Attending Physician in the Department of Obstetrics and Gynecology, Taichung Veterans General Hospital.	President of Shin Kong New Life Fertility and Women's Health Center	-	-	-
Director	R.O.C.	Huang Wen-Liang	Male 71~80	2024.4.30	3	2019.9.16	569	0.77	626	0.76	-	-	-	-	Medical Department of China Medical University. Johns Hopkins University Master of Public Health. Vice Superintendent of Fengyuan Hospital	General Manager and Production Manufacturing Director	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	R.O.C.	AnJi Bio Co., Ltd.	-	2024.4.30	3	2018.6.26	10,386	14.16	10,185	12.48	-	-	-	-	-	-	-	-	-
	R.O.C.	Representaive : Hung Shih-Chieh	Male 51~60	2024.4.30	3	2021.7.6	-	-	-	-	-	-	-	-	National Yang-Ming University Bachelor of Medicine Doctor of Philosophy in Medical Sciences, Graduate School of Medicine, the University of Tokyo, Japan. Senior Scientist at the Gene Therapy Center of Duke University.	Director of Integrated Stem Cell Center at China Medical University Hospital	-	-	-
Director	R.O.C.	He Shi-Jun	Male 51~60	2024.4.30	3	2018.6.26	857	1.16	943	1.15	-	-	-	-	Master of Business Administration (MBA) from National Taiwan University.	Director of TRADE-VAN INFORMATION SERVICES CO.	-	-	-
Director	R.O.C.	Center Laboratories, Inc.	-	2024.4.30	3	2018.6.26	8,913	12.15	9,589	11.75	-	-	-	-	-	-	-	-	-
	R.O.C.	Representaive : Chen Pei-Jiun	Female 51~60	2024.4.30	3	2018.6.26	-	-	-	-	-	-	-	-	Department of Zoology, National Taiwan University Doctor of	Mycenax Biotech Inc. General Manager	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
															Philosophy in Biology from the University of Michigan, USA. PhD researcher at Stanford University in the United States.				
Independent Director	R.O.C.	Chen Jin-Long	Male 71~80	2024.4.30	3	2019.3.13	-	-	-	-	-	-	-	-	"Master of Laws (LL.M)" from National Taiwan University.	Director ofTest Research, Inc. Supervisor of POWERCHIP TECHNOLOGY CORPORATION	-	-	-
Independent Director	R.O.C.	Chen Wen-Hou	Male 61~70	2024.4.30	3	2019.3.13	-	-	-	-	-	-	-	-	School of Medicine, China Medical University Masters in Healthcare Administration at China Medical University.	President of the Taichung City Medical Association.	-	-	-
Independent Director	R.O.C.	Lu Hui-Ming	Male 61~70	2024.4.30	3	2019.3.13	-	-	-	-	-	-	-	-	Master of Accounting from Soochow University.	Lu Hui-min Certified Public Accountants (CPA) Office	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
															Partner at Deloitte & Touche (Practicing Certified Public Accountant) and Central District Director. Adjunct Associate Professor at Feng Chia University.	Director			

2.1.1.2 Major shareholders of the institutional shareholders

March 4, 2025

Name of Institutional Shareholder	Major Shareholders
AnJi Bio Co., Ltd.	Tsai Chang-Hai (99.99%) Tsai, Wen-Liang (0.01%)
Center Laboratories, Inc.	Lejean Biotech Co., Ltd. (9.57%) Royal Foods Co., Ltd. (6.00%) Jason Technology Co., Ltd. (3.45%) Farglory Life Insurance Co., Ltd. (1.55%) Yu Te Investment Co., Ltd. (1.30%) MasterLink Securities Corporation (1.02%) JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International (1.01%) Mu Mao Tzu Investment Co., Ltd. (0.98%) Yong Lien Corp. (0.96%) Wechen Co. Ltd. (0.85%)

2.1.1.3 Major shareholders of the Company's major institutional shareholders

March 4, 2025

Name of Institutional Shareholder	Major Shareholders
LeJean Biotech Co., Ltd.	Jason Technology Co., Ltd. (92.07%), Lin, Jung-Chin (7.857%), O, Li -Chu (0.059%), Lin, Hung-Hsuan (0.005%), Lin, Chia-Ling (0.005%), Lin, Wei-Hsuan (0.004%)
Royal Foods Co., Ltd.	LeJean Biotech Co., Ltd. (92.31%), Jason Technology Co., Ltd. (7.67%),Lin, Jung-Chin (0.02%)
Jason Technology Co., Ltd.	Lin, Hung-Hsuan (35.83%), Lin, Chia-Ling (25.97%), Lin, Wei-Hsuan (25.69%), O, Li -Chu (12.25%), Lin, Jung-Chin (0.26%)
Farglory Life Insurance Co., Ltd.	Xinyu Investment Co., Ltd. (19.00%) far east construction co., ltd. (12.48%), Foresight Investment Co., Ltd. (8.91%), Zhao Tengxiong (8.49%), Harvard International Investment Co., Ltd. (6.71%), Rich International Investment Co., Ltd. (6.43%), Farglory International Investment Co., Ltd. (6.43%), Ye Junyao (5.96%), Zhao Yunv (5.77%), Dongyuan Construction Engineering Co., Ltd. (5.63%)
Yu Te Investment Co., Ltd.	WANG, SU-CHI (75%), LIN, YOU-EN (25%)
MasterLink Securities Corporation	Shin Kong Financial Holding Co., Ltd. (100%)
Mu Mao Tzu Investment Co., Ltd.	LIN, JIUN-YAU (99.99%)

2.1.1.4 Professional qualifications and independence analysis of directors and supervisors

Criteria / Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individualis ConcurrentlyServing as anIndependentDirector
Liu Chu-Chi	Chairperson Liu Chuchi brings a distinguished medical background and extensive experience in the biotechnology industry, with a steadfast commitment to advancing the clinical application and innovative development of regenerative medicine. Formerly the head of the Cytogenetics Laboratory at Taichung Veterans General Hospital, Dr. Liu has accumulated over 35 years of expertise in clinical medicine and genetic counseling. Currently serving as the Director of Taichung Shin Yadong Obstetrics and Gynecology Hospital, Dr. Liu remains actively involved in clinical practice and continues to personally oversee childbirth when necessary, demonstrating a hands-on approach to patient care. In 2016, Dr. Liu co-founded Ever Supreme Bio Technology Co., Ltd., alongside esteemed members of the medical community. The company has since garnered the support and investment of Dr. Chang-Hai Tsai, Chairman of China Medical University, and	NA	0

Criteria / Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individualis ConcurrentlyServing as anIndependentDirector
	Mr. Jung-Chin Lin, Founder of the SynCore Group, thereby establishing a close collaborative relationship with the China Medical University healthcare system. Through a unique combination of profound medical expertise and visionary leadership, Dr. Liu has successfully translated clinical insights into a driving force within the biotechnology sector, positioning Ever Supreme Bio Technology as a leader in the ongoing advancement of regenerative medicine.		
Huang Wen-Liang	Director Huang Wen-Liang specializes in pulmonary medicine, critical care, sleep medicine, and respiratory physiology, with extensive experience in the treatment of sleep apnea. He has held senior positions at several major hospitals, where he gained substantial expertise in healthcare administration and management. Dr. Huang co-founded Ever Supreme Bio Technology Co., Ltd. alongside Chairperson Liu Zhuqi, with a shared commitment to the research, development, and promotion of cell therapy and regenerative medicine.	NA	0

Criteria / Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individualis ConcurrentlyServing as anIndependentDirector
	His combined medical expertise and administrative acumen have provided strong support for the company's efforts in integrating medical resources and advancing clinical applications. Through his deep professional knowledge and rich experience, Dr. Huang continues to play a key role in driving Ever Supreme Bio Technology's growth in the field of regenerative medicine, contributing to the enhancement of Taiwan's global competitiveness in the biotechnology industry.		
Hung Shih-Chieh	Director Hong Shih-Chieh possesses a strong medical background and extensive research experience, making significant contributions to the fields of regenerative medicine and cell therapy. With a wealth of expertise in gene therapy and clinical medical research, Dr. Hong has held key positions at leading medical research institutions both domestically and internationally. His work has had a profound impact on the advancement and application of regenerative medical	NA	0

Criteria / Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individualis ConcurrentlyServing as anIndependentDirector
	technologies, playing a pivotal role in driving innovation and development within the field.		
He Shi-Jun	Director Ho Shih-Chun holds dual master's degrees in Financial Management from Golden Gate University in San Francisco and Business Administration from National Taiwan University. In 1996, he co-founded Trade-Van Information Services Co. in partnership with the government, aiming to enhance customs automation services. Under his leadership, the company expanded its focus from government projects to include internet platform services across G-to-B, B-to-B, and B-to-C domains, providing comprehensive data transmission services tailored to business needs and extending its services to enterprises and individuals alike. In the biotechnology sector, Director Ho has ventured into stem cell therapy, regenerative medicine, and smart healthcare. By leveraging advancements in AI and biomedical technology, he remains committed to addressing the emerging needs of the health and wellness	NA	3

Criteria / Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individualis ConcurrentlyServing as anIndependentDirector
	industry through innovation in biotech and digital health. Director Ho currently serves as Chairman of Land Investment Co., Ltd. and Rejuven Biotech Co., Ltd., and holds board positions at Trade-Van Information Services Co., Loreal Fin Holdings, Ever Supreme Bio Technology Co., Ltd., and Lihong Biochemical Co., Ltd., among others. With over 30 years of professional experience in operational strategy, leadership and decision-making, finance and accounting, crisis management, industry expertise, and international market development, he brings a wealth of strategic insight to the companies he serves.		
Chen Pei-Jiun	Director Chen Pei-Chun possesses a solid background in biology and extensive experience in the biotechnology industry, making significant contributions to the development of Taiwan's biotech sector. She currently serves as the Chairman and CEO of Yung Shin Biopharmaceutical Co., Ltd., where she has successfully led the company's	NA	0

Criteria / Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individualis ConcurrentlyServing as anIndependentDirector
	transformation into a specialized Contract Development and Manufacturing Organization (CDMO) since 2019. Under her leadership, the number of project collaborations has more than doubled, and the company is on track to become an international supplier for two publicly listed biopharmaceuticals starting in 2025. Through her expertise and experience, Director Chen continues to drive the growth of Taiwan's biotechnology industry, contributing to enhancing its global competitiveness.		
Chen Jin-Long	Independent Director Chen Jin-Long possesses a strong legal background and extensive practical experience, making significant contributions to corporate governance and legal compliance. His professional knowledge and hands-on experience in the legal field have enabled him to effectively assist Ever Supreme Bio Technology Co., Ltd. in legal reviews and risk management during his tenure as an independent director. His efforts have strengthened the company's governance structure, enhanced	1. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship have served as directors, supervisors or employees of this company or its affiliated enterprises. 2. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship (or any individuals using their names) hold any shares in this company. 3. The applicant has not served as a director, supervisor, or employee of any company related to this company. 4. The applicant has not received any remuneration for providing business, legal, financial, accounting or other services to this	0

Criteria / Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individualis ConcurrentlyServing as anIndependentDirector
	operational transparency, and ensured regulatory compliance.	company or its affiliated enterprises in the past 2 years.	
Chen Wen-Hou	Independent Director Chen Wen-Hou possesses a strong medical background and extensive experience in healthcare management, making significant contributions to the advancement of regenerative medicine and public health policies. With a wealth of experience in clinical medicine, public health, and healthcare management, Dr. Chen has held key positions in several medical professional organizations. His expertise has had a profound impact on the development and application of regenerative medical technologies.	1. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship have served as directors, supervisors or employees of this company or its affiliated enterprises. 2. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship (or any individuals using their names) hold any shares in this company. 3. The applicant has not served as a director, supervisor, or employee of any company related to this company. 4. The applicant has not received any remuneration for providing business, legal, financial, accounting or other services to this company or its affiliated enterprises in the past 2 years.	0
Lu Hui-Ming	Independent Director Lyu Hui-Min has a strong background in accounting and finance, with extensive practical experience in corporate governance and auditing. With deep expertise in financial auditing, tax planning, and the development of internal control systems, Director Lyu serves as a member of the Audit Committee and the Remuneration Committee of Ever Supreme Bio	1. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship have served as directors, supervisors or employees of this company or its affiliated enterprises. 2. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship (or any individuals using their names) hold any shares in this company. 3. The applicant has not served as a director, supervisor, or employee of any company related to	2

Criteria / Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individualis ConcurrentlyServing as anIndependentDirector
	Technology Co., Ltd.. His contributions have helped strengthen the company's financial transparency and governance structure.	this company. 4. The applicant has not received any remuneration for providing business, legal, financial, accounting or other services to this company or its affiliated enterprises in the past 2 years.	

2.1.1.5 Board Diversification and Independence

A. Diversification Policy

The selection of directors for this company follows a candidate nomination system, and the board of directors reviews the candidates in accordance with the 'Director Appointment Procedure' to ensure that they meet the company's diversity policy for operations, business models, and development needs, including but not limited to gender, age, nationality, culture, and professional knowledge and skills.

The third board of directors of this company consists of eight members, including one female member, with ages ranging from 51 to 80 years old and expertise in fields such as law, accounting, business, and medicine, thus achieving the specific management goal of diversifying the board of directors. The company values gender equality in the composition of the board of directors and aims to increase the proportion of female directors to one-third (i.e., 33%) or more. Currently, 87.5% (7 members) of the board members are male, while 12.5% (1 member) are female. In the future, we will make every effort to increase the number of female directors to achieve this goal.

B. The Independence of the Directors

The board of directors of this company consists of eight members, including three independent directors. The proportion of independent directors is 38%, and the board of directors exercises its duties independently.

There is no familial relationship between any of the directors of

this company as defined under Article 26-3-3 of the Securities and Exchange Act. Furthermore, the company has established an audit committee in place of a supervisor, thus Article 26-3-4 of the Securities and Exchange Act does not apply.

2.1.2 Management Team

April 16, 2025

Title	Name	Gender	Nationality	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
The General Manager and also the Director of Production and Manufacturing Department and the General Administration Department	Huang Wen-Liang	Male	ROC	2017.02.01	626	0.76	-	-	-	-	Chinese Medicine Department, China Medical University Master of Public Health from Johns Hopkins University, United States. Director of China Medical University Hospital.	Chairman and CEO of Sun Yung Co., Ltd.	-	-	-
Vice President and Chief of Research and Development Department.	Shyu Woei-Cheang	Male	ROC	2019.03.04	-	-	-	-	-	-	Bachelor's degree in Medical Science from National Defense Medical Center. Attending Neurologist at China Medical University Hospital.	-	-	-	-
Finance Department Manager and Administration Management	Lee Po-chin	Male	ROC	2017.08.18	-	-	-	-	-	-	Master of Accounting at National Cheng Kung University.	-	-	-	-

Title	Name	Gender	Nationality	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Department Manager.															
Project Management Department and Clinical Development Department Manager.	Shiu Jin-Ting	Female	ROC	2019.05.02	-	-	-	-	-	-	Master's degree in Cosmetic Science and Technology from Chia Nan University of Pharmacy and Science.	-	-	-	-
The vice manager of Manufacturing Department.	Liou Ming-Chau	Male	ROC	2018.04.17	5	-	-	-	-	-	Master's degree in Biomedical Sciences from Chung Shan Medical University.	-	-	-	-
Manager of Manufacturing Department 2 and Manufacturing Department 3.	Chen Jian-Lin	Male	ROC	2020.02.25	2	-	-	-	-	-	Doctor of Philosophy in Life Science, National Chung Hsing University	-	-	-	-
Audit Manager	Pan Yu-Shi	Fema	ROC	2017.09.01	1	-	-	-	-	-	Feng Chia University EMBA Master's degree	-	-	-	-

Title	Name	Gender	Nationality	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
	n	le													

2.1.3 Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: There is no such situation.

2.2. Remuneration of Directors, Independent Directors, Supervisors, President, and Vice Presidents

2.2.1 Remuneration of Directors and Independent Directors

Unit: NT$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
																The company		Companies in the consolidated financial statements				
		The company	All 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	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The company	Companies in the consolidated financial statements	
Chairman	Liu Chu-Chi	-	-	-	-	-	-	40	40	40 0.01%	40 0.01%	-	-	-	-	-	-	-	-	40 0.01%	40 0.01%	-
Director	Huang Wen-Liang	-	-	-	-	-	-	23	23	23 0.01%	23 0.01%	3,305	3,305	108	108	-	-	-	-	3,436 0.94%	3,436 0.94%	-
Director	Hung Shih-Chieh	-	-	-	-	-	-	25	25	25 0.01%	25 0.01%	-	-	-	-	-	-	-	-	25 0.01%	25 0.01%	-
Director	He Shi-Jun	-	-	-	-	-	-	23	23	23 0.01%	23 0.01%	-	-	-	-	-	-	-	-	23 0.01%	23 0.01%	-
Director	Chen Pei-Jiun	-	-	-	-	-	-	15	15	15 -	15 -	-	-	-	-	-	-	-	-	15 -	15 -	-
Independent Director	Chen Jin-Long	500	500	-	-	-	-	33	33	533 0.15%	533 0.15%	-	-	-	-	-	-	-	-	533 0.15%	533 0.15%	-
Independent Director	Chen Wen-Hou	500	500	-	-	-	-	36	36	536 0.15%	536 0.15%	-	-	-	-	-	-	-	-	536 0.15%	536 0.15%	-
Independent Director	Lu Hui-Ming	500	500	-	-	-	-	40	40	540 0.15%	540 0.15%	-	-	-	-	-	-	-	-	540 0.15%	540 0.15%	-

1. The policy, system, standards, and structure for remunerating independent directors, as well as the correlation between the responsibilities, risks, time input, and the

amount of remuneration paid, are as follows: The policy for director remuneration is stipulated in the company's articles of incorporation and approved by the shareholders' meeting. According to the company's articles of incorporation, director remuneration is determined based on the director's level of participation and contribution to the company's operation, as well as the industry's benchmark standards. Additionally, when the company is profitable, director remuneration is distributed according to the company's articles of incorporation.

2. Compensation to Directors providing service to entities within the Company's most recent financial reporting period (such as serving as non-employee consultants of parent /all companies listed in the financial reports/investee companies), in addition to compensation disclosed in the above table: None

2.2.2 Remuneration of Supervisors：NA

2.2.3 Remuneration of the President and Vice Presidents

Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		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			
President	Huang Wen-Liang	2,721	2,721	108	108	489	489	-	-	-	-	3,318 0.62%	3,318 0.62%	-

2.2.4 Compensation of Managers: None.

2.2.5 Remuneration to the Five Highest Remunerated Management Personnel

Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
								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	The company	Companies in the consolidated financial statements	
President	Huang Wen-Liang	2,809	2,809	108	108	496	496	-	-	-	-	3,413 0.93%	3,413 0.93%	-
Finance Department Manager and Administration Management Department Manager	Lee Po-chin	1,350	1,350	83	83	217	217	-	-	-	-	1,650 0.45	1,650 0.45	-

2.2.6 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

2.2.6.1 The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Unit: NT$ thousands

	2024		2023	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director remuneration total amount.	1,735	1,735	1,194	1,194
The ratio of director remuneration to individual or specific financial report after-tax net income is not applicable as the company did not disclose its after-tax net income. (%)	0.47	0.47	0.22	0.22
Total remuneration for the General Manager and Deputy General Managers.	3,413	3,413	5,616	5,616
The proportion of remuneration for the supervisor to the individual or specific financial report's after-tax net income is not applicable since the company has established an audit committee in place of a General	0.93	0.93	1.04	1.04

Manager and Deputy General Managers. (%)				

2.2.6.2 The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

A. Directors

The policy for director remuneration in our company is stipulated in the company's articles of association and passed by the shareholders' meeting. According to the company's articles of association, the remuneration of directors is determined based on their degree of participation in the company's operations and their contribution value, and taking into account the industry standards. When the company has profits, director remuneration is also distributed according to the provisions of the company's articles of association.

B. General Manager and Deputy General Managers

The remuneration for our General Manager and Deputy General Manager includes salary, bonuses, and employee benefits. The level of salary is determined by their responsibilities and contributions to the company, and is also compared with industry standards.

The remuneration of the directors and the general manager and deputy general manager of our company is based on the industry standard and should be sufficient to recognize their responsibilities and risks undertaken.

2.3. Implementation of Corporate Governance

2.3.1 Operations of the Board of Directors

A. Total of 8 meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Liu Chu-Chi	8	-	100%	
Director	Huang Wen-Liang	8	-	100%	
Director	AnJi Bio Co., Ltd.	6	2	75%	
Director	He Shi-Jun	7	1	87.5%	
Director	Center Laboratories, Inc.	5	2	62.5%	
Independent Director	Chen Jin-Long	7	1	87.5%	
Independent Director	Chen Wen-Hou	8	-	100%	
Independent Director	Lu Hui-Ming	8	-	100%	

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: A. 4th Meeting of the 4th Board Term – Held on September 23, 2024. Appointment of Ernst & Young CPA Firm to Conduct the Audit and Certification Services for Fiscal Year 2024.

(2) In addition to item (1), other matters involving objections or expressed reservations by independent directors that wererecorded or stated in writing that require a resolution by the board of directors: None

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

(1) At the Board of Directors meeting held on September 23, 2024, during the discussion of Proposal 3: "Approval of the First Grant of Restricted Stock Awards (RSA) to Employees for Fiscal Year 2024," Director Huang Wen-Liang, being a related party, recused himself from both the discussion and the voting in accordance with the principle of conflict of interest avoidance.

(2) At the Board of Directors meeting held on December 25, 2024, during the discussion of Proposal 5: "Approval of the Year-End Bonus Amounts for Managers for Fiscal Year 2024," Director Huang Wen-Liang, being a related party, recused himself from both the discussion and the voting in accordance with the principle of conflict of interest avoidance.

3. TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations."

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	2024.1.1~2024.12.31	Performance evaluation of the board, individual directors, Audit Committee, Compensation Committee.	Self-evaluation	1. Participation in the operation of the Company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of

					directors; 4. Election and continuing education of the directors; and 5. Internal control. 1. Alignment of the goals and missions of the Company; 2. Awareness of the duties of a director; 3. Participation in the operation of the Company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education; and 6. Internal control. 1. Participation in the operation of the Company; 2. Awareness of the duties of the Audit Committee; 3. Improvement of quality of decisions made by the Audit Committee; 4. Makeup of the Audit Committee and the election of its members;

					and 5. Internal control. 1. Participation in the operation of the Company; 2. Awareness of the duties of the Compensation Committee; 3. Improvement of quality of decisions made by the Compensation Committee; 4. Makeup of the Compensation Committee and the election of its members.

4. Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties.

(1) The company has purchased directors and officers liability insurance to provide protection for the directors in the execution of their duties.

(2) The company established the second Audit Committee at the shareholder's meeting on April 30, 2024, to strengthen the functions of the board of directors.

2.3.2 Audit Committee

Total of 6 Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	Chen Jin-Long	7	-	100%	

Independent Director	Chen Wen-Hou	7	-	100%	
Independent Director	Lu Hui-Ming	7	-	100%	

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

   (1) In 2024, the Audit Committee convened 7 meetings. The key matters reviewed and discussed included the following:

   1. Review of financial reports.
   2. Evaluation of the effectiveness of the internal control system.
   3. Review of significant asset transactions.
   4. Appointment, dismissal, or remuneration of the certified public accountants.
   5. Fundraising or issuance of securities.

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

Date of Board of Directors	Contents of the Motion	Audit Committee resolution results	The company's handling of the Audit Committee's opinions
1.19.2024	Execution of the Technology Transfer and Licensing Agreement, and Joint Venture Contract with UMSC	Passed without objection	None
	Proposed New Indirect Investment in the United States	Passed without objection	None
3.15.2024	The 2023 fiscal year financial report and	Passed without	None

	business report of the Company.	objection	
	The 2023th fiscal year statement on the Company's internal control system.	Passed without objection	None
	The 2023 fiscal year earnings distribution proposal of the Company.	Passed without objection	None
	The Company's proposal to distribute cash from capital reserve.	Passed without objection	None
	The Company's proposal to increase capital and issue new shares from capital reserve.	Passed without objection	None
	Issuance of Restricted Stock Awards (RSA) for Employees	Passed without objection	None
5.8.2024	The first quarter financial report of the Company for the fiscal year 2024.	Passed without objection	None
	The Company proposes to participate in the subscription of subordinated corporate bonds with a maturity of 10 years or more to be issued by Fubon Life	Passed without objection	None

	Insurance Co., Ltd.		
8.5.2024	The second quarter financial report of the Company for the fiscal year 2024.	Passed without objection	None
9.23.2024	Proposed Establishment of a Process and General Policy for Pre-Approval of Non-Assurance Services Provided by Ernst & Young CPA Firm and Its Affiliates	Passed without objection	None
	Proposed Amendment to the Company's "Restricted Stock Award (RSA) Issuance Guidelines for Employees for Fiscal Year 2024"	Passed without objection	None
	Proposal for the First Restricted Stock Award (RSA) Grant List for Employees for Fiscal Year 2024	Passed without objection	None
	Appointment of Ernst & Young CPA Firm to Conduct the Audit and Certification Services for Fiscal Year 2024, Including Public Service	Passed without objection	None

	Projects		
11.4.2024	The third quarter financial report of the Company for the fiscal year 2024.	Passed without objection	None
12.25.2024	Review of the Company's "Audit Plan for Fiscal Year 2025"	Passed without objection	None

(3) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

3. 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.)

(1) The internal auditors

Date	Methods	Material Items	Results
3.15.2024	Audit Committee	The explanation of the 'Statement on the Company's Internal Control System' for the fiscal year 2023.	No objections.
5.8.2024	Audit Committee	Internal Audit Status Report	No objections.
8.5.2024	Audit Committee	Internal Audit Status Report	No objections.
11.4.2024	Audit Committee	Internal Audit Status Report	No objections.
12.25.2024	Audit Committee	Explanation of the audit plan for	No objections.

		the fiscal year 2025.	

(2) The Company's CPAs

Date	Methods	Material Items	Results
3.15.2024	Audit Committee	Explanation of the audit results of the financial report for the fiscal year 2023.	No objections.
5.8.2024	Audit Committee	Explanation of the Review Results of the First Quarter Financial Report for Fiscal Year 2024.	
8.5.2024	Audit Committee	Explanation of the Review Results of the Second Quarter Financial Report for Fiscal Year 2024.	
11.4.2024	Audit Committee	Explanation of the Review Results of the Third Quarter Financial Report for Fiscal Year 2024.	

2.3.3 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
1. Does the Company establish anddisclose the proper corporategovernance framework based on the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established the "Corporate Governance Best Practice Principles," which have been approved by the Board of Directors.	No significant difference.
2. Shareholding structure & shareholders' rights (1) Has the Company established an internal operating procedure to address shareholders' suggestions, doubts, disputes, and litigation, with proper implementation based on this procedure?	✓		1. Our company has established a spokesperson and deputy spokesperson system to ensure that information that may affect shareholder decision-making can be disclosed in a timely manner. We also have a dedicated mailbox to handle	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			shareholder suggestions or disputes.	
(2) Is the Company fully aware of its major shareholders and the ultimate owners of those shares?	✓		2. This company is able to obtain the list of major shareholders and their ultimate controllers and disclose them in accordance with legal requirements.	No significant difference.
(3) Does the Company adopt and execute the proper risk management and firewall system within its affiliates?	✓		3. This company has established control mechanisms such as "Operating Procedures for Loans to Others" and "Operating Procedures for Endorsement and Guarantees" to manage financial risks.	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(4) Does the Company establish internal rules against insider trading?	✓		4. Our company has established an "Insider Trading Prevention Policy" to prohibit insider trading by our employees using non-public information.	No significant difference.
3. Board of Directors Composition and Responsibilities (1) Does the Board of Directors develop and implement a policy to promote diversity in the composition of its members	✓		1. Director Nomination Procedure" of our company stipulates that the composition of the board of directors should consider diversification. The members of our board of directors possess different professional backgrounds, and have	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			the knowledge, skills, and qualities required to perform their duties	
(2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?		✓	2. The company has established a remuneration committee and an audit committee, and other functional committees will be authorized by the board of directors as needed.	No significant difference.
(3) Does the Company establish and implement on an annual basis a set of assessments to measure the performance of the Board of Directors, report the performance evaluation results to the Board to Directors, and use it as a reference for the compensation of the Board of Directors?	✓		3. The Company has established a Compensation Committee to formulate and periodically review the performance evaluation of the directors and	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(4) Does the Company regularly evaluate the independence of its CPAs?	✓		submit its recommendations to the Board for discussion. 4. This company has conducted an evaluation of the independence of the accountant, and has appointed Ernst & Young as the independent auditor.	No significant difference.
4. Has the Company allocated suitable and sufficient corporate governance staff and appointed a manager of corporate governance responsible for corporate governance matters (Including, but not limited to, furnishing information required for business execution by directors, assisting directors in complying with laws and regulations, handling matters related to board	✓		This company has assigned its finance department to oversee its corporate governance-related affairs, responsible for promoting and implementing corporate governance matters.	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
and shareholder meetings in accordance with the laws, producing minutes of board and shareholder meetings, etc.)?				
5. Has the Company established a communication channel and designated a website section for its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) as well as to handle all CSR-related issues?	✓		Our company has established a spokesperson system and utilizes various channels, such as the stakeholder section on our corporate website, to communicate and manage important corporate social responsibility issues.	No significant difference.
6. Does the Company appoint a professional shareholder service agency to handle shareholder meeting affairs?	✓		Our company has appointed the Stock Affairs Agency Department of Yuanta Securities Co., Ltd. to handle matters related to the shareholders' meeting.	No significant difference.
7. Information Disclosure				

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(1) Does the Company have a corporate website to disclose all information regarding finances, the business, and corporate governance?	✓		1.Our company's website has an investor relations section, which provides additional channels beyond the public information disclosure platform to disclose financial and corporate governance information.	No significant difference.
(2) Does the Company have other information disclosure channels (e.g. English website, designated personnel to handle information collection and disclosure, spokesperson system, investor conference webcasts, etc.)?	✓		2.Our company has established both Chinese and English websites, and has dedicated personnel who regularly update company information. We have also established a spokesperson system to comply with relevant laws and regulations.	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(3) Does the Company report its annual financial report within two months after the end of the fiscal year and announce the first, second, and third quarter financial reports and monthly operating updates before the prescribed deadlines?		✓	3. Our company did not announce and file the financial report within two months after the end of the accounting year. However, we have submitted the report in accordance with the relevant regulations ahead of the deadline and have disclosed the operating results for each month.	No significant difference.
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices?	✓		1. Employee rights: Our company treats employees with integrity and safeguards their legal rights in accordance with the Labor Standards	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			Act. 2. Employee care: Our company values labor relations, provides equal employment opportunities, and conducts regular employee education and training programs. 3. Investor relations and stakeholder rights: Our company complies with the relevant laws and regulations to disclose information publicly and safeguard the rights of investors and stakeholders. 4. Supplier relations:	

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			Our company has always maintained a good relationship with suppliers. 5. Directors' and supervisors' training: Our company's directors all have professional backgrounds in the industry and also participate in training programs periodically. 6. Risk management policy and implementation of risk measurement standards: Our company has established various internal regulations to reduce and prevent potential	

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			risks in response to risk control. 7. Director and supervisor liability insurance: Our company has purchased director and officer liability insurance.	
9. Please explain items that have been already improved and priority measures to reinforce matters that have not been improved, in accordance with the results ofthe Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange: NA				

2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

2.3.4.1Compensation Committee Member Profiles

Criteria / Title	Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individual is Concurrently Serving as Compensation Committee Member
Independent Director (Chairman)	Chen Wen-Hou	Please refer to the relevant director information on page 17.	1. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship have served as directors, supervisors or employees of this company or its affiliated enterprises. 2. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship (or any individuals using their names) hold any shares in this company. 3. The applicant has not served as a director, supervisor, or employee of any company related to this company. 4. The applicant has not received any remuneration for providing business, legal, financial, accounting or other services to this company or its affiliated enterprises in the past 2 years.	0
Independent Director	Chen Jin-Long	Please refer to the relevant director information on page 17.	1. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship have served as directors, supervisors or employees of this company or its affiliated enterprises. 2. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship (or any individuals using their names) hold any shares in this company. 3. The applicant has not served as a director, supervisor, or employee of any company	0

Criteria / Title	Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individual is Concurrently Serving as Compensation Committee Member
			related to this company. 4. The applicant has not received any remuneration for providing business, legal, financial, accounting or other services to this company or its affiliated enterprises in the past 2 years.	
Independent Director	Lu Hui-Ming	Please refer to the relevant director information on page 17.	1. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship have served as directors, supervisors or employees of this company or its affiliated enterprises. 2. Neither the applicant, their spouse, nor any relatives up to the second degree of kinship (or any individuals using their names) hold any shares in this company. 3. The applicant has not served as a director, supervisor, or employee of any company related to this company. 4. The applicant has not received any remuneration for providing business, legal, financial, accounting or other services to this company or its affiliated enterprises in the past 2 years.	2

2.3.4.2 Compensation Committee Operation

A. The Compensation Committee is currently comprised of 3 members.

B. Current Compensation Committee Member Terms: May 8, 2024, through April 29, 2027; the committee convened 4 meetings

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remarks
Committee Chairman	Chen Wen-Hou	4	-	100%	
Committee Member	Chen Jin-Long	4	-	100%	
Committee Member	Lu Hui-Ming	4	-	100%	

The Committee shall exercise its powers with the care of a good manager and faithfully fulfill the following duties, submitting its recommendations to the Board of Directors for discussion.

1. Establish and regularly review the policies, systems, standards, and structure for the performance evaluation and compensation of directors and managers.
2. Regularly evaluate and determine the compensation for directors and managers.

Compensation Committee Meeting Information:

The Company's Compensation Committee has held meetings, reviewed, and evaluated the Company's compensation information over the past year as follows:

Other Matters of Importance:

(1) January 19, 2024: Discussion on the Approval of the Year-End Bonus Amount for Managers for Fiscal Year 2023.

(2) March 15, 2024: Discussion on the Allocation of Employee Compensation and Director Remuneration for Fiscal Year 2023

(3) September 23, 2024: Discussion on the First Restricted Stock Award (RSA) Grant List for Employees for Fiscal Year 2024

(4) December 25, 2024: Discussion on the Approval of the Year-End Bonus Amount for Managers for Fiscal Year 2024

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

2.3.4.3 Nomination Committee Member Information and Operational Status: The Nomination Committee has not been established.

2.3.5 Fulfilment of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
1. Has the Company established a Sustainable Development unit (full- or		✓	Our company has not yet established a	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
part-time), with a senior manager authorized by the Board of Directors to handle and report related activities to the Board of Directors?			dedicated unit for promoting sustainable development, but we have formulated the "Practical Guidelines for Sustainable Development." In the future, we will develop relevant risk management policies or strategies in accordance with these guidelines.	
2. Does the company follow principles of materiality in evaluating the risks of environmental, social, and corporate governance, and establish relevant policies or strategies?	✓		Our company operates in compliance with relevant regulations and environmental laws, and strives to reduce its impact on the environment through efficient use of resources.	No significant difference.
3. Environment				

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(1) Does the Company establish proper environmental management systems in line with its industry characteristics?	✓		1. Our company complies with domestic environmental safety and health regulations and has established relevant management systems.	No significant difference.
(2) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with a low environmental footprint?	✓		2. Our company implements garbage classification and sets up resource recycling programs, and strives to digitize forms and documents to reduce the environmental impact.	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(3) Does the Company evaluate the impact of climate change on the Company's current and future potential risks and opportunities, and adopt measures to respond to climate-related issues?	✓		3. Our company's office is equipped with a central air conditioning system that is centrally controlled and only operated during working hours. Lighting and computer equipment, except for necessary equipment, are turned off after working hours to respond to energy-saving and carbon reduction policies.	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(4) Does the company collect information on greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulate policies on greenhouse gas reduction, water usage reduction, or other waste management policies?	✓		4. Our company has no issues with gas or wastewater emissions in production, and we have established regulations for waste management and disposal, and strictly control all waste generated.	No significant difference.
4. Social Responsibilities (1) Does the Company formulate appropriate management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		1. The Company has established a human rights policy in accordance with relevant regulations and international human rights conventions. It has also set forth related human rights protection	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			measures, including strict adherence to labor laws, creating a friendly working environment, reasonable working hours, establishing a healthy and safe workplace, promoting harmonious labor-management communication, and providing complaint channels, ensuring all employees are treated fairly, equally, and with dignity. Human Rights Policy: In fulfilling its corporate social responsibility, the	

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			Company is committed to upholding the basic human rights of all employees, customers, suppliers, and stakeholders. Following international human rights conventions such as the "Universal Declaration of Human Rights," "UN Global Compact," "UN Guiding Principles on Business and Human Rights," and the International Labour Organization's "Declaration on	

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			Fundamental Principles and Rights at Work," the Company aims to eliminate any actions that infringe upon or violate human rights, ensuring that all employees are treated fairly, equally, and with dignity. Human Rights Protection Measures: (1) Adherence to Labor Laws The Company strictly complies with labor-related regulations, providing fair and reasonable	

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			compensation and working conditions. (2) Creating a Friendly Working Environment The Company enforces work equality, prohibiting any discrimination based on race, color, religion, nationality, gender, sexual orientation, age, disability, or other factors. It strictly forbids all forms of forced labor, employment, and harassment, striving to create a respectful, safe, equal, and inclusive work environment. (3) Reasonable	

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			Working Hours The Company prohibits the employment of child labor, sets clear regulations regarding working hours and overtime, and monitors and manages employee attendance. (4) Establishing a Healthy and Safe Workplace The Company follows safety and health regulations, regularly reviewing employee health and safety measures, and ensures the establishment of a clean and safe	

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			working environment. (5) Harmonious Labor-Management Communication The Company provides open and diverse channels for labor-management communication, holding regular labor-management meetings to discuss both parties' opinions and build consensus, while respecting employees' freedom to assemble and associate. (6) Providing Complaint	

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			Channels The Company has established accessible complaint channels, allowing employees to raise various issues internally through channels provided to supervisors at all levels. Additionally, to maintain gender equality in the workplace and provide an environment free from sexual harassment, the Company has set up a dedicated sexual harassment complaint mailbox. During the	

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			investigation process, confidentiality is maintained to avoid disclosing the complainant's name or any identifying information.	
(2) Does the company formulate and implement reasonable employee benefits (including compensation, vacation, and other benefits), and appropriately reflect operating performance or results in employee compensation?	✓		2. Our company provides various welfare policies to employees, including labor and health insurance, retirement benefits, and various types of leave (such as parental leave) as guaranteed by labor laws. In addition, bonuses are distributed based on individual	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			performance. We also have a welfare committee that provides employees with various benefits and organizes welfare activities.	
(3) Does the Company provide a safe and healthy working environment, and provide training on safety and health for its employees on a regular basis?	✓		3. In addition to providing safety and health education and training, our company ensures a safe and hygienic working environment by regularly cleaning and disinfecting the office space with the help of our cleaning personnel.	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(4) Does the Company establish effective career development programs for its employees?	✓		4. Our company provides employees with subsidies for further education and encourages them to participate in both internal and external training programs to enhance their career skills.	No significant difference.
(5) With respect to customer health and safety of products and services, customer privacy, marketing, and labeling, does the Company comply with relevant regulations and international standards, and formulate related consumer protection policies and appeal procedures?	✓		5. Our company follows relevant laws and international standards in marketing and labeling of products and services. We also comply with confidentiality agreements and personal data protection laws to	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(6) Does the Company have a supplier management policy that requires suppliers to comply with and implement relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights?		✓	safeguard our customers' privacy. We have a dedicated section for stakeholders to protect consumer rights and provide channels for complaints. 6. Our company has a supplier management policy in place and conducts regular evaluations. However, we have not yet required our suppliers to follow relevant regulations on environmental protection, occupational health and safety, or labor rights issues. We	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			plan to gradually promote compliance with these regulations in the future.	
5. Does the company refer to internationally accepted reporting standards or guidelines for compiling reports on non-financial information, such as ESG reports? Did the previous release reports obtain a confirmation or assurance opinion from a third party verifier?		✓	This company has not yet produced a sustainability report, and will evaluate the need to do so in the future based on the situation.	No significant difference.
6. If the Company has established the sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the principles and their implementation: No discrepancy found.				
7. Other important information to facilitate better understanding of the Company's sustainable development practices: The Company provides employees with channels to express their opinions and feedback, allowing them to fully express their thoughts.				

2.3.6 Ethical Corporate Management

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
1. Enactment of ethical corporate management policies and programs (1) Does the Company disclose its ethical corporate management policies and procedures in its official charter and material documents issued externally, as well as the commitment of the Board of Directors and management team to its implementation?	✓		1. Our company has established a "Code of Conduct" and "Operating Procedures and Behavioral Guidelines for Business Integrity", which have been approved by the Board of Directors. The Board of Directors and senior management will comply with relevant laws and regulations and implement management regulations to fulfill the commitment to our business policies.	No significant difference.
(2) Has the Company established a mechanism to assess the risks of	✓		2.Our company has established a	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
non-ethical conduct, regularly analyze and assess relatively highrisk non-ethical conduct and activities within its scope of business, and formulate policies to prevent unethical conduct, which at minimum covers measures to prevent the conduct mentioned in Article 7.2 of "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies"?			"Code of Conduct for Business Integrity" and "Operating Procedures and Behavioral Guidelines for Business Integrity". These documents clearly prohibit dishonest behavior and conflicts of interest, and provide specific regulations and measures to prevent dishonest conduct.	
(3) Do the Company's measures to prevent high-risk unethical misconduct clearly specify operating procedures, conduct guidelines, disciplinary and appeal mechanisms for violations?	✓		3. Our company has established the "Code of Conduct" and the "Code of Conduct Operations and	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
Are they implemented and regularly reviewed for amendment?			Behavioral Guidelines" to promote a culture of ethical business practices. We inform our new employees of these policies and provide guidance on how to comply with them.	
2. Implementation of ethical corporate management (1) Does the Company evaluate business partners' ethical records and clearly indicate ethical conduct clauses in business contracts?	✓		1.Our company conducts business activities in a fair and transparent manner, taking into account the legality of business partners and including integrity clauses in contracts.	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(2) Has the Company established a dedicated unit to promote ethical corporate management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy, measures to prevent unethical conduct, and monitor implementation?	✓		2. The company's audit department is responsible for promoting ethical business practices and handling related operations, including the revision, execution, interpretation, consultation, and record-keeping of the operating procedures and code of conduct. The audit unit is also responsible for supervising compliance and reporting to the board of directors when necessary.	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(3) Does the Company establish policies to prevent conflicts of interest, provide suitable channels to report such conflicts, and implement such policies?	✓		3. Our company has set up an internal complaint box and provides a reporting section on our website.	No significant difference.
(4) Has the Company established an effective accounting system and internal control system to facilitate ethical corporate management? Does its internal audit team provide risk assessment results and formulate audit plans related to unethical conduct, and audit compliance of non-ethical conduct measures, or does the Company engage external CPAs to implement such audits?	✓		4. Our company has established effective accounting and internal control systems to ensure the implementation of ethical operations. The audit unit executes an annual audit plan based on risk assessments and submits an audit report to the	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			board of directors.	
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	✓		5. New employees who join our company are educated on our integrity policies to understand them.	No significant difference.
3. Reporting ethical violations (1) Has the Company formulated a concrete whistleblowing and incentive system, established a convenient whistleblowing channel, and assigned appropriate personnel to handle the cases of those who have reports raised against them?	✓		1. Our company has established a reporting system in addition to the work rules, which provides employees or related parties with the ability to report any improper conduct, and a dedicated person is	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			responsible for the follow-up process.	
(2) Has the Company established standard operating procedures for handling whistleblowing claims and, after a complete investigation, follow-up measures and mechanisms related to maintaining confidentiality?	✓		2. Our company has established a mechanism to protect the confidentiality and safety of whistleblowers to ensure that they will not face any improper treatment as a result of whistleblowing.	No significant difference.
(3) Does the Company provide proper whistleblower protection?	✓		3. Our company keeps the identity of whistleblowers confidential and takes appropriate measures to protect them from retaliation for reporting any	No significant difference.

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			improper conduct.	
4. Enhancing information disclosure Does the Company disclose itsestablished ethical corporate management policies and promotion results on its website and MOPS?	✓		The relevant information has already been disclosed on our company website and in our reports.	No significant difference.
5. If the Company has established ethical corporate management policies based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancies between the policies and their implementation: No discrepancy found.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management practices: (e.g., review and amendment of the policies): The company has established a "Code of Conduct" and a specific whistleblowing system, "Procedures for Handling Illegal, Unethical, or Dishonest Behavior Cases," which have been approved by the board of directors to ensure the sound development of the company. The whistleblowing system includes investigation procedures and a processing unit for reported cases, which enhances the effectiveness of the company's integrity management. Employees are encouraged to report any illegal, unethical, or dishonest behavior through this whistleblowing				

Evaluation Criteria	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
system, which provides a transparent channel for them to express their opinions.				

2.3.7 Other Important Information Regarding Corporate Governance: None.

2.3.8 Internal Control Systems

2.3.8.1 Disclosures Required for the Implementation of the Internal Control System：https://mopsov.twse.com.tw/mops/web/index > Corporate Governance > Internal Control Section > Internal Control System Statement Announcements, and enter the market category, company code, and fiscal year.

2.3.8.2 Auditor Review Report: NA

2.3.9 Major Resolutions of Shareholders' Meeting and Board Meetings

2.3.9.1 Major Resolutions and Execution Status of 2023 General Shareholders' Meeting

Date	Item	Major resolutions
4.30.2024	(1) Approval of the financial report and operating report for the fiscal year 2023.	Approval
	(2) Approval of the Profit Distribution Proposal for Fiscal Year 2023	Approval
	(3) The proposal for distributing cash from the company's capital surplus.	Approval
	(4) The capital surplus distribution plan of the company to issue new shares through capitalization of capital surplus	Approval
	(5) The proposal for the issuance of restricted shares for employees was approved.	Approval
	(6) The amendments to the Company's Articles of Incorporation were approved.	Approval

2.3.9.2 Major Resolutions of Board Meetings

Date	Major resolutions
1.19.2024	(1) Approval of the Company's proposal to apply for an additional performance guarantee credit line with Yuanta Bank.

Date	Major resolutions
	(2) Approval of the reassignment of the Company's Deputy General Manager and Head of R&D. (3) Approval of the Company's execution of the technology transfer license fee and joint venture agreement with UMSC. (4) Approval of the Company's proposed new indirect investment in the United States. (5) Approval of the date and related matters for the Company's 2024 Annual General Shareholders' Meeting. (6) Approval of the determination of the year-end bonus and salary adjustment for managerial officers for fiscal year 2023.
3.13.2024	(1) Approval of the distribution of employee remuneration and directors' compensation for fiscal year 2023. (2) Acknowledgment of the Company's 2023 Business Report and Financial Statements. (3) Approval of the Internal Control System Statement for fiscal year 2023. (4) Acknowledgment of the earnings distribution proposal for fiscal year 2023. (5) Approval of the cash distribution from capital surplus. (6) Approval of the capital increase through capitalization of capital surplus and issuance of new shares. (7) Approval of the list of candidates for directors and independent directors for election at the 2024 Annual General Shareholders' Meeting. (8) Approval of the issuance of restricted shares for employees. (9) Approval of the amendments to the Company's Articles of Incorporation. (10) Approval of the date and related matters for the 2024 Annual General Shareholders' Meeting (additional proposal).

Date	Major resolutions
4.30.2024	(1) The election of the Chairman of the Board was approved.
5.8.2024	(1) Approval of the Company's financial statements for the first quarter of 2024. (2) Approval of the Company's proposed participation in the subscription of Fubon Life Insurance Co., Ltd.'s subordinated corporate bonds with a maturity of ten years or more. (3) Approval of the capital increase through capitalization of capital surplus, and the determination of the ex-rights date and distribution date. (4) Approval of the appointment of members to the Compensation Committee.
8.5.2024	(1) Passed the financial report for the second quarter of the 2024 of this company.
9.23.2024	(1) Approval of the proposed procedure and general policy for obtaining prior consent for non-assurance services provided by Ernst & Young and its affiliates. (2) Approval of the proposed revision to the "2024 Restricted Employee Shares Issuance Guidelines." (3) Approval of the list of grantees for the first grant of 2024 Restricted Employee Shares. (4) Approval of the appointment of Ernst & Young for the audit and attestation services for fiscal year 2024, and the related service fees.
11.4.2024	(1) Approval of the Company's financial statements for the third quarter of 2024. (2) Approval of the determination of the capital increase base date for the restricted employee shares issued by the Company in 2024.
12.25.2024	(1) Approval of the establishment of the Company's "Sustainability Information Management Guidelines." (2) Approval of the review of the Company's "2024 Audit Plan."

Date	Major resolutions
	(3) Approval of the Company's budget for fiscal year 2025. (4) Approval of the date and related matters for the 2025 Annual General Shareholders' Meeting. (5) Approval of the determination of the year-end bonus amount for managerial officers for fiscal year 2024.
2.20.2025	(1) Approval of the Company's second share buyback proposal.
3.12.2025	(1) Approval of the Company's proposal to apply for an additional performance guarantee credit line with Yuanta Bank. (2) Approval of the distribution of employee remuneration and directors' compensation for fiscal year 2024. (3) Acknowledgment of the Company's 2024 Business Report and Financial Statements. (4) Approval of the Internal Control System Statement for fiscal year 2024. (5) Acknowledgment of the earnings distribution proposal for fiscal year 2024. (6) Approval of the cash distribution from capital surplus. (7) Approval of the capital increase through capitalization of capital surplus and issuance of new shares. (8) Approval of the amendments to the Company's Articles of Incorporation. (9) Approval of the definition and scope of the Company's grassroots employees. (10) Approval of the date and related matters for the 2025 Annual General Shareholders' Meeting (additional proposal).

2.3.10 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

2.4 Information Regarding the Company's Audit Fee and Independence

Unit: NT$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
Ernst & Young	Tu Chin-Yuan	2024.1.1~ 2024.12.31	1,635	210	1,845	
	Huang Zi Ping	2024.1.1~ 2024.12.31				

2.4.1 If the audit fees of the year in which the Company changes CPA firm is lower than that of the prior year, specify the amount of audit fee before and after, the fee reduction percentage, and the reasons: NA

2.4.2 If the audit fee dropped year on year by more than 15%, specify the amount, percentage, and reasons for the reduction: NA

2.5 Replacement of CPA

2.5.1 Regarding the former CPA: NA

2.5.2 Regarding the successor CPA: NA

2.6 The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates: None.

2.7 Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

Unit: Thousand shares

Job title	Name	Fiscal year		Current fiscal year as of 3.4.2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Liu Chu-Chi	112	-	-	-
Director	Huang Wen-Liang	54	-	-	-
Director	AnJi Bio Co., Ltd.	(466)	-	(60)	-
Director	He Shi-Jun	86	-	-	-
Director	Center Laboratories, Inc	569	-	(48)	-
Independent Director	Chen Jin-Long	-	-	-	-
Independent Director	Chen Wen-Hou	-	-	-	-
Independent Director	Lu Hui-Ming	-	-	-	-
President	Huang Wen-Liang	54	-	-	-
Finance Department Manager	Lee Po-chin	-	-	(3)	-

2.8 Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another.

Unit: Thousand shares; %

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Total shareholding by nominee arrangements		Remarks
	Shares	%	Shares	%	Shares	%	Shares	%	
AnJi Bio Co., Ltd.	10,185	12.48	-	-	-	-	-	-	-
Tsai Wenliang	-	-	-	-	-	-	-	-	-
Center Laboratories, Inc	9,589	11.75	-	-	-	-	-	-	-
Lin Rongjin	-	-	-	-	-	-	-	-	-
Shen Kunjin	1,500	1.83	13	-	-	-	-	-	-
Liu Chu-Chi	1,234	1.51	-	-	-	-	-	-	-
Zhou Deyang	1,151	1.41	-	-	-	-	-	-	-
Xueding Investment Co., Ltd.	1,141	1.39	-	-	-	-	-	-	-
Tsai Yizhen	-	-	-	-	-	-	-	-	-
Chen Liqing	1,013	1.24	-	-	-	-	-	-	-
He Shi-Jun	943	1.15	-	-	-	-	-	-	-
Yuanta Commercial Bank Trust Property Custody Account	888	1.08	-	-	-	-	-	-	-
Huang Wen-Liang	626	0.76	-	-	-	-	-	-	-

2.9 The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company.

Ⅲ.Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
113.06	10	120,000	1,200,000	80,673	806,726	Cash capital increase.	None	
114.01	10	120,000	1,200,000	81,561	815,606	Issuance of Restricted Employee Shares	None	

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common	81,561	38,439	120,000	Listed

3.1.2 List of Major Shareholders

As of 3/4/2025

Shareholder's Name	Shares	Percentage
AnJi Bio Co., Ltd.	10,185	12.48%
Center Laboratories, Inc.	9,589	11.75%
Shen Kunjin	1,500	1.83%
Liu Chu-Chi	1,234	1.51%
Cho Der-Yang	1,151	1.41%
Xueding Investment Co., Ltd.	1,141	1.39%
Chen Liqing	1,013	1.24%
He Shi-Jun	943	1.15%
Yuanta Commercial Bank Custodian Trust Account	888	1.08%
Huang Wen-Liang	626	0.76%

3.1.3 Dividend Policy and Implementation Status

3.1.3.1 Dividend Policy

If there is any after-tax net profit in the annual financial statements of the Company, it shall first be used to offset any accumulated losses (including adjusting the amount of undistributed earnings). 10% of the remaining net profit shall be appropriated as legal reserve until the accumulated balance reaches the total amount of capital. If the legal reserve has already reached the total amount of capital, it is not necessary to set aside more. In addition, the Company may also be required by laws, regulations, or regulatory authorities to set aside or reverse special reserves as needed. If there is still a remaining balance, the Board of Directors shall prepare a resolution for distribution, which shall be submitted to the shareholders' meeting for approval of shareholder dividends.

Our company's dividend policy takes into account our current and future development plans, investment environment, financial condition, and the need to provide reasonable returns to our shareholders. We adopt a balanced dividend policy, with the dividend distribution not less than 10% of the distributable profit for the current year. However, if the accumulated distributable profit is less than 10% of the paid-in capital, the dividend may not be distributed. The proportion of cash dividends shall not be less than 10% of the total dividend amount.

In accordance with the Company’s Articles of Incorporation, the Board of Directors is authorized to resolve the distribution of cash

dividends after the end of each fiscal year. The amount and distribution date of the cash dividends for fiscal year 2024 are as follows:

Item	Amount
Cash Dividends	NT$ 326,242,412
Cash Dividends from Capital Surplus	NT$ 81,560,603

3.1.3.2 Proposed Distribution of Dividend

Item	Amount
Stock Dividends from Capital Surplus	NT$ 73,338,730

3.1.4 Impact of Stock Dividend Distribution in 2023 Shareholders' Meetings on Business Performance and EPS: None

Item \ Year		2025
Beginning Paid-in Capital		815,606
Stock and Cash Dividend Distribution for the Year	Cash Dividend per Share	5.00
	Stock Distribution per Share from Capitalization of Retained Earnings	0.00
	Stock Distribution per Share from Capital Surplus	0.99999996

3.1.5 Compensation of Employees and Directors

3.1.5.1 Employees' and Directors' compensation according to the Articles of Incorporation.

The company should allocate 1% to 5% of the pre-tax profits of the current year, before deducting employee compensation and director's compensation, as employee compensation, and no more than 2% as director's compensation. However, if the company has accumulated losses (including adjusted undistributed earnings), it should reserve an amount to offset the losses in advance.

3.1.5.2 The Compensation Basis for Employees and Directors; Accounting Treatment for the Differences between Estimated and Actual amount of Compensation

The estimated amounts for employee compensation and director's compensation for the fiscal year 2022 of this company are NT$2,522 thousands and NT$0, respectively. The estimates were made based on the company's articles of association, as well as reference to the practices of the industry and previous years' distributions, after reserving an amount to offset the losses using the pre-tax net profit of the fiscal year. If there is a difference between the estimated amount

and the actual amount of distribution, it will be adjusted in the next fiscal year based on accounting estimates.

3.1.5.3 Compensation Approved in the Board of Directors Meeting

A. The amount of employee compensation, as well as director and supervisor compensation, distributed in cash or stock options, is dependent on various factors, such as the company's financial performance, applicable laws and regulations, and internal policies. Therefore, it can vary from year to year and from one company to another. The specific amounts of such compensation can be found in the company's financial statements or annual reports.
The employee compensation and director's compensation approved by the board of directors for the fiscal year 2023 of this company were NT$4,551 thousands and NT$0, respectively, and they were all distributed in cash. This amount is consistent with the estimated amount for the fiscal year 111 and reflects the actual distribution made by the company.

B. The amount of any employee compensation distributed in stocks; and the size of this amount as a percentage of the net income stated in the parent only financial reports or individual financial reports for the current period; and the size of this amount as a percentage of the total employee compensation.

3.1.5.4 The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated: NA.

3.1.6 Status of a company repurchasing its own shares

As of 4/18/2025

Repurchase no.	2024 The second time
Purpose of repurchase	To maintain the Company’s credit and shareholders’ equity
Repurchase period	Expected：114/2/21~114/4/20 Actual：114/2/21~114/4/18
Repurchase price range	NTD 170 ~ 260
Types and numbers of shares bought back	Common stock 1,922,000 shares
Amount of shares bought back (NT$)	NTD 349,416,475

Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	96.1%
The number of repurchased shares that have been cancelled or transferred	0 shares
Accumulated number of the Company's shares held by the Company	1,922,000 shares
Ratio of the accumulated number of the Company's shares held by the Company to the total number of issued shares (%)	2.36%

3.2 Corporate Bonds: None.

3.3 Preferred Shares: None.

3.4 Overseas Depository Receipts: None.

3.5 Employee Stock Options: None.

3.6 Employee Restricted Stock Shares

3.6.1 For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equit.

As of 4/16/2025

Type of new restricted employee shares	First Grant of Restricted Employee Shares
Effective registration date and total number of shares	Effective Date：10.28.2024 total number of shares：900,000 shares
Issue date	1.9.2025
Number of new restricted employee shares issued	888,000 shares
Number of new restricted employee shares still available for issuance	12,000 shares
Issue price	NT$ 20
Ratio of the number of new restricted employee shares issued to the total number of issued shares	1.09%
Vesting conditions of the new restricted employee shares	After employees are allocated restricted employee shares according to this regulation, if they remain employed on the respective vesting dates starting from the capital increase base date, and meet the following conditions: (1) Achieving a certain standard or higher in the annual individual performance evaluation, (2) Adhering to the company's service code, not violating the company's service agreements, integrity, work rules, or any contracts or regulations between the employee and the company, they will be eligible to earn the corresponding percentage of shares as follows:

	Completion of the first phase of the CAR001 project clinical trial (Last Patient In) entitles the employee to 40% of the allocated shares. After two years from the allocation date, the employee will be entitled to 30% of the allocated shares. After three years from the allocation date, the employee will be entitled to 30% of the allocated shares. If the above-mentioned dates fall on a holiday, the vesting date will be extended to the next business day.
Restrictions on rights in the new restricted employee shares	1.Prior to the fulfillment of the vesting conditions, employees may not sell, pledge, transfer, gift, set up, or dispose of in any other way the restricted employee shares allocated to them under this regulation. 2.Before the vesting conditions are met, employees' rights and obligations regarding the allocated shares (including rights to participate in stock distribution, dividends, attend and propose at shareholder meetings, speak, vote, elect, participate in cash capital increase subscription, and other shareholder rights) will be the same as those associated with the company's issued common shares. 3.The restricted employee shares issued this time may be held in a stock trust. Before the vesting conditions are met, employees may not request the trustee to return the restricted employee shares for any reason or by any means.
Custody of the new	1.Upon the allocation of restricted employee

restricted employee shares	shares, the company will record the allocated shares in the company's shareholder register and deliver the newly issued common shares or new stock certificates through book-entry transfer. In accordance with the trust agreement, the shares may be held in trust during the restricted vesting period. 2.The period during which the restricted employee shares are held in trust shall be managed by the company, which will act as the sole representative to negotiate, sign, amend, extend, release, or terminate the trust agreement with the stock trust custodian institution. The company will also provide instructions regarding the delivery, use, and disposition of the trust property.
Treatment of the new restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	If an employee violates any provisions of this regulation, the trust agreement, the labor contract, the work rules, or any contractual agreements with the company (such agreements are authorized and signed by the Chairman on behalf of the Board of Directors), the company will reclaim the restricted employee shares that have been allocated but have not yet met the vesting conditions, and will cancel those shares at the original subscription price. If an employee fails to meet the vesting conditions after being allocated the restricted employee shares, the company will reclaim the shares at the original subscription price and cancel them. Voluntary

	Resignation/Retirement/Termination/Discharge: For the restricted employee shares that have been allocated but have not met the vesting conditions, the company will reclaim the shares at the original subscription price and cancel them. Leave of Absence without Pay: If an employee is granted a leave of absence without pay during the period in which they were allocated restricted employee shares, the employee will be deemed not to have met the vesting conditions during the leave of absence. Upon returning to their original position, the Chairman will determine whether the employee's rights can be reinstated, and the vesting conditions, distribution ratio, and time limits will be recalculated within the scope of the allocated shares. Death: For the restricted employee shares that have been allocated but have not met the vesting conditions, the company will reclaim the shares at the original subscription price and cancel them. Occupational Injury: (1) If an employee becomes permanently disabled due to an occupational injury and is unable to continue their employment, the restricted employee shares that have not met the vesting conditions may vest early, effective from the date of termination.

	(2) If an employee dies due to an occupational injury, the restricted employee shares that have not met the vesting conditions will vest early on the date of death, and the shares will be transferred to the employee's heirs. Transfer: If an employee requests to transfer to an affiliated company or another company (excluding subsidiaries), the restricted employee shares will be handled according to the "General Resignation" provision. However, if the employee is assigned by the company to another affiliated company or related entity as part of the company's operations, the restricted employee shares will not be affected by the transfer. Dividends on Allocated Shares: Any stock or cash dividends on the restricted employee shares that have been allocated but have not yet met the vesting conditions do not need to be returned.
Number of new restricted employee shares that have been retired or bought back	0 shares
Number of new restricted shares that have vested	0 shares
Number of unvested new restricted shares	888,000 shares
The ratio of the number of unvested new restricted shares to the total number of issued shares	1.09%

(%)	
The effect on shareholders' equity	No Material Impact

3.6.2 Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the annual report

	Job title	Name	Number of shares subscrib -able fromexercise of warrants granted	Ratio of the number of shares subsc ri b - able from the exercise of warrants granted to the totalnumber of issued shares	Exercised				Unexercised			
					lumber f shares	Exercis e price	Total exercise price	Ratio of the number of exercise shares to the total number of issued shares	Number of shares	Exercis e price	Total exercise price	Ratio of the number of exercise shares to the total number of issued shares
	General Manager and Director of Production & Manufacturing	Huang Wen-Liang	80,000	0.10%	-	-	-	-	80,000	20	1,600 thousands	-
	Manager of Finance and Administration Departments	Lee Po-chin										
	Advisor	Hsu Weicheng	630,000	0.77%	-	-	-	-	630,000	20	12,600 thousands	-
	Manager, Project Management and Clinical Development	Hsu, Chin-Ting										
	Deputy Manager, Manufacturing Division I	Liu, Ming-Chao										
	Manager, Manufacturing Division II & Division III	Chen, Chien-Lin										
	Employee	Wang, Yan-Hsiang										
	Employee	Lai, Ying-Ju										
	Advisor	Cheng, Long-Bin										
	Advisor	Chou, Te-Yang										

	Job title	Name	Number of shares subscrib -able fromexercise of warrants granted	Ratio of the number of shares subsc ri b - able from the exercise of warrants granted to the totalnumber of issued shares	Exercised				Unexercised			
					Number of shares	Exercise price	Total exercise price	Ratio of the number of exercise shares to the total number of issued shares	Number of shares	Exercise price	Total exercise price	Ratio of the number of exercise shares to the total number of issued shares
	Advisor	Li, You-Cheng										
	Advisor	Li, Ming-Zhuan										

3.7 List of Executives Receiving Restricted Shares and Top Ten Employees with Restricted Shares up to the Publication Date of this Annual Report: None.

3.8 Shares Issuance for Mergers and Acquisitions: None.

IV.Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

4.1.1.1 Main areas of business operations

The businesses operated by the Company are as follows:

Researching, designing, developing, manufacturing, and selling the following products:

1.Stem cell products

2.Immune cell products

The business items and codes of the above-mentioned products are:

1.IC01010 Medicine Inspection

2.IG01010 Biotechnology Services

3.IG02010 Research and Development Service

4.I199990 Other Consulting Service

5.F601010 Intellectual Property Rights

6.C802041 Manufacture of Drugs and Medicines

7.F108021 Wholesale of Western Pharmaceutical

8.F208021 Retail Sale of Western Pharmaceutical

9.F401010 International Trade (Limited to the above-mentioned related products.)

The following are limited to operations outside the Science Park:

10.F108031 Wholesale of Medical Devices

11.C802060 Veterinary Drug Manufacturing

12.C802080 Environmental Agents Manufacturing

13.F113030 Wholesale of Precision Instruments

14.C102010 Manufacture of Dairy Products

15.C110010 Beverage Manufacturing

16.C199990 Manufacture of Other Food Products Not Elsewhere Classified

17.C802090 Manufacture of Cleaning Preparations

18.C802100 Cosmetics Manufacturing

19.C802110 Cosmetic Pigment Manufacturing

20.CE01010 General Instrument Manufacturing

21.F102030 Wholesale of Tobacco and Alcohol

22.F102040 Wholesale of Nonalcoholic Beverages

23.F102170 Wholesale of Foods and Groceries
24.F103010 Wholesale of Animal Feeds
25.F107030 Wholesale of Cleaning Supplies
26.F107050 Wholesale of Fertilizer
27.F107070 Wholesale of Veterinary Drugs
28.F107080 Wholesale of Environmental Agents
29.F108040 Wholesale of Cosmetics
30.F203010 Retail Sale of Food, Grocery and Beverage
31.F203020 Retail Sale of Tobacco and Alcohol
32.F207050 Retail Sale of Fertilizer
33.F207070 Retail Sale of Veterinary Drugs
34.F207080 Retail Sale of Environmental Agents
35.F208031 Retail Sale of Medical Apparatus
36.F208040 Retail Sale of Cosmetics
37.F208050 Retail Over-the-counter drugs class B
38.F213040 Retail Sale of Precision Instruments
39.F218010 Retail Sale of Computer Software
40.I103060 Management Consulting
41.I301010 Information Software Services
42.I301020 Data Processing Services
43.IZ99990 Other Industrial and Commercial Services
44.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

4.1.1.2 Revenue distribution

Unit ; NT$ thousands

	2023		2024	
	Total Sales	(%) of Total Sales	Total Sales	(%) of Total Sales
Cell preparation	396,758	52.32%	473,757	50.74%
Storage Services	161,320	21.27%	211,644	22.66%
Health products	142,600	18.80%	149,808	16.04%
Genetic testing	57,713	7.61%	2,830	0.30%
Technology licensing	-	-	95,774	10.26%
Total	758,391	100.00%	933,813	100.00%

4.1.1.3 Main products

A. Our company has four main products under development for new drugs:
   a. ADCV01 is an autologous dendritic cell tumor vaccine for which we have obtained TFDA approval to conduct phase II clinical trials.
   b. UMSC01 is a new drug for the treatment of myocardial infarction using human allogeneic umbilical cord mesenchymal stem cells. We have obtained approval from both the US FDA and TFDA to conduct a Phase IIa clinical trial.
   c. UMSC01 is a new drug for the treatment of acute ischemic stroke using human allogeneic umbilical cord mesenchymal stem cells. We have obtained approval from both the US FDA and TFDA to conduct a Phase I clinical trial.
   d. UMSC01 is a new drug for the treatment of multiple sclerosis using human allogeneic umbilical cord mesenchymal stem cells. We have obtained approval from both the US FDA and TFDA to conduct a Phase I/IIa clinical trial.
   e. The CAR001 chimeric antigen receptor T-cell therapy for the treatment of late-stage recurrent/refractory solid tumors has received approval from the US FDA to conduct Phase I/IIa clinical trials and is currently undergoing TFDA clinical trial application.

B. Our company's cell contract manufacturing services mainly involve five products:
   a. ADCV01 is an autologous dendritic cell tumor vaccine, which has been approved by the Ministry of Health and Welfare for the treatment of stage 1-3 solid tumors that are resistant to standard treatment and stage 4 solid tumors.
   b. DC-CIK dendritic cell-cytokine-induced killer cells are currently approved by the Ministry of Health and Welfare for the treatment of stage IV solid tumors.
   c. BMSC autologous bone marrow mesenchymal stem cells have been approved by the Ministry of Health and Welfare for the treatment of osteoarthritis and spinal cord injury.
   d.CIK cell therapy, induced killer cells by cytokines, is currently approved by the Taiwan Food and Drug Administration to treat hematological malignancies, as well as stage 1 to stage 3 solid tumors that are resistant to standard treatments, and stage 4 solid tumors.
   d. Gamma-delta T cell therapy has been approved by the Ministry of Health and Welfare for the treatment of stage IV solid tumors.

4.1.1.4 New products development

A. Chimeric antigen receptor immune cell therapy (CAR001) for the treatment of triple-negative breast cancer.
B. Gene-engineered modified stromal stem cell therapy for malignant tumors.
C. Treatment of malignant tumors using magnetic fucoidan-antibody

conjugates as a nanobiomedical drug.

D. Umbilical cord blood hematopoietic stem cell therapy for patients requiring long-term blood transfusions.

4.1.2 Industry Overview

4.1.2.1 The current status and development of the industry

The global cell therapy market remains dominated by two major trends: immune cells and stem cells, which are the two main areas actively developed and produced by our company.

Currently, Taiwan adopts a dual-track management approach for cell therapy. For new drug applications, the Food and Drug Administration (FDA) is responsible, and the relevant regulations fall under the Pharmaceutical Affairs Act. Meanwhile, the Special Control Measures are handled by the Department of Medical Affairs under the Ministry of Health and Welfare, which apply specific medical technology inspection and medical device usage management (Special Control Measures passed in September 2018).

Our company's research on immune cell-based anti-tumor therapies, including ADCV01, DC-CIK, CIK, and Gamma-Delta T cells, has shown promising results in inhibiting tumor metastasis and recurrence. These products induce long-lasting immune memory, maintaining and amplifying anti-tumor effects. The scope of solid tumors covered by our therapies includes glioblastoma multiforme, secondary brain tumors, epithelial ovarian cancer, pancreatic cancer, prostate cancer, head and neck cancer, liver cancer, colorectal cancer, breast cancer, and lung cancer. Among these, lung cancer, breast cancer, colorectal cancer, and liver cancer are prone to metastasize to the brain. Beyond the efficacy of immune cell-based tumor treatments, the key advantage of cell therapy is its extremely low side effects and complications, highlighting the value of immune cell therapy products.

Current research indicates that the high differentiation plasticity of umbilical mesenchymal stem cells enhances their research and application value, expanding their potential for broader applications and a high market potential. Additionally, allogeneic mesenchymal stem cells have a significant feature: they possess innate immune advantages, allowing them to remain in the maternal blood system without being rejected, which meets safety considerations. In summary, allogeneic umbilical mesenchymal stem cells represent the concept of engineering, mass production, and commercialization, providing off-the-shelf products to achieve optimal economic benefits.

A. Stem Cell Products

Human stem cell research has been hailed as one of the most important scientific achievements of the 21st century by the prestigious American journal Science. Among adult stem cells, more mature and popular fields include mesenchymal stem cells (MSCs), hematopoietic stem cells, and induced pluripotent stem cells (iPSCs). The high differentiation plasticity of mesenchymal

stem cells enhances their research and application value, expanding their range of applications and offering significant market potential.

Mesenchymal stem cells have the potential to differentiate into various cell types or tissues from different germ layers. Unlike hematopoietic stem cells, the application of mesenchymal stem cells is not focused on producing blood cells but rather on generating tissues other than blood, such as bones, fat, cartilage, nerve, and heart cells. Traditionally, the source of mesenchymal stem cells was primarily bone marrow, which is invasive, causes donor pain, and carries higher risks in obtaining them. As a result, there is global research into how to obtain mesenchymal stem cells from other tissues, such as the placenta, umbilical cord blood, umbilical cord, and adipose tissue.

Our company is not limited to bone marrow-derived mesenchymal stem cells; we have invested in research on umbilical cord mesenchymal stem cells. Umbilical cord mesenchymal stem cells have the ability to proliferate in vitro and differentiate into multiple types of cells, offering excellent potential for tissue and organ regeneration and repair. They have the advantages of minimal tissue antigenicity, immune modulation capabilities, differentiation potential, and extensive self-renewal abilities. These properties make them highly suitable for allogeneic transplantation and an excellent source for cell therapies.

Moreover, allogeneic umbilical cord mesenchymal stem cells possess an important characteristic: they have innate immune advantages, allowing them to persist in the host's blood system without being rejected, which meets safety considerations. In summary, allogeneic umbilical cord mesenchymal stem cells embody the concepts of engineering, mass production, and commercialization, offering off-the-shelf products to achieve optimal economic efficiency.

B. Immunotherapy Cell Products

In 1985, the U.S. National Institutes of Health (NIH) recognized immunotherapy as the fourth major cancer treatment modality, alongside surgery, radiation, and chemotherapy. In 2006, Japan also included immunotherapy as a standard treatment. In 2013, the prestigious journal Science in the U.S. commented on "cancer immunotherapy" as the breakthrough scientific advancement of the year, marking it as the new mainstream anti-cancer treatment in recent years.

The dendritic cell tumor vaccine developed by our company primarily works by stimulating the activation of tumor antigen-specific cytotoxic T lymphocytes (CTLs), which then use antigen-specific recognition to eliminate cancer cells. Numerous studies have shown that dendritic cell-based immunotherapy can trigger cellular immune responses to attack highly malignant tumors such as prostate cancer and renal cell carcinoma. With the increasing number of clinical trials involving dendritic cells, it has

been found that dendritic cell vaccines not only activate tumor-specific cytotoxic T lymphocytes but also enhance the activity of natural killer (NK) cells. These findings suggest that dendritic cell immunotherapy can elicit both adaptive and innate anti-tumor immune responses in at least half of the patients. Additionally, because immunotherapy does not have the common side effects of traditional chemotherapy or radiation therapy, such as nausea, vomiting, loss of appetite, neutropenia, and hair loss, it is regarded as a promising new weapon in cancer treatment due to its low adverse event rates in clinical trials.

This treatment approach, free from the significant side effects of traditional therapies, is positioning immunotherapy as a revolutionary advancement in the fight against cancer.

4.1.2.2 The links between the upstream, midstream, and downstream segments of the industry supply chain

The cell industry chain is shown in the diagram below. The upstream sector includes the development of cell culture reagents and equipment, as well as cell collection and preservation. The midstream sector involves the development of cell products, domestic/international transportation, and database matching. The downstream sector encompasses disease treatment, clinical applications, and transplantation. Our company primarily focuses on cell product development, disease treatment, and clinical trials, meeting the needs of the upstream, midstream, and downstream sectors of the cell industry. Throughout the development process, we also generate related product applications and clinical trials.

4.1.2.3 Development trends for the company's products

A. Stem Cell Products

Human stem cell research has been recognized by the prestigious American journal Science as one of the most important scientific achievements of the 21st century. According to a February 2020 report by Grand View Research, the stem cell market is expected to reach USD 17.9 billion by 2027, with a compound annual growth rate (CAGR) of 8.2%. The high differentiation plasticity of umbilical mesenchymal stem cells enhances their research and application value, broadening their potential applications and offering significant market potential.

Stem cells are mainly categorized into mesenchymal stem cells, hematopoietic stem cells, and induced pluripotent stem cells. The first successful application of stem cells in bone marrow transplants in 1968 marked the beginning of stem cell use in medicine. Today, bone marrow transplants continue to be used for treating cancer and genetic blood diseases, with the source of stem cells gradually shifting from bone marrow to umbilical cord blood and peripheral blood. Currently, there are approximately 60,000 cases of bone marrow stem cell transplants globally (of which about 35,000 cases involve autologous hematopoietic stem cells and about 25,000 cases involve allogeneic hematopoietic stem cells). In 1997, the first autologous cartilage cell therapy product, Carticel®, was approved

by the U.S. Food and Drug Administration (FDA). In 2011, the South Korean Food and Drug Safety Administration also approved the "Hearticellgram-AMI" stem cell treatment for myocardial infarction developed by FCB Pharmicell, the world's first autologous bone marrow mesenchymal stem cell therapy for myocardial infarction. Many other products have since been approved for international markets, with more expected to follow.

Mesenchymal stem cells were first discovered around 1970 and are a type of adult stem cell primarily found in the umbilical cord, placenta, bone marrow, and fat. These multifunctional stem cells originate from the mesoderm and ectoderm during early development and possess both proliferative and multipotent differentiation potential. They can differentiate into liver, cartilage, bone, muscle, tendon, nerve, liver, and myocardial cells. When specific signals from tissue damage are present, mesenchymal stem cells are attracted to the injured area, where they proliferate and differentiate along different pathways depending on the type of injury. Furthermore, mesenchymal stem cells have strong immunomodulatory effects, maintaining immune balance by inhibiting excessive immune responses. Their high differentiation plasticity and immunomodulatory properties enhance their research and application value in cell therapy, tissue engineering, and regenerative medicine.

The mesenchymal stem cells developed by our company offer superior functionality and quality compared to bone marrow mesenchymal stem cells. These cells are non-invasive, culture rapidly, and possess immunomodulatory inhibitory capabilities and immune evasion characteristics, making them suitable for allogeneic transplantation. Therefore, they have broad clinical applications and serve as an excellent source for cell therapy. The stem cell-based products our company plans to develop for production are allogeneic umbilical mesenchymal stem cells. The unique technical specifications of this cell formulation were discovered through molecular mechanisms that reveal not all mesenchymal stem cells exhibit the same proliferation, differentiation, and healing capabilities. Specific subsets of mesenchymal stem cells that express insulin-like growth factor 1 receptor (IGF1R) have been identified. Our company's specialized cell culture system can isolate mesenchymal stem cells that specifically express IGF1R, and under serum-free culture conditions, significantly increases the expression of IGF1R while eliminating the risks of contamination by animal-derived serum, which can introduce diseases. As a result, patients can safely store the youngest first-generation mesenchymal stem cells, which, when used in the future, will still have high proliferation, differentiation, and healing capabilities. This exclusive technology holds significant potential in future medical applications. The cell formulations for different indications will be developed into various specifications.

Mesenchymal stem cells (MSCs) are capable of self-renewal and can

differentiate into bone, fat, and cartilage cells. Their potential as a regenerative medicine strategy has been demonstrated in animal experiments and some small-scale clinical trials. Mesenchymal stem cells are a type of adult stem cell, first isolated from bone marrow. Recent studies have also shown that mesenchymal stem cells can be isolated from fat tissue, umbilical cord, umbilical cord blood, or placenta. These cells can proliferate in vitro and have the potential to differentiate into a wide range of embryonic layer cells or tissues. Unlike hematopoietic stem cells, mesenchymal stem cells are not used to produce blood cells but rather produce non-blood tissues such as bone, fat, cartilage, nerve, and heart cells. Early applications of mesenchymal stem cells were limited to their ability to differentiate into bone, fat, and cartilage. However, recent preclinical trials have shown that mesenchymal stem cells also possess significant immunomodulatory inhibitory effects and immune evasion properties, increasing their potential for clinical use in various inflammatory-related conditions. In several clinical trials, mesenchymal stem cells have been proven to be biologically safe in humans, though their effectiveness has not been consistent due to incomplete understanding of their immune modulation mechanisms. Thus, effectively utilizing the immunomodulatory capabilities of mesenchymal stem cells is currently a key technological challenge.

B. Immunotherapy Cell Products

Compared to traditional chemotherapy or targeted therapies, immunotherapy works by "activating the host immune system" to achieve anti-cancer effects. Immunotherapy can be divided into two main types: immune checkpoint therapy and cellular immunotherapy.

Immune checkpoint therapy aims to remove the tumor's inhibitory effects on the immune system, thereby promoting the activation of CD8+ T cells, which then inhibit and destroy cancer cells. In 2010, the U.S. FDA approved the first cancer therapeutic vaccine for prostate cancer, which was further developed into combination therapies, including those combined with immune checkpoint inhibitors. These types of drugs have been gradually approved for market release by the U.S. FDA in recent years.

Cellular immunotherapy involves isolating T cells from the patient's body and using genetic engineering to modify the T cells, enabling them to recognize the patient's tumor cell antigens and attack the tumor. In 2017, the U.S. FDA approved Kymriah, a CAR-T product developed by Novartis, marking it as another revolutionary tumor treatment method following immune checkpoint inhibitors. In cellular immunotherapy, dendritic cells are considered to be the most effective antigen-presenting cells. Dendritic cell immunotherapy involves isolating monocytes, inducing them to differentiate into dendritic cells, adding cancer cell antigens, and transforming them into mature dendritic cells. When reintroduced into the patient’s body, these mature dendritic cells present the

cancer cell antigens to T cells, thereby activating CD8+ T cells and natural killer cells to enhance the immune response against cancer cells.

According to a market report by Grand View Research in February 2019, the cancer immunotherapy market is expected to reach USD 126.9 billion by 2026, with a compound annual growth rate (CAGR) of 9.6%. Another market report (Research and Markets) from March 2020 projected that the immunocellular therapy market will have a CAGR of 15.5% by 2025. According to the Ministry of Health and Welfare's top ten causes of death in Taiwan in 2019, cancer was the leading cause of death, accounting for 50,232 deaths, or 28.6% of all deaths.

In 2010, Dendreon Corporation launched the world's first cancer therapeutic vaccine, Provenge, used to treat prostate cancer. This vaccine consists of the patient's own dendritic cells loaded with recombinant prostate acid phosphatase (PAP) antigen. In 2014, Biovest Corporation's cancer vaccine BiovaxID, used to treat non-Hodgkin's follicular lymphoma, received marketing approval in the European Union.

4.1.2.4 Competition for the company's products

A. Stem Cell Products

In this trial, the product is targeted at acute ischemic stroke or other vascular diseases that cannot be improved by traditional drugs or conventional surgeries. Several mesenchymal stem cell-related products have already been marketed internationally. Similar treatments using mesenchymal stem cell transplantation for acute myocardial infarction and acute ischemic stroke are listed in the table below. The competitors' approach mainly involves intravenous injection. Literature indicates that about 90% of stem cells injected intravenously are distributed to the lungs (Pendharkar, Chua et al., 2010). In contrast, our company pioneered a unique dual-route injection method to enhance the clinical efficacy. By injecting through the coronary artery or cerebral artery, stem cells can be precisely delivered to the lesion site, while combining intravenous injection further increases the cell count, enhancing paracrine effects, such as anti-inflammatory and immune-regulatory actions. The combination of these methods has synergistic effects, improving the overall efficacy of stem cell therapy.

Our company is investigating the use of UMSC01 for treating acute myocardial infarction in a Phase I clinical trial, with the method of intracoronary (IC) + intravenous (IV) infusion for patient safety. As of September 11, 2020, the trial has treated 8 AMI subjects (6 of whom had data confirmed by the Data Safety Monitoring Board (DSMB), which concluded that no adverse events or serious adverse events related to UMSC01 occurred, and that the trial can continue). Furthermore, in previously published literature, several studies using intracoronary injection of mesenchymal stem cells for treating myocardial infarction, as shown in the table below, reported no immune or biochemical metabolic abnormalities, nor

did they present a risk of cancer cell formation.
Our company is conducting another Phase I clinical trial using UMSC01 to treat acute ischemic stroke, with the injection route being intravenous (IV) + intra-arterial (IA) infusion. The trial investigates its safety. We have commissioned Qihong Biotech to perform the pivotal GLP study (19037IV01), in which UMSC01 was administered at a dose of 1x10^6 cells/animal via the IA route in rats. No deaths, clinical symptoms, or adverse events related to UMSC01 were observed.
In the preclinical report [CMUH-201707-02; CMUH-201912-11], after inducing stroke in rats, UMSC01 was intravenously infused at a dose of 1x10^6 cells after 2 hours, followed by intra-arterial infusion of 1x10^5 UMSC01 cells 24 hours later. The experimental rats were divided into control, IV, IA, and IV+IA groups. The results showed that the IV+IA group had the most significant improvements in both the brain infarct size and neurological behavior function. Additionally, the cells infused via IV+IA were distributed in the brain, lungs, and other areas of the body. These results demonstrate that administering UMSC01 via IV and IA 2 hours and 24 hours after stroke, respectively, can effectively treat cellular and neurological damage caused by stroke.
Furthermore, numerous stem cell-related clinical trials using intra-arterial (IA) routes to treat ischemic stroke in humans have been conducted. The results from these trials showed no adverse reactions related to stem cell treatment, as shown in the table below.

B. Immunotherapy Cell Products

This product is developed for the treatment of malignant brain tumors. While several dendritic cell vaccine products are already available on the international market, none have been developed for treating malignant brain tumors using dendritic cell-based tumor vaccines. This product is designed to treat brain cancer as a comparison, as outlined in the table below.
Currently, for patients with low PD-1+/CD8+ ratio, the therapeutic efficacy of ADCV01 is being evaluated in an ongoing Phase II clinical trial. The results from this trial will be further validated, and a pivotal study is also planned to confirm the findings. In addition to planning for the Phase III clinical trial application, combination therapy with ADCV01 and PD-1/PD-L1 checkpoint inhibitors is being considered for future clinical trials.
Furthermore, temporary marketing authorization applications are in progress, and for patients with high PD-1+/CD8+ ratio, a combination of anti-PD1 treatment is planned in a Phase III efficacy validation trial, with a small Phase II study initially conducted before progressing to Phase III. This approach targets a specific patient population for treatment, aligning with the concept of precision medicine.
The dendritic cell vaccine ADCV01 is currently undergoing a Phase II clinical trial for the treatment of glioblastoma multiforme (GBM).

The trial is designed to treat patients with a low PD-1+/CD8+ ratio (<0.21), as these patients tend to have a better prognosis with immunotherapy, allowing for the achievement of precision medicine outcomes.
Additionally, by employing a special purification method to extract "autologous" tumor antigens, the vaccine can achieve highly specific therapeutic effects with high individual specificity, making it applicable to a broad patient population.

4.1.3 Research and Development

4.1.3.1 Research and Development Expenses by the Central Research Institute (CRI) in the Past Two Years

Item	2023	2024 (As of March)
Total Expenses (NT$ thousands)	147,220	49,368

4.1.3.2 Research and Development Achievements of the CRI in the Past Two Years

Product	Status	Achievements
ADCV01 (GBM)	Phase II clinical	We have obtained the approval from TFDA to conduct a domestic Phase II clinical trial.
UMSC01 (AMI)	Phase IIa trials	Has obtained approval from the US FDA and TFDA to conduct clinical Phase IIa trials.
UMSC01 (Stroke)	Phase I clinical	Has obtained approval from both the US FDA and the domestic TFDA to conduct a Phase I clinical trial.
UMSC01 (MS)	Phase I/IIa	The clinical Phase I/IIa trial has been approved by both the US FDA and TFDA for execution.

4.1.4 Long-term and Short-term Development

4.1.4.1 Short-term Development

(1) Completed (UMSC01-AMI) allogeneic umbilical cord mesenchymal stem cell therapy for acute myocardial infarction, the first phase of clinical trials in Taiwan and the United States.

(2) Approved (UMSC01-AMI) umbilical cord mesenchymal stem cell therapy for acute myocardial infarction, for the second phase of clinical trials in both the United States

and Taiwan.

(3) Passed (UMSC01-Stroke) allogeneic umbilical cord mesenchymal stem cell therapy for ischemic stroke, Taiwan and the US phase I clinical trial.

(4) Completed (UMSC01-Stroke) allogeneic umbilical cord mesenchymal stem cell treatment for ischemic stroke, the first phase clinical trial in Taiwan and the United States.

(5) Approved (UMSC01-COVID-19) allogeneic umbilical cord mesenchymal stem cell therapy for COVID-19 by the US FDA and Taiwan for phase I/IIa clinical trials.

(6) Completed (ADCV01-GBM) dendritic cell vaccine for the treatment of malignant glioma, Taiwan Phase II clinical trial.

4.1.4.2 Long-term Development

(1) Passed (ADCV01-GBM) dendritic cell vaccine treatment for malignant brain cancer, Taiwan Phase III clinical trial.

(2) Approved (UMSC01-Stroke) allogeneic umbilical cord mesenchymal stem cell therapy for stroke, Phase II clinical trials in Taiwan and the United States.

(3) Approved (UMSC01-COVID-19) allogeneic umbilical cord mesenchymal stem cell therapy for COVID-19, Phase IIb clinical trials in the US and Taiwan.

(4) Expanding the application of cell therapy for new drugs to a wider range of indications and severe conditions.

(5) Global technology transfer of advanced cell and gene therapy (magnetic brown algae nan particles, genetically engineered modified stromal cells, and CAR001).

4.2 Market and Sales Overview

4.2.1 Market Analysis

4.2.1.1 Sales (Service) Region

Due to the fact that our cell therapy products are targeted towards critically ill patients, our distribution strategy focuses on developing partnerships with regional hospitals and medical centers. Additionally, as our products require a certain level of expertise, we have hired dedicated professionals for market development and business promotion.

Currently, our business department consists of one sales manager who oversees all sales and after-sales service matters, one deputy sales manager who is responsible for handling the special management application process for medical institutions, and three sales representatives who are each responsible for serving hospitals in the north, central, and southern regions that have passed the special management application process. We plan to expand our sales team to six by the end of this year, with two sales representatives assigned to each of the north, central, and southern regions of Taiwan.

In addition, our business department has two main performance indicators: the number of special management applications approved for hospitals and monthly revenue. To ensure that these performance indicators are met, we have established clear guidelines for the business department, which includes regularly collecting market information and analyzing market trends and competitor strategies to formulate annual, quarterly, and monthly sales targets. At the end of each year, the sales department is required to submit a sales plan that allocates sales targets to different products, regions, and hospitals. Each target is regularly reviewed and evaluated, and if there is a deviation of 10% or more from the target, the sales department is required to propose an analysis and improvement plan.

This system has been implemented successfully so far, and our sales team has mostly achieved their sales targets.

4.2.1.2 Market Share (%) of Major Product Categories

As the scope of technical services for biopharmaceuticals is wide and diverse, ranging from drug discovery, preclinical trials to clinical trials, all of which are included in the development of drug technology services, the relevant statistical data items are complex. Therefore, our company focuses on the development technology of biopharmaceuticals, making it difficult to estimate our precise market share.

4.2.1.3 Market Analysis of Major Product Categories

A. Stem cell

Human stem cell research has been recommended by the authoritative US magazine Science as one of the most important scientific research achievements of the 21st century. According to the February 2020 report from Grand View Research, the stem cell market is expected to reach $17.9 billion in 2027, with a compound annual growth rate of 8.2%. The high differentiation plasticity of umbilical cord mesenchymal stem cells enhances their research and application value, making their application range wider and with high market potential.

B. Immune Cells

According to a market report by Research and Markets published in March 2020, the compound annual growth rate of the immunotherapy market is expected to reach 15.5% by 2025.

According to the top 10 causes of death in Taiwan released by the Ministry of Health and Welfare in 2019, there were 52,320 deaths from cancer, accounting for 28.6% of all deaths. In September 2018, the Ministry of Health and Welfare announced the revision of the regulations for the management of six types of cell therapies, giving cancer patients new hope and creating opportunities for collaboration between technology providers and medical institutions. According to the 2017 Cancer Registry Annual Report, there were 111,684 people diagnosed with cancer in Taiwan, representing potential demand for immunotherapy drugs in the domestic market. According to estimates by the National Health Insurance Administration of the Ministry of Health and Welfare, the cost per person per year for immunotherapy drugs could reach as high as 2-4 million NT dollars, resulting in an estimated demand of 6 billion NT dollars per year.

4.2.1.4 The company's competitive niche

As cell therapy continues to develop, countries worldwide are revising their regulations to address the unique manufacturing processes and complex treatment procedures associated with such emerging products. For example, the United States passed the "21st Century Cures Act" in late 2016, establishing an accelerated review pathway for regenerative medicine products to speed up product approval and market entry. Similarly, the Taiwanese government has taken a proactive approach towards the development of cell therapies. In September 2018, Taiwan passed the "Special Regulations for the Administration of Cell Therapy," followed by the draft of the "Regulations on the Management of Regenerative Medical Products" in October 2018. Further, in April 2020, the Ministry of Health and Welfare (MOHW) announced amendments to the regulations on the use of specific medical devices and clinical trial applications for human cell therapy products, aiming to relax restrictions and accelerate the timeline for product commercialization. This enables patients in need

of urgent therapies to have more treatment options.
In response to the MOHW's initiative to open up cell therapy technology, the company has established three cell manufacturing facilities that meet the Good Manufacturing Practice (GMP) standards for human cell and tissue products. The company is also working with medical institutions to manufacture cell products, which allows it to introduce its autologous immune cell and stem cell therapies, currently in the new drug development phase, to the market ahead of approval. This will provide a primary source of revenue for the company before its new drugs are officially launched.

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

A. Advantages

a. Strong R&D Team

The company has a strong team consisting of pharmaceutical biotechnology PhD scientists, professional doctors, experienced project managers, senior regulatory specialists, and clinical researchers. The team's fine division of labor facilitates the development of cell therapy new drugs and cell contract manufacturing.

B. Internationally Recognized Clinical Trials

Several of the company's new drug clinical trials have been recognized and approved by the U.S. FDA. The immune cell ADCV01 has received orphan drug designation from the U.S. FDA and has been approved by Taiwan's FDA for Phase II clinical trials. The umbilical mesenchymal stem cell (UMSC01) for treating acute myocardial infarction and acute ischemic stroke has started Phase I clinical trials, and it has also been approved by the U.S. FDA for Phase I/IIa clinical trials for the treatment of COVID-19.

C. Diverse Cell Products and Manufacturing Capacity

The company provides a variety of cell products, including DC, DC-CIK, CIK, and BMSC. It also has three cell manufacturing plants that comply with good manufacturing practices for human cell and tissue products. These facilities can immediately supply the required cell products to hospitals for critically ill patients, while also supporting treatment under the special regulations, further boosting the company's revenue and R&D competitiveness.

D. Hospital Partnerships and Market Expansion

The company has formed alliances with 17 hospitals in Taiwan, providing access to a large potential customer base and facilitating the expansion of its cell therapy business, laying a solid foundation for the company's growth.

E. Government Support and Policy Benefits

The Ministry of Health and Welfare's regulations for regenerative

medical products and the special regulatory approval process for drugs are under review, which will facilitate the direct market launch of the company's products. The revision of these regulations will help expand the company's business related to storage and treatment, increasing revenue.

F. Innovative R&D Products with International Competitiveness

The company possesses several innovative R&D products such as HLA-G CAR-T, genetically modified mesenchymal stem cells, and nanobiological formulations, which are highly competitive internationally and can open up new therapeutic fields in the global market.

B. Disadvantages and Mitigation Strategies

a. High R&D and Manufacturing Costs

The costs associated with developing and manufacturing new drugs are extremely high, which puts pressure on the company's cash flow and investment returns.

Mitigation Strategy:

Shorten Production Process and Explore Alternative Solutions: For ADCV01, an alternative solution could be to use an allogeneic mesenchymal stem cell master cell bank (MCB) during Phase II, which can save costs and enhance competitiveness.

b. Increased Domestic Market Competition

As more companies provide special regulatory treatments in Taiwan, price competition and unethical competition behaviors are likely to increase, putting pressure on the company.

Mitigation Strategy:

Continuous Development of New Products: The company will continue to invest in the development of new products and explore more breakthrough treatments to increase its competitive edge.

c. Long Clinical Trial Times and International Competition

Clinical trials require significant time investment, and competitors internationally are advancing rapidly, which places pressure on the company's product development timelines.

Mitigation Strategy:

Accelerate Development and Seek Licensing Partnerships: The company will speed up product development and actively seek licensing and partnership opportunities with international pharmaceutical and biotech companies to expedite market entry and reduce development risks.

4.2.2 Production Procedures of Main Products

4.2.2.1 Major Products and Their Main Uses

(1) ADCV01 is an anti-tumor vaccine used for cancer treatment, which is made by in vitro culturing autologous dendritic cells.

(2) UMSC01 is an allogeneic umbilical cord mesenchymal stem cell

therapy that is cultured in vitro for the treatment of acute myocardial infarction, acute ischemic stroke, and COVID-19.

(3) Our company provides cell products necessary for the implementation of the "Management Measures for the Implementation or Use of Specific Medical Technology Examinations, Inspections, and Medical Devices" (referred to as the "Special Management Measures") announced by the Ministry of Health and Welfare in September 2018.

4.2.2.2 Major Products and Their Production Processes

(1) The main raw material and formulation processes for ADCV01 and UMSC01 need to be developed internally. Currently, the raw material and formulation processes have been developed, and the clinical trial drugs and future marketed drugs will be produced by GMP factories that meet international standards.

(2) According to the opening of cell therapy technology by the Ministry of Health and Welfare, our company has three cell manufacturing facilities that meet the Good Tissue Practice (GTP) regulations. We offer cell product manufacturing services to medical institutions, and collaborate with hospitals in Taiwan to apply autologous immune cell and autologous stem cell therapy technologies that are still in the new drug development stage to the market in advance.

4.2.3 Supply Status of Main Materials

Our company's main raw materials for the production of cell therapies such as ADCV01 and UMSC01 include culture media, culture dishes, reagents, serum, and cells. We have maintained long-term stable cooperative relationships with our suppliers for these laboratory consumables, and their supply has been consistent without any interruptions.

4.2.4 Major Suppliers and Clients

4.2.4.1Information on Major Suppliers for the Most Recent 2 Years

Unit ; NT$ thousands

	2023				2024			
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	A0082	19,001	16.93	None	A0085	37,173	17.69	None
2	A0085	17,214	15.34	None	C062	35,754	17.02	None
3	A0048	16,472	14.68	None	A0082	20,040	9.54	None
4	A0070	15,661	13.96	None	A0070	14,833	7.06	None
5	C062	-	-	None	A0048	14,285	6.80	None
	Others	38,773	34.56		Others	88,023	41.89	
Net purchases		112,209	100.00			210,108	100.00	

4.2.4.2Information on Major Customers for the Most Recent 2 Fiscal Years

Unit ; NT$ thousands

	2023				2024			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	China Medical University Hospital	437,439	57.68	Substantive related party	China Medical University Hospital	514,156	55.06	Substantive related party
2	EH	210,044	27.70	None	EH	218,786	23.43	None
	Others	110,908	14.62		Others	200,871	21.51	
Net sales		758,391	100.00			933,813	100.00	

4.3 Human Resources

Year		2023	2024	Data as of ending data in the current year
Number of Employees	Manager	10	6	6
	Regular employee	24	22	22
	R&D and technical staff	58	60	60
	Total	92	88	88
Average Age		35	34.5	37.4
Average Years of Service		1.5	3.7	4.5
Education	Ph.D.	9	5	5
	Masters	54	59	59
	Bachelor's Degree	29	23	23
	Senior High School	0	1	1
	Below Senior High School	-	-	-

4.4 Environmental Protection Expenditure

Losses or Penalties Due to Environmental Pollution for the Most Recent Year and Up to the Publication Date of this Annual Report: None.

4.5 Labor Relations

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

4.5.1.1 Employee benefits measures, training and development measures

To care for its employees and provide a quality working environment, the company has established an Employee Welfare Committee to offer various benefits and welfare activities. These include birthday bonuses, wedding and childbirth gifts, holiday and Labor Day bonuses, funeral subsidies, domestic and overseas travel subsidies, hospitalization condolence payments, company dinners, year-end parties with raffles,

and regular free health checkups.

The benefits are as follows:

(1) Wedding Gift: NT$3,600 per employee.

(2) Funeral Subsidy: NT$1,100 for each childbirth by the employee or spouse.

(3) Other Benefits:

A. Travel Subsidy: A fixed NT$40,000 overseas travel subsidy per employee from the Welfare Committee.

B. Company Dinners and Year-End Party: Events are organized periodically based on budget and need, including year-end gifts and meals.

C. Festival Bonuses: Mid-Autumn Festival and Dragon Boat Festival bonus of NT$8,000.

4.5.1.2 Employee Compensation

If the company records a profit during the fiscal year, 1%–5% of the profits will be allocated as employee compensation, to be approved by the Board of Directors and reported at the shareholders' meeting.

4.5.1.3 Employee Insurance

In addition to the legally mandated labor and health insurance, all employees are also covered by company-funded group insurance.

4.5.1.4 Employee Training and Development

The company values employee education and training. For internal training, beyond orientation for new hires, internal instructors regularly offer diverse courses. Departments also conduct on-the-job training as needed. For external training, the company encourages and subsidizes employees to attend off-site professional development to enhance competitiveness. Moreover, in accordance with the Labor Standards Act and Occupational Safety and Health Act, the company regularly arranges safety, hygiene, and fire drill training.

4.5.1.5 Retirement System and Implementation

In accordance with the Labor Pension Act, the company contributes 6% of each employee’s monthly salary to their individual pension account managed by the Bureau of Labor Insurance.

Under the Labor Standards Act, employees may voluntarily retire under the following conditions:

(1) 15 years of service and at least 55 years of age.

(2) 25 years of service.

(3) 10 years of service and at least 60 years of age.

The company may not force retirement unless:

(1) The employee is over 65 years of age.

(2) The employee is mentally or physically unfitting for work.

Retirement payments must be made within 30 days of the retirement date.

4.5.1.6 Labor Relations and Employee Rights Protection

All company regulations comply with the Labor Standards Act. Regular labor-management meetings are held, and as of now, labor

relations remain harmonious with no disputes requiring mediation. The company has a well-established document management system that clearly outlines management policies, employee rights and responsibilities, and welfare items. Regular reviews are conducted to enhance employee benefits and protect employee rights.

4.5.2 Losses Related to Labor Disputes in 2022 and Up To the Publication Date of this Annual Report：Our company has a well-established management system and employee welfare system, and labor-management relations are harmonious. As of the end of the most recent fiscal year and as of the publication date of the annual report, our company has not experienced any significant losses due to labor disputes with employees.

4.6 Cyber security management

4.6.1 The cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

4.6.1.1 Cyber security risk management framework

The Company's Information Technology Department is responsible for the overall planning and execution of information security policies, including risk management and compliance audits. To further strengthen information security protection and governance, starting in 2024, the Company has appointed a Chief Information Security Officer and an Information Security Specialist. These roles are tasked with the planning, monitoring, and implementation of the Company's information security management systems and operations, ensuring the integrity, confidentiality, and availability of information assets.

4.6.1.2 Cyber security policies

To effectively implement information security management across all operational areas, the Company's Corporate Information Security Organization convenes regular quarterly meetings. These meetings are held in accordance with the Plan-Do-Check-Act (PDCA) management cycle to review the applicability of information security policies and the effectiveness of protective measures.

A. Planning Phase:

Emphasis is placed on information security risk management. A comprehensive Information Security Management System (ISMS) is established to reduce enterprise-level security threats through system, technical, and procedural measures. High-level confidential information protection services are implemented in line with company-specific requirements and industry best practices.

B. Implementation Phase:

A multi-layered security defense architecture is built, incorporating the continuous adoption of innovative security technologies. Information security controls are integrated and embedded into daily operations, including software and hardware maintenance workflows. Systematic monitoring ensures the confidentiality,

integrity, and availability of the Company's critical assets.

C. Audit Phase:

The effectiveness of information security management is actively monitored. Audit results are used to evaluate and quantify security performance indicators to ensure continual alignment with corporate objectives.

D. Action Phase:

Rooted in review and continuous improvement, the Company conducts supervision and internal audits to ensure the sustained effectiveness of information security policies. In the event of violations of policies or procedures, disciplinary action is taken based on the severity of the infraction, including adjustments to performance evaluations or legal action if necessary. Additionally, improvements such as updated security measures, training programs, and awareness initiatives are periodically implemented based on performance indicators and maturity assessments to prevent the leakage of confidential information.

4.6.1.3 Concrete management programs

A. The Company's IT infrastructure adopts an enterprise-level network backbone, virtualization servers, and off-site backup architecture. A Disaster Recovery (DR) backup center has been established at a geographically separate location and is connected to the main data center via high-speed optical fiber. A backup redundancy model has also been implemented, with remote backup servers in place. Annual disaster recovery drills are conducted to ensure system resilience and data integrity.

B. To continuously enhance information security and uphold the corporate responsibility of protecting customers' personal data, the Company has implemented comprehensive control measures against various types of information risks. These include device management, hardware protection, application system monitoring, internet access control, and mobile security. Both technical and administrative audits are conducted annually to evaluate and improve network and system security as well as overall information governance. In response to the increasing number and complexity of cyber threats and emerging technology-related risks, the IT department has enforced a whitelisting mechanism for email and implemented a real-name authentication system for wireless network connections, thereby strengthening the overall cybersecurity environment.

C. To prevent and mitigate the risk of malicious intrusions that may affect customer interests, the Company has completed the deployment of a network traffic management system capable of actively monitoring connection statuses. The implementation of a Security Information and Event Management (SIEM) system and the enhancement of the vulnerability scanning system are being

carried out in phases to further reinforce cybersecurity defenses. Additionally, to ensure stable and secure business operations, ongoing efforts are being made to adjust system architecture, strengthen infrastructure, rewrite application systems, and establish and rehearse emergency response plans. Recent upgrades include the enhancement of internal and external firewalls, dual-core switches at two data centers, dual-site VPN architecture, VPN connectivity systems, backup platform upgrades, and the establishment of remote backup mechanisms.

4.6.1.4 Investments in resources for cyber security management

From a risk-oriented perspective, the Company convenes annual meetings with information personnel to assess and manage overall operational risks. These meetings address key aspects such as information security risk management, threat intelligence management, cybersecurity controls, third-party and dependency management, and incident response planning. The objective is to ensure the sustained strength and resilience of the Company's network and information security framework.

4.6.2 In the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken.：None.

4.7 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Technology Transfer Contract	CMUH	From January 26, 2017, for a period of 20 years.	Acquisition of technology transfer and licensing for "dendritic cell tumor vaccine".	None
	CMUH	From January 26, 2017, for a period of 20 years.	Acquisition of technology transfer and licensing for "Evaluation of Glioblastoma Multiforme"	None
	CMUH	From January 26, 2017, for a period of 20 years.	Acquired technology transfer and licensing related to "stem cell therapy for brain injury."	None

Agreement	Counterparty	Period	Major Contents	Restrictions
	CMUH	From March 15, 2017, for a period of 20 years.	Acquired technology transfer and licensing for "stem cell therapy for myocardial infarction".	None
	CMUH	From June 22, 2018, for a period of 20 years.	Acquired technology transfer and licensing for "stem cell therapy for multiple sclerosis".	None
	CMUH	From November 25, 2018, for a period of 20 years.	Acquired technology transfer and licensing related to "HLA-G Chimeric Antigen Receptor Therapy for Breast Cancer".	None

V. Review of Financial Conditions, Operating Results, and Risk Management

5.1 Financial position

Unt: NT$ thousands

Year / Item	2023	2024	Difference	
	Amount	Amount	Amount	%
Current Assets	1,520,867	1,223,248	(297,619)	(19)
Financial Assets at Fair Value through Profit or Loss	471,312	763,974	292,662	62
Investments accounted for using equity method	-	32,184	32,184	-
Property, Plant and Equipment	59,195	45,759	(13,436)	(22)
Intangible assets	10,653	10,147	(506)	(5)
Other assets	13,893	60,784	46,891	337
Total assets	2,075,920	2,136,096	60,176	3
Current Liabilities	231,640	329,087	97,447	42
Non-current liabilities	1,319	12,730	11,411	865
Total liabilities	232,959	341,817	108,858	47
Capital stock	733,387	806,726	73,339	10
Capital surplus	785,907	551,722	(234,185)	(30)
Retained earnings	323,667	383,232	59,565	18
Other equity interest	-	1,599	1,599	-
Total equity	1,842,961	1,794,961	(48,000)	(3)

Analysis of changes in financial ratios:

1.The increase in financial assets at fair value through profit or loss was primarily due to additional investments in financial bonds.

2.The increase in investments accounted for using the equity method was mainly attributable to the establishment of a joint venture in the United States during the period.

3.The decrease in property, plant and equipment was primarily due to the disposal of certain unused idle assets.

4.The increase in current liabilities was mainly due to a rise in contract liabilities received in advance, resulting from business growth.

5.The increase in non-current liabilities was primarily due to the recognition of deferred income tax liabilities.

6.The decrease in capital surplus was mainly attributable to the capital increase from capital surplus during the period.

5.2 Financial performance

5.2.1 Material change in operating revenues, operating income, or income before tax during the past 2 fiscal years

Unit: NT$ thousands

Year / Item	2023	2024	Difference	
	Amount	Amount	Amount	Amount
Net Sales	758,391	933,813	175,422	23
Cost of Sales	(273,637)	(318,156)	(44,519)	16
Gross Profit	484,754	615,657	130,903	27
Operating Expenses	(147,022)	(194,465)	(47,443)	32
Operating Income	337,732	421,192	83,460	25
Non-Operating Income and Expenses	285,282	39,552	(245,730)	(86)
Income Before Tax	623,014	460,744	(162,270)	(26)
Tax Benefit (Expense)	(83,617)	(93,493)	(9,876)	12
Net income (Loss)	539,397	367,251	(172,146)	(32)

Analysis of changes in financial ratios:

1.The increase in operating revenue and gross profit was primarily attributable to a significant increase in business volume during the period.

2.The increase in operating expenses was mainly due to the commencement of new clinical trials.

3.The decrease in non-operating income and expenses, profit before tax, and net income for the period was primarily due to the recognition of gains from financial asset valuation in the previous period.

5.2.2 Provide a sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response.: NA.

5.3 Cash flow

5.3.1 Cash flow changes during the most recent fiscal year

Unit: NT$ thousands

Item	2023	2024	Variance
Cash flows from operating activities	421,740	440,336	18,596
Cash flows from investing activities	61,599	(23,463)	(85,062)
Cash flows from financing activities	(500,471)	(451,683)	48,788

Analyze cash flow changes:

1.The net cash inflow from operating activities in 2024 (113th year) increased, primarily due to the continued growth in business volume and the achievement of economies of scale.

2.The net cash inflow from investing activities in 2024 decreased, primarily due to the new investment in financial bonds during the period.

3.The net cash outflow from financing activities in 2024 decreased, primarily because there were no repurchases of treasury stock during the period.

5.3.2 Corrective measures to be taken in response to illiquidity: None

5.3.3 Liquidity analysis for the coming year

Unit: NT$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow (Inflow)	Cash Surplus (Deficit)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
301,675	500,000	(460,000)	341,675	-	-
Liquidity analysis: 1.The net cash inflow from operating activities is due to the company's active expansion of its business scope, resulting in net cash inflow from operating activities. 2.The net cash flow from investing and financing activities is primarily due to the expected cash outflows for the distribution of cash dividends. 3.Remedial measures for insufficient cash are not applicable.					

5.4 Major Capital Expenditure Items

The company did not have significant capital expenditures in 2024, and will carefully evaluate the business needs and market changes in the future to maintain its competitiveness.

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year: None.

5.6 Analysis of Risk Management

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

5.6.1.1 Interest rate

The company did not engage in any relevant fundraising activities through borrowing, so there was no significant impact on the company's income statement due to changes in interest rates.

5.6.1.2 Foreign exchange rates

The company does not have any situation where the currency used in its operating activities is different from its functional currency, therefore, there is no significant impact on the company's income and expenses due to changes in exchange rates.

5.6.1.3 Inflation

The expenses and costs related to the research and development of technology by the company are less affected by inflation, and future products generated by such activities are also less susceptible to the impact of inflation. In the future, the company will closely monitor the inflation situation and negotiate with different suppliers to mitigate the impact of inflation on the company.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement

Guarantees, and Derivatives Transactions

5.6.2.1 The company has developed "Asset Acquisition and Disposal Procedures", "Endorsement and Guarantee Procedures" and "Fund Lending Procedures" and passed the resolution in the shareholders' meeting. In the future, when the company engages in relevant operations, it will follow the relevant operating procedures.

5.6.2.2 The company has not engaged in high-risk, high-leverage investments, lending money to others, endorsement guarantees, or derivative trading.

5.6.3 Future Research & Development Projects and Corresponding Budget

5.6.3.1 Future Research & Development Projects: Chimeric Antigen Receptor T-Cell, CAR-T, Chimeric Antigen Receptor NK-Cell, CAR-NK, Induced Pluripotent Stem Cell, Ips, Chimeric Antigen Receptor Mesenchymal Stem Cell, CAR-MSC.

5.6.3.2 Corresponding Budget: To ensure and enhance the competitive edge of our company, we will continue to invest in research and development funds, and adjust them flexibly according to future demands.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The financial operations of our company are conducted in accordance with relevant laws and regulations, and as of the date of printing this annual report, there have been no significant impacts on our operations.

5.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

Our company focuses on the research and development of new drugs. The R&D period for our products is long, but the added value is high, and the industry has a high entry barrier. We are constantly monitoring changes in industry demand to quickly grasp industry dynamics. Important data is uploaded to our system and access permissions are set. As of the date of printing the annual report, there have been no significant impacts on our business operations.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

Our company strictly adheres to the principles of financial information disclosure and is committed to maintaining its corporate image while continuously strengthening our internal management. As of the date of this annual report, there have been no significant events that have had an impact on our company.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

As of the printing date of the annual report, our company has no plans to acquire other companies. If there are any plans for mergers and acquisitions

in the future, we will maintain a cautious attitude and fully consider the overall effectiveness of the merger.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

The expansion of our factory is based on a prudent evaluation of future operational growth, and significant capital expenditures are also submitted to the Board of Directors for review.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

Currently, our company has a concentration of sales revenue from China Medical University Hospital. However, we have been actively expanding our partnerships with other hospitals and are producing cell preparations at their request, which is expected to improve the concentration of sales. The main source of our purchases is drugs manufactured under contract for "Regulations Governing the Administration of Specific Medical Examination and Inspection Medical Devices." Since we have multiple long-term suppliers with stable supply, we do not face the risks associated with concentrated purchasing.

5.6.10 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.

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

5.6.12 Litigation or Non-litigation Matters: None.

5.6.13 Other Major Risks: None.

VI. Special Disclosure

6.1 Information related to the company's affiliates

Please refer to the Market Observation Post System (website: https://mopsov.twse.com.tw/mops/web/index > Basic Information > E-Books > Affiliated Enterprises – Three Statements Section), and enter the company code and year.

6.2 Private Placement Securities in the Most Recent Years: None.

6.3 Other matters that require additional description: None.

6.4 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.

EVER SUPREME BIO TECHNOLOGY CO., LTD.

Chairman: Liu Chu-Chi