Stock Code: 6446

PharmaEssentia Corp.

2024 Annual Report

Taiwan Stock Exchange Market Observation Post System:

http://mops.twse.com.tw

PharmaEssentia's Annual Report is available at:

https://hq.pharmaessentia.com/tw/ir_shareholder

Published on May 9, 2025

1. **Name, title, contact number, and e-mail address of the Company's spokesperson and acting spokesperson:**

Spokesperson: Lin, Ko-Chung	E-mail: ir@pharmaessentia.com
Title: Chief Executive Officer	Tel: 886-2-2655-7688
Acting Spokesperson: Not yet assigned	E-mail: ir@pharmaessentia.com
Title: Not yet assigned	Tel: 886-2-2655-7688

2. **Address and contact number of the Company's headquarters, branch offices, and factories:**

Address of Headquarters: 13F., No. 3, Yuanqu Street, Nangang District, Taipei City

Tel: 886-2-2655-7688

Address of Taichung Branch Office: 3F., No. 28, Keya West Road, Daya District, Taichung City

Tel: 886-4-2567-7880

3. **Name, address, website, and contact number of the agency handling share transfers:**

Transfer Agency Dept., CTBC Bank

Website: http://www.ctbcbank.com

Address: 5F., No. 83, Section 1, Chongqing South Road, Zhongzheng District, Taipei City

Tel: 886-2-6636-5566

4. **Name of the certified public accountant (CPA) who duly audited the annual financial report for the most recent fiscal year, and name, address, website, and contact number of the CPA's accounting firm:**

Name of CPA:	Lu, Chain-Uen Chang, Chiao-Ying	Address: 9F., No. 333, Section 1, Keelung Road, Taipei City
Name of Accounting Firm: Ernst & Young		Tel: 886-2-2757-8888

Website: http://www.ey.com/tw/zh_tw/home

5. **Name of any exchanges where the company's securities are traded offshore and method for accessing information on said offshore securities: None.**

Global Depositary Receipt

Trading Venue: Luxembourg Stock Exchange

Website: https://www.bourse.lu/Accueil.jsp

6. **Company website: http://www.pharmaessentia.com**

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I. Letter to Shareholders

Dear Shareholders,

First, we would like to thank you for your support and trust in PharmaEssentia Corporation ("PharmaEssentia" or "the Company") over the past year. 2024 has been an extremely challenging yet pivotal period of growth for PharmaEssentia Corporation. During this time, we achieved several exciting advancements that marked steady progress in global sales, generated record-high revenue, and made significant breakthroughs in both clinical research and R&D.

One of the most critical milestones was the completion of the Phase III clinical trial of PharmaEssentia's BESREMi® (Ropeginterferon alfa-2b, P1101, Ropeg) in treating the second indication, essential throbocythemia (ET). By the end of 2024, the last subject had been examined, and the data collected for the primary endpoint showed highly positive results. In 2025, PharmaEssentia will submit regulatory approval applications for ET in multiple countries while preparing for marketing roll-out.

We continue to uphold our business philosophy of being rooted in Taiwan, focusing on the company's fundamentals, expanding the potential of our R&D capabilities, and committing to the development of a more diverse array of product lines. All of these efforts are aimed at becoming a catalyst for accelerating the growth of the company's future operations. In response to the increasing demands from patients around the world, PharmaEssentia has successfully expanded the second product line at Taichung Plant, with its process validation nearing completion. We are also building a new plant in Zhubei to gradually boost production capacity, thereby further supporting our business expansion and accommodating international market demand.

We are firmly convinced that these developments will lay a solid foundation for our future growth. Furthermore, they will provide a higher-quality range of treatment alternatives for patients worldwide, reflecting our unwavering commitment to realizing our important mission in global biotechnology.

Followings are more of our key business achievements from Year 2024 and the business plan summary for Year 2025:

1. 2024 Business Report

(1) Business plan results

To date, BESREMi® has been approved for treating adult patients with polycythemia vera (PV) in nearly 40 countries around the world, including major new drug markets such as the United States, Japan, China, and the European Union.

Financial performance

Since being granted regulatory approval in the United States in November 2021, its global sales have continued to rise: PharmaEssentia recorded revenue of NT$5.106 billion in 2023, successfully turning losses into profits within a single quarter during the second half of the year. In 2024, PharmaEssentia's cumulative consolidated revenue reached NT$9,734,814 thousand, representing an increase of 90.67% compared to the same period the previous year, reflecting a steady and growing trend.

Continue advancing the global roll-out of P1101

During 2024, PharmaEssentia submitted marketing approval applications for P1101 for the treatment of PV in countries and regions such as Brazil, Mexico, Argentina, Hong Kong, and Colombia. Moreover, by strengthening cooperation with local medical institutions and patient organizations, PharmaEssentia managed to expand the market share of P1101, further advancing its roll-out on the international stage.

In the United States PV market, both the number of physicians newly prescribing P1101 and the number of patients newly taking the drug increased at an accelerated pace. PharmaEssentia USA Corporation, PharmaEssentia's subsidiary in the United States, has initiated business data analysis using big data. Additionally, it continued to push forward in extending the drug's reach through AI technologies, social media, advocacy groups, information displays in clinics, and approaches such as providing patients and physicians with dedicated websites. In September 2024, PharmaEssentia entered into a commercial licensing agreement for P1101 in Canada with a foreign pharmaceutical company, Forus. This partnership is aimed at further accelerating and strengthening the roll-out in North America by leveraging Forus's local resources and professional networks.

In the Japanese PV market, PharmaEssentia Japan KK, PharmaEssentia's subsidiary in Japan, continued to provide comprehensive patient support services, including launching the PV Patient Support Program (PSP), creating a health education and consulting website for PV, and offering consulting services related to policies on the disease, self-administration, and medical expenses. The goal is to help PV patients and their families adopt a proactive mindset in coping with the disease and its treatment, ensuring the treatment continuity and efficacy. Since June 2024, P1101, supported by Japan's National Health Insurance, has allowed patients to self-administer their treatment. Additionally, restrictions on how long a prescription remains valid have been relaxed. As a result, the burden of frequent prescription refills and healthcare expenses has been significantly reduced, effectively improving the convenience of receiving treatment for patients, while also contributing to an increase in P1101's acceptance and usage rate in Japan.

In the Chinese PV market, PharmaEssentia's P1101 was granted regulatory approval by the China National Medical Products Administration (NMPA) in July 2024, approving its use in adult patients with PV who have previously responded poorly to hydroxyurea (HU) treatment. P1101 is currently the only drug indicated for PV that has been approved by the NMPA. According to the Guideline for the Diagnosis and Treatment of PV released this year by the Chinese Society of Clinical Oncology (CSCO), P1101 is recommended as the preferred drug for reducing blood cell counts in all PV patients. P1101 is the only blood cell-reducing drug recommended as a Class I treatment by the CSCO for both high- and low-risk PV patients. This recommendation highlights the significant importance the medical community in Mainland China places on PV. It also provides a better treatment option for patients. China has a broad population of PV patients and rapidly growing medical needs. The successful market launch of P1101 in China has unlocked significant market potential for PharmaEssentia.

In addition to the indication for PV, PharmaEssentia has proactively and continuously expanded the use of P1101 to more Myeloproliferative Neoplasms (MPN)-related diseases, including ET and PMF. Furthermore, we have leveraged our PEGylation Technology Platform in combination with other cytokines to develop newer long-acting therapeutic protein drugs, such as long-acting granulocyte colony-stimulating factor (Peg-GCSF) and long-acting interleukin (Peg-IL2). PharmaEssentia has also actively expanded its footprint in the field of cell therapy and has already initiated preparatory work for related clinical trials. We believe that investment in cell therapy will bring more innovative momentum for our future business growth.

- The results for the primary endpoint from the global Phase III clinical trial evaluating P1101 for the treatment of ET (SURPASS ET) were officially announced in early 2025. The results revealed that P1101 was significantly superior to Anagrelide in the control arm. The primary endpoint showed good therapeutic responses at both month 9 and month 12, indicating that P1101 not only was superior to the existing therapeutic drug Anagrelide in terms of long-term therapeutic effects but also exhibited a better safety profile and tolerability.
- The Phase I clinical trial for the long-acting granulocyte colony-stimulating factor, PEG-GCSF (P2203), has been successfully initiated. Subject recruitment is currently underway. PharmaEssentia has submitted an application to the Taiwan Food and Drug Administration (TFDA) for a Phase I clinical trial of TCRT-ESO-A2-TW, a T-cell receptor-engineered T-cell (TCR-T) therapy for the treatment of patients with advanced solid tumors. This marks an important milestone as we venture into the field of cell therapy.
- We have initiated discussions with the United States FDA regarding the global Phase III clinical trial of P1101 for the treatment of pre-fibrotic/early primary myelofibrosis (PMF) or overt PMF at low or intermediate-1 risk according to DIPSS Plus (HOPE-PMF). The Japan Pharmaceuticals and Medical Devices Agency (PMDA) has approved this clinical trial.
- We continue to work closely with the world’s leading medical institutions and partners to advance investigator-initiated trials (IITs) aimed at expanding the label for P1101 to include new indications, thereby enabling more patients to benefit from the drug.

(2) Budget implementation status

Unit: NT$ thousands

	Annual budget for 2024 (A)	Actual expenditure in 2024 (B)	Number of differences (B-A)
Operating revenues	10,333,609	9,734,814	(598,795)
Operating costs	(1,133,389)	(1,177,225)	(43,836)
Gross profit from operations	9,200,220	8,557,589	(642,631)
Operating expenses	(7,420,329)	(6,821,512)	598,817
Net operating profit	1,779,891	1,736,077	(43,814)
Non-operating income and expenses	160,336	1,258,575	1,098,239
Net profit before tax	1,940,227	2,994,652	1,054,425
Net profit for the period	1,793,361	2,965,503	1,172,142
Other comprehensive income	(246,244)	297,086	543,330
Total comprehensive income for the period	1,547,116	3,262,589	1,715,473

(3) Analysis of revenues, expenditures, and profitability

Since PharmaEssentia obtained regulatory approval for PV in Europe in 2020, the United States in November 2021, and Japan in March 2023, the roll-out of drug sales in multiple markets worldwide has driven revenue to a record high. Coupled with effective cost control and an increase in non-operating income, the actual net profit for the period exceeded the budget. In summary, the revenue audited by the CPAs for the fiscal year is NT$9,734,814 thousand, the net profit for the period is NT$2,965,503 thousand, the total comprehensive income for the period is NT$3,262,589 thousand, and the earnings per share is NT$8.96.

(4) Research and development

A. R&D personnel and expenses in 2024

Unit: NT$ thousands

Item\Year		2024
R&D expenses	Operating revenues (A)	9,734,814
	R&D funding (B)	2,587,570
	Total number of employees (C)	600
	Total number of R&D personnel (D)	165
	R&D-to-revenue ratio (B/A)	26.58%
	R&D personnel ratio (D/C)	27.50%

B. PharmaEssentia is dedicated to the development of new drugs in the biotechnology industry, continuously investing in R&D projects across multiple countries, including the United

States, Taiwan, Japan, South Korea, and China. These projects include the P1101-ET Phase III clinical trial, the clinical trial focused on an accelerated dosing schedule for improved PV treatment, and the development of anti-PD1 therapies. It was not until the launch of PharmaEssentia's P1101- PV in the United States at the end of 2021 that our revenue began to grow substantially, leading to a reduction in the R&D expenses-to-revenue ratio.

C. Recent awards and R&D achievements

Year	Awards and R&D achievements
2022	➢ BESREMi® was awarded the Industry Innovation Award by the U.S. National Organization for Rare Disorders (NORD®). ➢ BESREMi® was awarded the Taiwan BIO Awards Industrial Innovation of the Year. ➢ PharmaEssentia received the U.S. BioTech Breakthrough Award under the category of Therapeutics Solution of the Year. ➢ PharmaEssentia received the Enterprise Innovation Award at the 19th National Innovation Award under the category of Biotechnology Pharmacy and Precision Medicine.
2023	➢ PharmaEssentia received the Asia Pacific Enterprise Awards under the category of the 2023 Excellent Enterprise Management Award for the biotech and pharmaceutical industry. ➢ PharmaEssentia received the Silver Award of the Asia-Pacific Sustainability Action Awards (APSAA) and the Bronze Award of the Taiwan Sustainability Action Awards (TSAA) by promoting the core of MPN Asia. ➢ PharmaEssentia received the platinum award for the health care industry of the Taiwan Corporate Sustainability Awards and the bronze prize for Sustainability Reporting of the Global Corporate Sustainability Awards for Year 2023. ➢ PharmaEssentia received the Enterprise Team Award at the 25th Management of Technology Awards held by the Chinese Society for Management of Technology.
2024	➢ PharmaEssentia received the Taiwan BIO Awards Industrial Innovation of the Year 2024. ➢ Dr. Lin, Lih-Ling, Chief Scientific Officer of PharmaEssentia, was honored as one of the "Top 25 Chief Scientific Officers of 2024" by Women We Admire. ➢ PharmaEssentia received the Platinum Award for the health care industry of the Taiwan Corporate Sustainability Awards for Year 2024.

D. 2024 patent application outcomes

To solidify our competitive advantage on all fronts, protect the company's intellectual property rights from infringement, and ensure corporate sustainability, PharmaEssentia has established the Regulations Governing Intellectual Property Management and Utilization. Additionally, a dedicated intellectual property department has been set up to report annually to the Board of Directors ("Board") on the implementation and management of intellectual property affairs.

Patent issue date	Country	Patent title	Patent number
2024/10/29	South Korea	Dosage Regimen for PEGylated Interferon	10-2724837
2024/11/7	Malaysia	Method of using pegylated interferon-alpha	MY-205695-A

2. Summary of the 2025 Business Plan

(1) Use of P1101 on treating rare hematological diseases

- P1101 as a polycythemia vera (PV) treatment

PharmaEssentia is actively ramping up commercialization efforts. In 2023, we authorized Pint-Pharma GmbH, an international pharmaceutical company, to submit regulatory approval applications and commercial sales in Latin America. Additionally, we have accelerated the roll-out of P1101 in other markets. In 2024, we entered into a licensing agreement with FORUS Therapeutics Inc. in Canada, marking the completion of our presence across the entire American market.

In addition, PharmaEssentia has conducted a clinical trial to evaluate an accelerated dosing schedule of P1101 for the treatment of PV. The main purpose of this trial is to compare the differences in therapeutic effects, safety, and tolerability between the accelerated dosing schedule of P1101 and the dosing regimen outlined in the existing package insert. This trial is expected to be completed in 2025.

- P1101 as an essential thrombocythemia (ET) treatment

The core study of the Phase III clinical trial of P1101 for the treatment of ET has been successfully completed, and applications for regulatory approval will be submitted successively in multiple countries, including Taiwan, United States, Japan, South Korea, and Mainland China since 2025.

To support the long-term effectiveness of P1101 in treating ET patients, PharmaEssentia is conducting another Phase III clinical trial for ET treatment (Exceed-ET) in the United States and Canada. This trial aims to evaluate the effectiveness and safety of P1101 in adult ET patients. Recruitment for this trial was completed in 2024, exceeding the planned number of participants. Data from the trial is expected to be available in 2025 and will serve as supporting documentation for the review of the ET regulatory approval application in the United States.

- Use of P1101 for early and prefibrotic myeloid fibrosis (Early/pre-MF)

  Currently, no widely recognized optimal treatment is available for patients with early and prefibrotic myeloid fibrosis or for those who score low or intermediate-1 on the Dynamic International Prognostic Scoring System (DIPSS, which categorizes risk of myeloid fibrosis). If left untreated, these patients' conditions may progress to overt or high-risk myelofibrosis.

  In 2024, the Japan PMDA approved the application for a Phase III clinical trial of P1101 for the treatment of patients with early/pre-PMF or overt PMF at low or intermediate-1 risk. PharmaEssentia has also submitted the Phase III clinical trial application to NMPA.
  This large-scale, global, multi-national, and multi-center Phase III clinical trial will be one of PharmaEssentia's key development priorities. We aim to fully unlock the therapeutic potential of P1101 in the entire MPN field, thereby benefiting more MPN patients.

(2) Cancer

- Immune checkpoint inhibitors, anti-PD-1 antibodies:

  PharmaEssentia's Phase I clinical trial of sequential treatment of P1801, an anti-PD-1 inhibitor monoclonal antibody, following P1101 in patients with advanced solid tumors has been approved in principle by the TFDA in 2024. Recruitment is about to commence. The subject recruitment for this trial will be conducted in two phases: the Dose Escalation Phase and the Dose Expansion Cohort. Recruitment for the Dose Escalation Phase is expected to conclude in 2025 and all study arms in 2027.

(3) Novel long-acting therapeutic protein drugs

PharmaEssentia will leverage its unique PEG and Site–Specific PEGylation patented technology platform, in combination with other cytokines, to continue developing more long-acting therapeutic protein drugs.

(4) T-cell receptor transgenic T-cell (TCR-T) therapy

Cell therapies are increasingly becoming mainstream treatments for solid tumors, with TCR-T therapy garnering particular attention. TCR-T therapy involves modifying T-cell surface receptors to recognize specific antigens on cancer cells in combination with the major histocompatibility complex on the cancer cell surface. This enables T-cell receptors to precisely identify and attack tumor cells. The modified T-cells are then reintroduced into the patient's body, yielding a targeted immune response.

PharmaEssentia has submitted an application to the TFDA in 2024 for a Phase I clinical trial to treat patients with advanced solid tumors (TCRT-ESO-A2-TW). We are proactively investing in this field by cultivating relevant talent, preparing for clinical trials, and establishing a dedicated R&D site in a laboratory at the National Biotechnology Research Park in Nangang. This initiative will be one of the company's key development priorities. In addition, in 2024, PharmaEssentia participated in the fund-raising of Senti Biosciences, Inc., a biotechnology firm listed in the United States. As Senti Biosciences advances its clinical trials and technology platform, we plan to explore more cooperation opportunities, thereby further expanding our presence in the field of cell therapy.

(5) Expected quantity of sales and its basis

The estimation of a new drug's expected revenue involves several assumptions, including the estimated number of patients, the number of syringes required for treatment, and the drug prices in the areas where the drug is to be sold. The estimation of the number of patients is based on various factors, including the population growth rate according to published official statistics, disease prevalence rate according to the statistics reported by professional hematological disease research institutions, diagnostic rate or cure rate according to the statistics compiled by professional cancer research institutions, and the conservative market share (market penetration rate) estimated by international market research agencies commissioned by PharmaEssentia. The number of syringes required for treatment is estimated on the basis of the administration rate or medical compliance of patients in a country. The drug prices in the areas where the drug is to be sold are estimated by referencing the price range of similar drugs in the market and the drug pricing models and annual drug price variation patterns of the areas in question.

(6) Key marketing and sales policies

- PharmaEssentia plans to expand the international markets for BESREMi® and utilize appropriate resources to assess local regulations and medical needs. This will enable the company to apply for local drug licenses and government healthcare insurance subsidies, thereby improving BESREMi®'s market access and accessibility of medicines.
- With regard to the production process and quality of medicinal products, PharmaEssentia adopts the highest standard operating procedures, quality management systems, and a product traceability system. We adhere to the PIC/S GDP (Good Distribution Practice for Pharmaceuticals), ensuring proper management of medicines during transportation to preserve their quality and safety, safeguarding patients' medication safety worldwide.
- PharmaEssentia continues to facilitate plans designed to support patients and offer them all-around, integrated programs through efforts such as health education, financial and medical support, and academic exchanges. We assist patients in receiving treatment and applying for insurance to alleviate their medication burden.

3. Future Development Strategy

(1) Business Operation Planning

PharmaEssentia and its subsidiaries plan to steadily diversify their product lines to expand the indications for current product to target other relevant diseases and effectively address unmet needs. Additionally, the PharmaEssentia Innovation Research Center Inc. (PIRC) in Boston, United States, has recruited a number of exceptional local biotechnological talents. By combining their expertise with AI and machine learning, we seek to further expand the potential for innovation in R&D. This move will enable us to effectively identify research objectives at the early stages, reduce development time and costs, and accelerate the entire process from new drug R&D to market launch.

(2) Marketing Planning

To strengthen our presence in various markets and channels worldwide, PharmaEssentia appointed Joseph R. Horvat in 2024 as Global Chief Commercial Officer, responsible for integrating marketing strategies for the Group. In addition, our comprehensive patient support programs actively assist patients in accessing medicines and insurance subsidies, improving the accessibility of medicines. We also continue to provide patients with medication guidance and treatment support. Furthermore, PharmaEssentia will continue to be committed to facilitating digital transformation, enhancing precision marketing, and leveraging big data analysis and AI technologies to continuously improve sales performance.

4. Impact of external competition, legal, and overall business environments

Challenges and opportunities in new drug development

The development of new drugs is time-consuming and has a low success rate and the products may have to face competition after they are launched, but PharmaEssentia develops new drugs from the perspective of rare diseases and therefore there is less competition. Moreover, advanced countries provide attention and benefits to orphan drugs, offering P1101 a competitive advantage in advanced markets such as the United States and Europe.

R&D and potential for market growth

PharmaEssentia employs a strategic approach of working on multiple indications. Our R&D pipeline includes medications for hematological diseases, infectious diseases, and cancer, highlighting the company's great potential for market development. We are proud to have a team composed of members with extensive experience in pharmaceutical companies. Their expertise enables them to fully stay informed on evolving market demands, the R&D activities of competitors, and changes in laws and regulations. Based on this knowledge, they are able to craft forward-looking strategies for R&D, clinical trials, and marketing.

Once again, we would like to thank all of our shareholders for your support and trust. PharmaEssentia will remain committed to upholding innovative science and forward-thinking strategic planning. We will continue to advance medicine R&D and market expansion, delivering greater benefits to patients worldwide while generating long-term and stable value for our shareholders.

We would like to wish all our shareholders

Good health and the best of luck.

Chairman:	Chief Executive Officer:	Manager:
Teng, Ching-Leou	Lin, Ko-Chung	Hwang, Chan-Kou

II. Corporate Governance Report

1. Directors, Supervisors, General Manager, Assistant General Managers, Deputy Assistant General Managers, and Heads of Divisions and Branches

(1) Director

As of March 30, 2025; shares; %

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairperson	Republic of China	Teng, Ching-Leou	Female 71~80	2024.5.27	3 years	2012.9.24	3,183,046	0.93	3,467,046	1.01	200,000	0.06	-	-	• PhD, UM College of Pharmacy, University of Michigan • Postdoctoral research at the University of Michigan • New Drug Evaluator, US Food and Drug Administration (FDA) • Assistant Director of ISIS Pharmaceutical, Inc., US	• Chief Pharmaceutical Officer and Chairperson of PharmaEssentia Corporation • Director of PharmaEssentia Asia (Hong Kong) Ltd. • Director of PharmaEssentia (Hong Kong) Ltd. • Director of PharmaEssentia Japan KK • Chairperson of PharmaEssentia USA Corporation • Director of PharmaEssentia Korea Corporation • Chairperson of Panco Healthcare Co., Ltd. • Director of Apeximmune • Chairperson of PharmaEssentia Innovation Research Center, Inc.	-	-	-
Director	Republic of China	Lin, Ko-Chung	Male 71~80	2024.5.27	3 years	2000.4.28	4,063,964	1.19	4,508,964	1.32	1,300,000	0.38	-	-	• PhD, Department of Chemistry, University of Missouri • PhD, Research on Anti-cancer Drug Innovation, the University of Michigan • Leader and Program Host, Innovative Drug R&D Department, Biogen Inc., USA • Research Expert in the Innovative Drug Development, New Technology Innovation Center, Monsanto-Searle Group Headquarters, USA	• Director and CEO, PharmaEssentia Corporation • Director and CEO, PharmaEssentia USA Corporation • Chairman, PharmaEssentia Japan KK • Executive Director, PharmaEssentia Biotechnology (Beijing) Co., Ltd. • Chairperson, PharmaEssentia Korea Corporation	-	-	-

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
																• Director, PharmaEssentia Singapore Pte Ltd. • Director, Panco Healthcare Co., Ltd. • Director, PharmaEssentia Innovation Research Center, Inc.			
Director	Republic of China	Representative: Hsu, Hsueh-Fang	Female 41~50	2024.5.27	3 years	2021.8.5	-	-	-	-	-	-	-	-	• Master, Harvard Law School • Senior Counselor, Lee and Li, Attorneys-at-Law	• Director and Legal Representative, Shanghai Jinjing Investment Management Consulting Co., Ltd. • Director and Legal Representative, Shanghai Chengxun Investment Management Co., Ltd. • Director and Legal Representative, Shanghai Yiyi Enterprise Management Consulting Co., Ltd. • Director and Legal Representative, Hainan Jinjing Venture Capital Co., Ltd.	-	-	-
		Eon Capital investment account, entrusted to Yuanta Commercial Bank					6,210,022	1.82	6,210,022	1.81	-	-	-	-					
Director	Republic of China	Chang, Jinn-Der	Male 71~80	2024.5.27	3 years	2014.3.27	95,534	0.03	95,534	0.03	-	-	-	-	• PhD in Accounting, International American University • Doctor of Law, National Chung Cheng University • Auditor, Audit Division, Ministry of Finance • First Chairman of the CPA Associations R.O.C. • Committee Member, Taiwan Provincial Government Appeal Committee • Committee Member, Appeals Committee of the Financial Supervisory Commission • Head of the Department of Accounting, Chinese Culture University	• Director, Crown & Co., CPAs • Arbitrator and Consultant, Chinese Arbitration Association, Taipei • Chairman, Corporate University Cultural and Educational Foundation • Director, Chung Cheng University Academic Foundation • Independent Director, Hua Eng Wire & Cable • Independent Director, Jukao Engineering Corp • Director, Concord Securities Co., Ltd. • Director, Crown Global Business Consulting Ltd.	-	-	-

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
															• Lecturer and Associate Professor, Department of Business Administration, Soochow University • Adjunct Associate Professor, Institute of Business Administration, Taipei University • Dean and Chair Professor, School of Management, Chaoyang University of Technology • Adjunct Associate Professor, Pang Jia Institute of Finance and Taxation • Joint Chair Professor, Department of Accounting and Information Systems and Department of Financial and Economic Law, Asia University • Adjunct Professor, Department of Law, National Chung Hsing University • President, Asia Pacific Corporate Law Society				
Director	Republic of China	Representative: Hsiao, Chen-Jung	Male 51~60	2024.5.27	3 years	2003.10.24	-	-	-	-	-	-	-	-	• Master, Department of Engineering Science and Ocean Engineering (formerly Department of Naval Architecture), National Taiwan University • Chief of Staff, Office of Trade Negotiations, Executive Yuan • Deputy Director-General, Head of the Industrial Policy and Electronic Information Divisions, and Senior Technical Specialist of the Sustainability Development Division of	• Director, Department of Industrial Development, National Development Council • Director, Chunghwa Post Co., Ltd.	-	-	-
		Management Committee, National Development Fund, Executive Yuan					22,066,296	6.47	22,066,296	6.45	-	-	-	-			-	-	-

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
															Industrial Development Bureau, Ministry of Economic Affairs • Section Chief, Department of Technology, Ministry of Economic Affairs • Counselor, National Development Council				
Director	Republic of China	Hwang, Chan-Kou	Male 71~80	2024.5.27	3 years	2015.5.29	1,710,073	0.50	1,737,073	0.51	260,983	0.08	-	-	• PhD, Organic Chemistry, University of Pennsylvania • Researcher, Amgen Inc., USA • Team Leader, Array BioPharma Inc., USA • Director, Optimer Pharmaceuticals, Inc., USA	• Director and General Manager of PharmaEssentia Corporation and Representative of Taichung Branch • Supervisor, PharmaEssentia Biotechnology (Beijing) Co., Ltd. • Director, Panco Healthcare • Director of PharmaEssentia Japan KK • Director of PharmaEssentia Asia (Hong Kong) Ltd.	-	-	-
Director	Republic of China	Lee, Shen-Yi	Male 81~90	2024.5.27	3 years	2021.8.5	818,242	0.24	806,000	0.24	5,219	0.00	-	-	• Doctor of Law, Zhong Shan Academic Research Institute, Chinese Culture University • Bachelor of Law, National Taiwan University •Lawyer •Chairman, Consumers' Foundation of Chinese Taipei •Committee Member, Political Party Review Committee, Executive Yuan •Committee Member, Fair Trade Commission, Executive Yuan •The 2nd Supervisory Committee Member/The 3rd Supervisory Committee Member •Adjunct Associate Professor, National Chengchi University • Adjunct Associate Professor, Chinese Culture University	• Supervisor, Chinese Culture University • National Policy Advisor • Independent Director, WIN Semiconductors Corp. • Independent Director, Capital Securities Corp. • Director, Nan Ya Plastics • Director, Dharma Drum Humanities and Social Improvement Foundation • Director, East Tender Optoelectronics Corp. • Vice Chairman, Taiwan New Economy Foundation • Supervisor, RobotLipo Co., Ltd.	-	-	-

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Independent Director	Republic of China	Tien, Jien-Heh	Male 71~80	2024.5.27	3 years	2018.6.25	2,000	0.00	2,000	0.00	-	-	-	-	• PhD, Organic Chemistry Synthesis, University of Massachusetts • Abbott Laboratories Section Manager • Theravance, Inc. Associate Director • Senior Director, ARYx Therapeutics Inc., USA • Chairman, Sanli Pharmaceutical Technology Co., Ltd. • Chief Scientific Officer, Xiangyi Pharmaceutical Company	• Senior Deputy General Manager, XW Pharma • Consultant, SCI Pharmtech, Inc.	-	-	-
Independent Director	Republic of China	Hsieh, Ming-Chuan	Female 61~70	2024.5.27	3 years	2024.5.27	6,000	0.00	3,000	0.00	-	-	-	-	• Master, Department of Medical Management, China Medical University • Director, Harbinger VI Venture Capital Corp. • Director, Harbinger VII Venture Capital Corp. • Supervisor, UBI Pharma Inc. • Executive Supervisor, Taiwan Health & Wellness Counseling Association	• Director, ScinoPharm Taiwan, Ltd. • Independent Director, Uni Pharma Co., Ltd. • Supervisor, CDIB Biomedical Venture Capital Co. Ltd. • Supervisor, Harbinger VIII Venture Capital Corp. • Supervisor, HanTech Venture Capital Corporation	-	-	-
Independent Director	Republic of China	Liu, Ching-Tsun	Male 71~80	2024.5.27	3 years	2024.5.27	272,915	0.08	272,915	0.08	148,000	0.04	-	-	• Master of Business Administration, University of San Francisco • Department of Business Administration, National Taipei University • Chairperson, Capital Securities Corp. • Director, Capital Futures Corp. • Director and Supervisor, Taipei Exchange • Executive Director and Supervisor, Taiwan Securities Association	• Director, Capital Securities Corp. • Director, Capital Futures Corp. • Director, Taiwan Oasis Technology Co., Ltd.	-	-	-

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
															• Executive Director, Taipei Securities Association • Director, Yanfu Venture Capital • Chairperson and General Manager, Hongtai Securities • Deputy Section Chief of the First Division, Securities Regulatory Commission, Ministry of Finance • Branch Head, Tax Auditing Division, Taxation Administration, Ministry of Finance • Clerk, First Bank				
Independent Director	United States	Jeffrey R. Williams	Male 71~80	2024.5.27	3 years	2024.5.27	-	-	-	-	-	-	-	-	• Harvard Kennedy School, Senior Research Fellow, Ash Center for Governance and Innovation • Harvard Kennedy School, NA, Senior Fellow, Center for Business and Government • Harvard Business School, MBA • Harvard University, AB, magna cum laude, East Asian Languages and Civilizations (Chinese) • China Universal Asset Management, Independent Director • Shanghai F-Road Commercial Services Co., Ltd., Director • Harvard University, Executive Director, Harvard Center Shanghai • Yucheng Technologies Limited, Independent Director • Shenzhen Development Bank, President • Standard Chartered Bank (Taiwan), CEO	• UBS SDIC Fund Management Company Limited Director • UBS Asset Management (China) Limited Director • UBS Optimus Foundation, Director • China Medical Board, Trustee • Asian Corporate Governance Association, Council Member • Carleton_Willard Village Homes, Inc., Trustee • Koo Foundation Cancer Center Hospital, Director	-	-	-

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
															• American Express, Vice President and General Manager-Travel Related Services and Consumer Financial Services (Taiwan) • Citibank Shenzhen, Branch Manager • Citibank Hong Kong, Vice President, Customer Services • Citibank Taiwan, Credit Department Head				

(2) Major Shareholders of Institutional Shareholders

As of March 30, 2025

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
Management Committee, National Development Fund, Executive Yuan	In accordance with Article 29 of the Statute for Industrial Innovation, the Executive Yuan establishes the National Development Fund and a Management Committee that organizes matters related to fund collection and payment, safekeeping, and use. The Management Committee shall comprise 11 to 13 members, all of whom shall be appointed (employed) by the Executive Yuan.
EON Capital Group Limited	Millegrove Enterprise Group Limited (100%)

(3) Major Shareholders of Institutional Shareholders Listed Above

As of March 30, 2025

Name of Institution	Major Shareholder of Institution
Millegrove Enterprise Group Limited	Langford Asset Holdings Ltd (100%)

(4) Directors' Professional Qualifications, Independence of Independent Directors, and Board Diversity Policy

A. Directors' professional qualifications and independence of independent directors

Criteria / Name	Professional Qualifications and Experience	Independence of Independent Directors	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Teng, Ching-Leou, Chairperson	Please refer to pages 11-16 of this Annual Report. None of the directors are subject to any of the circumstances stated in Article 30 of the Company Act.	N/A.	0
Lin, Ko-Chung, Director			0
Hsu, Hsueh-Fang, Director			0
Chang, Jinn-Der, Director			2
Hsiao, Chen-Jung, Director			0
Hwang, Chan-Kou, Director			0
Lee, Shen-Yi, Director			2
Tien, Jien-Heh, Independent Director		All of the following conditions apply to each Independent Director: 1. They meet the requirements of Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies released by the Financial Supervisory Commission. 2. They have not received any compensation or benefits for providing services, including commercial, legal, financial, or accounting services, to the Company or any of its affiliated companies within the past two years.	0
Hsieh, Ming-Chuan, Independent Director			1
Liu, Ching-Tsun Independent Director			0
Jeffrey R. Williams, Independent Director			0

B. Board diversity policy

To strengthen corporate governance and promote sound development in the composition and structure of the Board, the "Diversity of Board Members" policy outlined in Article 20, Paragraph 2 of the Corporate Governance Best Practice Principles states the following: The composition of the Board should take into account the company's business scale, development needs, and the shareholding structure of major shareholders. The number of Board members should be set appropriately after considering the company's operational realities. Furthermore, the Board should incorporate various aspects of diversity, including: basic requirements and values, such as gender, age, nationality, and culture, and professional experience and skills in fields such as law, accounting, industry, finance, marketing, and technology.

i. Specific management goals

The Company's Board is responsible for providing guidance on corporate strategies, overseeing management, and being accountable to the Company and its shareholders. The Board must set clear objectives, directions, and policies. It must ensure that its operations comply with relevant laws and regulations.

To meet the needs of the Company's business development, the Board should consist of experts and scholars with professional backgrounds in fields such as industry, finance, and management. Board members should possess diverse professional skills, including the ability to make sound business judgments, the ability to manage a business, financial accounting, a global perspective on international markets, and knowledge of the biotechnology industry. In addition, the Company places significant importance on gender equality, requiring that at least one female must serve on the Board.

ii. Current status of implementing board member diversity

The Company currently has 11 directors, including 7 directors and 4 independent directors. All members bring extensive experience and expertise across the biotechnology industry, financial industry, and education industry, possessing the knowledge, skills, and qualities necessary to fulfill their responsibilities. There are three directors on the Board who also serve as employees. Among the four independent directors, one has served for seven years. The independent directors bring extensive experience from industry, government, and academia, along with outstanding expertise in global biotechnology production and manufacturing. They will continue to leverage their professional knowledge to provide oversight and advice to the Board. The ages of the Board members range from 50 to 90 years old. The implementation of the Company's Board Diversity Policy is shown in the following table:

Core Diversity Criteria	**Basic Requirements and Values**					**Professional Knowledge and Skills**	**Abilities**							
	Nationality	Gender	Also an Employee of the Company	Age	Tenure of Independent Directors		Making sound business judgments	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	A global perspective on international markets	Leadership	Decision-making
Teng, Ching-Leou	Republic of China	Female	✓	71~80		Biotechnology industry	✓		✓	✓	✓	✓	✓	✓
Lin, Ko-Chung	Republic of China	Male	✓	71~80		Biotechnology industry	✓		✓	✓	✓	✓	✓	✓
Hsu, Hsueh-Fang	Republic of China	Female		41~50		Law	✓		✓	✓		✓	✓	✓
Chang, Jinn-Der	Republic of China	Male		71~80		Accounting and law	✓	✓	✓	✓		✓	✓	✓
Hsiao, Chen-Jung	Republic of China	Male		51~60		National policies	✓		✓	✓		✓	✓	✓
Hwang, Chan-Kou	Republic of China	Male	✓	71~80		Biotechnology industry	✓		✓	✓	✓	✓	✓	✓
Lee, Shen-Yi	Republic of China	Male		81~90		Law	✓		✓	✓		✓	✓	✓
Tien, Jien-Heh	Republic of China	Male		71~80	7	Biotechnology industry	✓		✓	✓	✓	✓	✓	✓
Hsieh, Ming-Chuan	Republic of China	Female		61~70		Education industry	✓		✓	✓		✓	✓	✓
Liu, Ching-Tsun	Republic of China	Male		71~80		Finance	✓	✓	✓	✓		✓	✓	✓
Jeffrey R. Williams	United States	Male		71~80		Finance	✓	✓	✓	✓		✓	✓	✓

iii. The Company's Board consists of 8 male directors and 3 female directors, with female directors accounting for 27% of all Board members. To promote gender equality, the Company will take the following measures:

- Ensuring female representation on the Board: To achieve gender equality, the Company will, based on the needs of the Board, actively seek, elect, and appoint female directors with the necessary professional knowledge and management experience through external channels such as professional recruitment agencies and director talent databases. The Company will ensure the entire process is open and transparent, with selection based primarily on candidates' professional abilities and experience, while prioritizing female candidates. The Company will also consider establishing an internal director election mechanism to periodically evaluate female managerial members within the Company who possess extensive experience, professional abilities, and management expertise. The Company will provide them with professional training and development opportunities to ensure they acquire the knowledge and skills required to serve on the Board.
- Prioritizing professional female representatives appointed by legal entities: When a legal entity selects a representative to act on its behalf as a director, the Company emphasizes the importance of gender equality and its impact on corporate governance. Gender equality will be a core consideration in the selection process. By prioritizing female representatives with professional backgrounds when a legal entity selects its representative, the Company aims to further improve gender equality on the Board.
- Periodic review of Board composition: The Company will periodically review the gender balance of its Board members and disclose relevant information based on actual circumstances, ensuring that the goal of gender equality remains a priority and is always supported. In addition to gender equality considerations, the Company will also periodically evaluate the Board's composition in terms of professional skills to ensure that promoting gender balance does not compromise the professional abilities of the Board.

iv. The Company's Board diversity, complementarity, and implementation status align with the criteria outlined in Article 20 of the Corporate Governance Best Practice Principles. In view of the continuous changes in the company's operations and market environment, the Company, based on the Board's functioning, operating patterns, and future development needs, will continue to update the Board diversity policy as necessary. The goal is to ensure that the composition of the Board meets future development needs and that Board members possess the professional knowledge, skills, and qualities required to perform their responsibilities.

(5) General Manager, Assistant General Managers, Deputy Assistant General Managers, and Heads of the Company's Divisions and Branch Units

As of March 30, 2025; shares; %

Title	Nationality	Name	Gender	Date of Appointment	Shareholding		Shares Held by Spouse or Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Positions at Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Managerial Officer		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chief Executive Officer	Republic of China	Lin, Ko-Chung	Male	2017.1.1	4,508,964	1.32	1,300,000	0.38	-	-	• PhD, Department of Chemistry, University of Missouri • PhD, Research on Anti-cancer Drug Innovation, the University of Michigan • Leader and Program Host, Innovative Drug R&D Department, Biogen Inc., USA • Research Expert in the Innovative Drug Development, New Technology Innovation Center, Monsanto-Searle Group Headquarters, USA	• Director and CEO, PharmaEssentia Corporation • Director and CEO, PharmaEssentia USA Corporation • Chairman, PharmaEssentia Japan KK • Executive Director, PharmaEssentia Biotechnology (Beijing) Co., Ltd. • Chairman, PharmaEssentia Korea Corporation • Director, PharmaEssentia Singapore Pte Ltd. • Director, Panco Healthcare Co., Ltd. • Director, PharmaEssentia Innovation Research Center, Inc.	-	-	-
General Manager and Representative of Taichung Branch	Republic of China	Hwang, Chan-Kou	Male	2015.6.25	1,737,073	0.51	260,983	0.08	-	-	• PhD, Organic Chemistry, University of Pennsylvania • Researcher, Amgen Inc., USA • Team Leader, Array BioPharma Inc., USA • Director, Optimer Pharmaceuticals, Inc., USA	• Director and General Manager of PharmaEssentia Corporation and Representative of Taichung Branch • Supervisor, PharmaEssentia Biotechnology (Beijing) Co., Ltd. • Director, Panco Healthcare • Director of PharmaEssentia Japan KK • Director of PharmaEssentia Asia (Hong Kong) Ltd.	-	-	-
Chief Pharmaceutical Officer	Republic of China	Teng, Ching-Leou	Female	2015.6.25	3,467,046	1.01	200,000	0.06	-	-	• PhD, UM College of Pharmacy, University of Michigan • Postdoctoral research at the University of Michigan • New Drug Evaluator, US Food and Drug Administration (FDA) • Assistant Director of ISIS Pharmaceutical, Inc., US	• Chief Pharmaceutical Officer and Chairperson of PharmaEssentia Corporation • Director of PharmaEssentia Asia (Hong Kong) Limited • Director of PharmaEssentia (Hong Kong) Ltd. • Director of PharmaEssentia Japan KK • Chairperson of PharmaEssentia USA Corporation • Director of PharmaEssentia Korea Corporation • Chairperson of Panco Healthcare Co., Ltd. • Director of Apeximmune • Chairperson of PharmaEssentia Innovation	-	-	-

Title	Nationality	Name	Gender	Date of Appointment	Shareholding		Shares Held by Spouse or Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Positions at Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Managerial Officer		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
												Research Center, Inc.			
Chief Medical Officer	United States	Albert Qin	Male	2017.1.13	211,242	0.06	-	s-	-	-	• PhD in Biomedical Sciences, Harvard Medical School • Former senior scientist, clinical deputy director-general, clinical director, chief scientific officer, and executive director at international leading pharmaceutical companies • Chief Scientific Officer, SymBio Pharmaceuticals, Tokyo, Japan • Medical Director, ImmunoGen, USA • Associate Director, Pfizer, USA • Pharmacologist, Bayer Pharmaceuticals, USA • Biologist, Biogen, USA	-	-	-	-
Chief Scientific Officer	Republic of China	Lin, Lih-Ling	Female	2022.8.11	64,000	0.02	-	-	-	-	• Bachelor and Master, National Taiwan University • PhD, University of Arizona • Pfizer Inc. Head of Innate Immunity • Sanofi Head of Checkpoint Immunology Cluster Immunology & Inflammation (I&I)	• Director, PharmaEssentia Innovation Research Center, Inc. • Director of PharmaEssentia USA Corporation			
Senior Director of Finance	Republic of China	Snow Chang	Female	2015.10.14	36,523	0.01	-	-	-	-	• M.A. Accounting, Soochow University • Senior Manager, KGI Securities • Senior Manager, Settlement Department, Grand Cathay Securities Corporation • Manager, Underwriting Department, Jingying Securities	• Director of PharmaEssentia Japan KK • Supervisor of PharmaEssentia Korea Corporation	-	-	-

2. Remuneration of Directors, Supervisors, General Manager, and Deputy General Managers

(1)Remuneration of Directors (Including Independent Directors)

Unit: NT$ thousands; thousand shares

Title	Name	Directors' Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income After Tax (%)		Remuneration of Directors Who are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income After Tax (%)		Remuneration Received from an Invested Company Other than Subsidiaries
		Fixed Pay (A)		Severance Pay and Pension (B)		Directors' Profit-Based Rewards (C)		Business Expenses (D) (Note 2)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pension (F)		Employees' Profit-Based Rewards (G)						
		From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia		From All Consolidated Entities		From PharmaEssentia	From All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairperson	Teng, Ching-Leou	-	-	-	-	-	-	150	150	0.01	0.01	12,612	12,612	-	-	1,697	-	1,697	-	0.49	0.49	None
Director	Lin, Ko-Chung	-	-	-	-	-	-	150	150	0.01	0.01	12,612	12,612	203	203	1,697	-	1,697	-	0.49	0.49	None
Director	EON Capital Group Limited Representative: Hsu, Hsueh-Fang	-	-	-	-	1,800	1,800	150	150	0.07	0.07	-	-	-	-	-	-	-	-	0.07	0.07	None
Director	Chang, Jinn-Der	-	-	-	-	1,800	1,800	150	150	0.07	0.07	-	-	-	-	-	-	-	-	0.07	0.07	None
Director	Management Committee, National Development Fund, Executive Yuan Representative: Hsiao, Chen-Jung	-	-	-	-	1,800	1,800	120	120	0.06	0.06	-	-	-	-	-	-	-	-	0.06	0.06	None
Director	Hwang, Chan-Kou	-	-	-	-	-	-	150	150	0.01	0.01	11,569	11,569	-	-	1,557	-	1,557	-	0.45	0.45	None
Director	Lee, Shen-Yi	-	-	-	-	1,800	1,800	150	150	0.07	0.07	-	-	-	-	-	-	-	-	0.07	0.07	None
Independent Director	Hsieh, Ming-Chuan	-	-	-	-	1,800	1,800	75	75	0.06	0.06	-	-	-	-	-	-	-	-	0.06	0.06	None
Independent Director	Tien, Jien-Heh	-	-	-	-	1,800	1,800	150	150	0.07	0.07	-	-	-	-	-	-	-	-	0.07	0.07	None
Independent Director	Liu, Ching-Tsun	-	-	-	-	1,800	1,800	75	75	0.06	0.06	-	-	-	-	-	-	-	-	0.06	0.06	None
Independent Director	Jeffrey R. Williams	-	-	-	-	1,800	1,800	75	75	0.06	0.06	-	-	-	-	-	-	-	-	0.06	0.06	None

Note 1: According to the Company's Articles of Incorporation, the Board determines the fixed pay for all directors. This is calculated based on their respective level of involvement in the Company's operations and their contributions, while also taking into account industry standards both domestically and internationally. The Articles of Incorporation also explicitly state that profit-based rewards for directors shall not exceed 5% of the annual profit.

Note 2: These are the travel expenses paid to directors for attending Board meetings.

Note 3: Except as disclosed above, remuneration provided to any director for services (such as serving as a non-employed consultant) to any company listed in the financial report for the most recent fiscal year: None

Director Remuneration Bracket

Remuneration Brackets for the Company's Directors	Name of Director			
	Total Remuneration from (A+B+C+D)		Total Remuneration from (A+B+C+D+E+F+G)	
	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities
Less than NT$1,000,000	Teng, Ching-Leou, Lin, Ko-Chung, Hwang, Chan-Kou	Teng, Ching-Leou, Lin, Ko-Chung, Hwang, Chan-Kou	None	None
NT$1,000,000 to less than NT$2,000,000	Hsu, Hsueh-Fang, Chang, Jinn-Der, Hsiao, Chen-Jung, Lee, Shen-Yi, Hsieh, Ming-Chuan, Liu, Ching-Tsun, Tien, Jien-Heh, Jeffrey R. Williams	Hsu, Hsueh-Fang, Chang, Jinn-Der, Hsiao, Chen-Jung, Lee, Shen-Yi, Hsieh, Ming-Chuan, Liu, Ching-Tsun, Tien, Jien-Heh, Jeffrey R. Williams	Hsu, Hsueh-Fang, Chang, Jinn-Der, Hsiao, Chen-Jung, Lee, Shen-Yi, Hsieh, Ming-Chuan, Liu, Ching-Tsun, Tien, Jien-Heh, Jeffrey R. Williams	Hsu, Hsueh-Fang, Chang, Jinn-Der, Hsiao, Chen-Jung, Lee, Shen-Yi, Hsieh, Ming-Chuan, Liu, Ching-Tsun, Tien, Jien-Heh, Jeffrey R. Williams
NT$2,000,000 to less than NT$3,500,000	None	None	None	None
NT$3,500,000 to less than NT$5,000,000	None	None	None	None
NT$5,000,000 to less than NT$10,000,000	None	None	None	None
NT$10,000,000 to less than NT$15,000,000	None	None	Teng, Ching-Leou, Lin, Ko-Chung, Hwang, Chan-Kou	Teng, Ching-Leou, Lin, Ko-Chung, Hwang, Chan-Kou
NT$15,000,000 to less than NT$30,000,000	None	None	None	None
NT$30,000,000 to less than NT$50,000,000	None	None	None	None
NT$50,000,000 to less than NT$100,000,000	None	None	None	None
NT$100,000,000 or more	None	None	None	None
Total	11 directors	11 directors	11 directors	11 directors

(2) Remuneration of General Manager and Deputy General Managers (Individual Disclosure of Names and Remuneration Method)

Unit: NT$ thousands

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Employees' Profit-Based Rewards (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income After Tax (%)		Remuneration Received from an Invested Company Other than Subsidiaries or from the Parent Company
		From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia		From All Consolidated Entities		From PharmaEssentia	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
Chief Executive Officer	Lin, Ko-Chung	12,612	12,612	203	203	-	-	1,697	-	1,697	-	0.49	0.49	None
General Manager	Hwang, Chan-Kou	11,569	11,569	-	-	-	-	1,557	-	1,557	-	0.44	0.44	None

General Manager and Deputy General Manager Remuneration Bracket

Remuneration Brackets for the Company's General Manager and Deputy General Managers	Name of General Manager and Deputy General Manager	
	From PharmaEssentia	From All Consolidated Entities E
Less than NT$1,000,000	None	None
NT$1,000,000 to less than NT$2,000,000	None	None
NT$2,000,000 to less than NT$3,500,000	None	None
NT$3,500,000 to less than NT$5,000,000	None	None
NT$5,000,000 to less than NT$10,000,000	None	None
NT$10,000,000 to less than NT$15,000,000	Hwang, Chan-Kou, Lin, Ko-Chung	Hwang, Chan-Kou, Lin, Ko-Chung
NT$15,000,000 to less than NT$30,000,000	None	None
NT$30,000,000 to less than NT$50,000,000	None	None
NT$50,000,000 to less than NT$100,000,000	None	None
NT$100,000,000 or more	None	None
Total	2 persons	2 persons

(3) Names of managerial officers provided with employees' profit-based rewards and distribution status: None.

(4) Separately compare and describe total remuneration, as a percentage of net income after tax stated in the parent company only financial reports and individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements over the past two fiscal years to the Company's directors, supervisors, general managers, and deputy general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and their correlation with operating performance and future risks

A. Analysis of total remuneration, as a percentage of net income after tax, as paid by the Company and by each other company included in the consolidated financial statements to the Company's directors, supervisors, general managers, and deputy general managers

Unit: NT$ thousands

Item	2023				2024			
	Total Remuneration		As a Percentage of Net Income After Tax (%)		Total Remuneration		As a Percentage of Net Income After Tax (%)	
	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities
Director	11,652	11,652	-1.87	-1.87	22,229	22,229	0.75	0.75
CEO and General Manager	22,541	22,541	-3.61	-3.61	27,938	27,938	0.94	0.94

B. Remuneration policies, standards, and packages, the procedure for determining remuneration, and their correlation with operating performance and future risks

i. The remuneration of directors and supervisors is governed by the Company's Articles of Incorporation. It is determined based on their positions in the Company, their respective level of involvement in the Company's operations, and their contributions. After being proposed internally by the Company, the remuneration is submitted to the Remuneration Committee for approval before being finalized by the Board.

- PharmaEssentia has established the Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers in 2024, which serves as a reference when determining the remuneration of individual directors. The Board is authorized to set the remuneration for directors and independent directors based on their respective levels of involvement in the Company's operations, their contributions, and industry standards in Taiwan and abroad.
- "Remuneration of Directors Who are Also Employees" refers to the salary for Chairperson Teng, Ching-Leou, who also serves as the Chief Pharmaceutical Officer; Director Lin, Ko-Chung, who also serves as the Chief Executive Officer; Director Hwang, Chan-Kou, who also serves as the General Manager and Representative of the Company's Taichung Plant. The remuneration paid to the Company's managerial officers is determined based on their responsibilities, contributions, the Company's operating performance for the fiscal year, and future risks. The amount is first reviewed by the Remuneration Committee and then submitted to the Board for resolution.

ii. The remuneration of the CEO and General Manager is determined in accordance with the Company's regulations governing managerial officer performance evaluation. The evaluation is based on the annual key performance indicators set for each department, aligned with the Company's operational objectives. Performance is evaluated by measuring the achievement of these operational objectives. In addition to evaluating individual overall performance, work quality, achievement of sustainable development action plans, and contributions to the Company's performance, the

Company also considers factors such as its operational performance, future risks, development strategies, industry trends, and the standards of peer companies to provide reasonable remuneration. The performance evaluation and profit-based reward distribution are reviewed and approved by the Remuneration Committee and the Board in accordance with applicable regulations. The Company reviews its profit-based reward distribution policy in a timely manner to adapt to changes in the general environment and corporate management strategies while taking into account the Company's sustainable development and the interests of stakeholders.

In summary, the Company's policies for determining the remuneration of directors, the CEO, and the General Manager, as well as the procedure for remuneration determination, are directly tied to the Company's operating performance.

3. Corporate Governance

(1) Operations of the Board of Directors

A total of 10 Board meetings were held in 2024. The attendance of the directors is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (in person) (%)	Remarks
Chairperson	Teng, Ching-Leou	10	0	100%	
Director	Lin, Ko-Chung	10	0	100%	
Director	Hwang, Chan-Kou	10	0	100%	
Director	Chen, Ben-Yuan	5	0	100%	Dismissed on May 27, 2024
Director	Management Committee, National Development Fund, Executive Yuan Representative: Hwang, Yan-Ching	5	0	100%	Dismissed on May 27, 2024
Director	Management Committee, Yaohua Glass Co., Ltd. Representative: Lai, Chien-Hsin	3	0	60%	Dismissed on May 27, 2024
Director	Representative of Eon Capital investment account, entrusted to Yuanta Commercial Bank: Gong, Shen-You	5	0	100%	Dismissed on May 27, 2024
Independent Director	Chang, Jinn-Der	5	0	100%	Dismissed on May 27, 2024
Independent Director	Patrick Y. Yang	5	0	100%	Dismissed on May 27, 2024
Director	Lee, Shen-Yi	10	0	100%	
Director	Chang, Jinn-Der	5	0	100%	Newly appointed on May 27, 2024
Director	Representative of Eon Capital investment account, entrusted to Yuanta Commercial Bank: Hsu, Hsueh-Fang	5	0	100%	Newly appointed on May 27, 2024
Director	Management Committee, National Development Fund, Executive Yuan Representative: Hsiao, Chen-Jung	5	0	100%	Newly appointed on May 27, 2024
Independent Director	Tien, Jien-Heh	10	0	100%	
Independent Director	Hsieh, Ming-Chuan	5	0	100%	Newly appointed on May 27, 2024

Independent Director	Liu, Ching-Tsun	5	0	100%	Newly appointed on May 27, 2024
Independent Director	Jeffrey R. Williams	5	0	100%	Newly appointed on May 27, 2024

Other required disclosure:

1. If any of the following circumstances occur in the operation of the Board, the date, session number, content of the proposals, the opinions of all independent directors, and the Company's response to the independent directors' opinions shall be disclosed:
   (1) Matters listed in Article 14-3 of the Securities and Exchange Act: Article 14-3 of the Securities and Exchange Act is not applicable as the Company has set up an Audit Committee. Relevant information on these matters can be found in the section "Operations of the Audit Committee" in this Annual Report.
   (2) Other than the aforementioned matters, resolutions from Board meetings where independent directors expressed objections or qualified opinions that were put on record or issued as written statements: None.

2. Implementation Status of Directors' Recusal in Conflict-of-Interest Proposals:

Board of Directors	Proposal Content	Director Name, Reason for Recusal, and Voting Participation
2024.2.24	Review of PharmaEssentia's 2023 Managerial Officer Performance Evaluation	Passed without objection by all participating directors; expect Chairperson Teng, Ching-Leou, Directors Lin, Ko-Chung and Hwang, Chan-Kou did not participate in the resolution due to conflicts of interest. All other attending directors agreed on the remuneration adjustment plan.
2024.2.24	Review of PharmaEssentia's 2023 Managerial Officers' Remuneration Adjustment Proposal	Chairperson Teng, Ching-Leou, Directors Lin, Ko-Chung and Hwang, Chan-Kou did not participate in the resolution due to conflicts of interest. Independent director Chang, Jinn-Der served as the Acting Chairman. All other attending directors agreed on the amended remuneration adjustment plan.
2024.4.2	Proposal to Approve the Board Nomination of Candidates for Directors (Including Independent Directors)	The list of director candidates was reviewed individually. Each director on the nomination list explained the significant details of their conflict of interest in order and recused themselves from voting. When reviewing the candidates nominated by Chairperson Teng, Ching-Leou, who served as the meeting chair, Independent Director Tien, Jien-Heh acted as the meeting chair during the discussion and the resolution approving the nomination. For the other nominees, following their recusals, Chairperson Teng, Ching-Leou consulted the remaining attending directors, who unanimously approved the nominations as proposed.
2024.4.2	Proposal to Lift Non-Compete Restrictions on Directors to the Annual General Meeting of Shareholders	Directors with non-compete restrictions included in the proposal to lift these restrictions, as presented to the Annual General Meeting of Shareholders, were reviewed on a case-by-case basis. Each director explained the significant details of their conflict of interest in order and recused themselves from voting. When reviewing the candidates proposed by the Chairperson Teng, Ching-Leou, who served as the meeting chair, Independent Director Tien, Jien-Heh acted as the meeting chair during the discussion and the resolution approving the nomination. For the other candidates, following their recusals, the Chairperson, Teng, Ching-Leou, consulted the remaining attending directors, who unanimously approved the nominations as proposed.
2024.5.13	Proposal for PharmaEssentia to Invest in ApexImmune Therapeutics	Chairperson Teng, Ching-Leou recused herself during the resolution due to a conflict of interest. Independent Director Chang, Jinn-Der acted as the meeting chair during the resolution, and the remaining attending directors unanimously approved the proposal.
2024.6.28	Proposal to Appoint Members of the 5th-term Remuneration Committee	Independent Directors Tien, Jien-Heh, Liu, Ching-Tsun, Hsieh, Ming-Chuan, and Jeffrey R. Williams recused themselves due to conflicts of interest and did not participate in the resolution. The remaining attending directors unanimously approved the proposal.

2. Board of Directors Self (or Peer) Evaluation:

Evaluation Cycle	Annually.
Evaluation Period	January 1, 2024 to December 31, 2024
Evaluation Scope	The Board, individual directors, the Audit Committee, and the Remuneration Committee
Evaluation Method	Internal self-evaluation by the Board, self-evaluation by directors
Evaluation Content	(1) Board performance evaluation: Including the level of involvement in company operations, the Board's decision-making quality, composition and structure of the Board, director election and continuing education, and internal control. (2) Individual director performance evaluation: Including understanding of company goals and mission, awareness of director responsibilities, level of involvement in company operations, internal relationship management and communication, profession and continuing education of directors, and internal control. (3) Functional committee performance evaluation: Level of involvement in company operations, awareness of committee responsibilities, decision-making quality of committees, committee composition and member election, and internal control.
Evaluation Results	The Board, individual directors, and all functional committees are operating well. The Company will continue to refine the Board's functions based on the results of performance evaluation to enhance corporate governance.

4. Evaluation on goals and achievements of strengthening Board functions:
   (1) The Company has appointed a spokesperson to ensure that significant information is disclosed promptly and appropriately, providing shareholders and stakeholders with information related to the company's finances and business.
   (2) The Company has dedicated personnel responsible for reviewing and updating its official website to improve the transparency of financial and business information.
   (3) The operations of the Board are conducted in accordance with the Rules of Procedure for Board Meetings and relevant regulatory policies.
   (4) The directors achieved a 100% completion rate for their training hours in 2024. In the future, the Company will arrange for directors to take more ESG-related courses to promote the company's sustainability planning and development, and oversee the implementation of a robust ESG management framework, helping the company achieve sustainability and net-zero goals.

(2) Operations of the Audit Committee

The Audit Committee focuses on assisting the Board in fulfilling its duties to oversee the Company's accounting, auditing, and financial reporting processes, as well as the quality and integrity of financial control. Matters reviewed by the Audit Committee include: Financial statements, auditing and accounting policies and procedures, internal control systems, major asset or derivative transactions, major capital loans and endorsements or guarantees, raising or issuing securities, regulatory compliance, and appointment, dismissal, or remuneration of CPAs.

A total of 6 (A) Audit Committee meetings were held in 2024. The attendance is as follows:

Title	Name	Non-Voting Attendance in Person (B)	Attendance by Proxy	Non-Voting Attendance Rate (in person) (%) (B/A)	Remarks
Independent Director	Chang, Jinn-Der	3	-	100%	Dismissed on May 27, 2024
Independent Director	Patrick Y. Yang	3	-	100%	Dismissed on May 27, 2024
Independent Director	Tien, Jien-Heh	6	-	100%	
Independent Director	Hsieh, Ming-Chuan	3		100%	Newly appointed on May 27, 2024
Independent Director	Liu, Ching-Tsun	3		100%	Newly appointed on May 27, 2024
Independent Director	Jeffrey R. Williams	3		100%	Newly appointed on May 27, 2024

Other required disclosure:

1. If any of the following circumstances occur during the operation of the Audit Committee, the Board meeting date, session number, content of the proposals, resolution results from the Audit Committee, and the Company's response to the Audit Committee's opinions shall be disclosed:

(1) Matters listed in Article 14-5 of the Securities and Exchange Act:

Board of Directors	Agenda and Follow-up Actions
February 26, 2024 (1st meeting in 2024)	• Review of PharmaEssentia's 2023 Financial Statements and Business Report • 2023 Loss Make-Up Proposal • Reviewed the annual evaluation of independence of PharmaEssentia's certified public accountant Ernst & Young. • Proposal to Renew the Appointment of Ernst & Young for Preparing the Financial and Tax Reports for 2024 and Change CPAs Due to CPA Firm's Internal Adjustments • PharmaEssentia's 2024 CPA Fee Proposal • Proposal for PharmaEssentia's 2023 Internal Control System Statement • Proposal for the Full Re-Election of PharmaEssentia's Board of Directors • Matters Related to the Election of Directors • Report on the Implementation of the PharmaEssentia's 2023 Annual General Meeting of Shareholders Resolution to Conduct Cash Capital Increase by Issuing Common Shares for Global Depositary Receipts and Private Placement of Common Shares, or Private Placement of Convertible Bonds (Overseas or Domestic) • Resolved to issue new common shares by cash capital increase for sponsoring GDR issuance/cash capital increase by private placement/issue overseas or domestic convertible bonds in private placement
April 2, 2024 (2nd meeting in	• Proposal for PharmaEssentia's Issuance of Restricted Stock Awards

2024)	• Proposal to Approve the Board Nomination of Candidates for Directors (Including Independent Directors) • Proposal to Lift Non-Compete Restrictions on Directors to the Annual General Meeting of Shareholders • Resolved to issue new common shares by cash capital increase for sponsoring GDR issuance/cash capital increase by private placement/issue overseas or domestic convertible bonds in private placement
May 13, 2024 (3rd meeting in 2024)	• Acknowledgment of PharmaEssentia's Q1 Consolidated Financial Statements of 2024 • Revision of the management regulations of PharmaEssentia • Proposal for PharmaEssentia to Invest in ApexImmune Therapeutics • Proposal to Sign a Regional Licensing Agreement with Forus Therapeutics Inc. in Canada
August 13, 2024 (4th meeting in 2024)	• Election of the Chairperson of PharmaEssentia's Third-Term Audit Committee. • Acknowledgment of PharmaEssentia's Q2 Consolidated Financial Statements of 2024. • Revision of PharmaEssentia's Management Policies. • Proposal to Increase Capital by US$5 Million for PharmaEssentia Asia (Hong Kong) Limited. • Proposal to Increase Capital by US$5 Million for PharmaEssentia's Korean Subsidiary, PharmaEssentia Korea Corporation.
November 14, 2024 (5th meeting in 2024)	• Acknowledgment of PharmaEssentia's Q3 Consolidated Financial Statements of 2024 • Establishment of PharmaEssentia's Policy on Sustainability Information Management • Establishment of PharmaEssentia's Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers • Proposal to Acquire Global Exclusive License for Anti-CD73 Antibodies and Derivatives as New Drugs from Development Center for Biotechnology (DCB) • Proposal to Invest in Senti Biosciences, Inc.
December 18, 2024 (6th meeting in 2024)	• Proposal for PharmaEssentia's 2025 Business Plan and Budget. • Proposal for PharmaEssentia's 2025 Audit Plan. • Proposal to Increase Capital by US$1 Million for PharmaEssentia's Singapore Subsidiary, PHARMAESSENTIA SINGAPORE PTE. LTD. • Proposal to Re-assign Supervisors for PharmaEssentia's Japanese Subsidiary, PharmaEssentia Japan KK. • Partial Revision of PharmaEssentia's Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers.
Any objections, qualified opinions, or significant recommendations from independent directors: None	
The Audit Committee's resolution results and the Company's response to the Audit Committee's opinions: The Audit Committee members unanimously approved all proposals.	

(2) Other matters not approved by the Audit Committee but passed with the consent of at least two-thirds of all directors: None.

2. Implementation status of independent directors' recusal in conflict-of-interest proposals: None

3. Communication between independent directors, the chief internal auditor, and CPAs:

(1) Communication between independent directors and CPAs

Date	Key Topics during Communication
February 26, 2024	CPAs from Ernst & Young (EY) communicated with the Audit Committee, independent directors, corporate governance unit, and management regarding the consolidated and parent company-only financial statements for Q4 of 2023 and the explanation of Audit Quality Indicators (AQI).

May 13, 2024	CPAs from EY communicated with the Audit Committee, independent directors, corporate governance unit, and management regarding the consolidated financial statements for Q1 of 2024.
August 13, 2024	CPAs from EY communicated with the Audit Committee, independent directors, corporate governance unit, and management regarding the consolidated financial statements for Q2 of 2024.
November 14, 2024	CPAs from EY communicated with the Audit Committee, independent directors, corporate governance unit, and management regarding the consolidated financial statements for Q3 of 2024.

(2) Communication between independent directors and the chief internal auditor

The Company's internal audit department submits monthly audit reports to independent directors for review. In addition, the chief auditor also reports audit findings to the directors during the Audit Committee and Board meetings.

Date	Meeting	Communication Counterparty	Key Topics during Communication	Communication Results
February 26, 2024	Audit Committee	Chief Auditor	Q4 Audit Report of 2023	No further recommendations.
May 10, 2024	Audit Committee	Chief Auditor	Q1 Audit Report of 2024	No further recommendations.
August 13, 2024	Audit Committee	Chief Auditor	Q2 Audit Report of 2024	No further recommendations.
November 14, 2024	Audit Committee	Chief Auditor	Q3 Audit Report of 2024	No further recommendations.

(3) Corporate governance practices, differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for the differences

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
1. Has the Company established and disclosed its Corporate Governance Best Practice Principles according to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has formulated and disclosed its Corporate Governance Best Practice Principles, which have been approved by the Board.	None
2. Shareholding structure and shareholders' equity				
(1) Has the Company established internal operating procedures to address shareholder suggestions, questions, disputes, and litigation, and implemented these procedures accordingly?	V		(1) The Company has established the Operating Procedures for Handling Significant Internal Information and has appointed a spokesperson to address shareholder concerns. In addition, the company website includes an investor relations section and contact information for shareholders and investors to provide suggestions or submit questions.	None
(2) Does the Company have a list of the major shareholders who have actual control over the company and the ultimate owners of these major shareholders?	V		(2) The Company has engaged a dedicated stock transfer agency to assist in managing shareholding matters and maintains good relationships with major shareholders based on the shareholder register provided by the transfer agency. The Company stays informed on the identities of the major shareholders who have actual control over the company and their ultimate owners.	
(3) Has the Company established and implemented risk control and firewall mechanisms with its affiliated companies?	V		(3) The Company has established control mechanisms such as the Operating Procedures for Transactions with Group Enterprises, Specific Companies, and Related Parties and the Regulations Governing Subsidiary Supervision.	
(4) Does the Company have internal regulations in place to prohibit insiders from trading	V		(4) The Company has established the Operation Procedures for Processing Significant Internal Information and Preventing Insider Trading to regulate all employees, managerial officers, and directors of the Company, and	

securities using information that is not yet public?			anyone aware of the Company's information due to their occupation or controlling relationships. Any conduct that may involve insider trading is prohibited, and internal training and advocacy are conducted periodically. In addition, the Company explicitly prohibits its insiders from using non-public information for securities trading in its Corporate Governance Best Practice Principles. This provision includes internal controls on stock trading by company insiders from the date they become aware of the company's financial reports or related performance information. Measures include (but are not limited to) prohibiting directors from trading the company's stock during blackout periods, such as within 30 days prior to the release of annual financial reports and 15 days prior to the release of each quarterly financial report.	
3. Board Composition and Responsibilities				
(1) Has the Board established a diversity policy and specific management objectives, and implemented them effectively?	V		(1) The Company's Board has 11 directors (including 4 independent directors) in compliance with the Company's Articles of Incorporation. The Board composition is diverse, with 3 female directors and members possessing professional expertise in commerce, law, finance, and industry.	None
(2) In addition to the Remuneration Committee and the Audit Committee, which are required by law, has the company voluntarily established other functional committees?	V		(2) The Company has established the Remuneration Committee and the Audit Committee. More functional committees will be established as needed, based on the Company's future requirements.	
(2) Has the Company formulated regulations governing Board performance evaluation and evaluation methods, conducted periodic annual performance evaluations, reported the results of the performance evaluations to the Board, and used them as a reference for the remuneration, nomination, and reappointment of individual directors?	V		(3) The Company has established the Regulations Governing Board of Directors Performance Evaluation. It conducts periodic annual performance evaluations for the entire Board, individual directors, and the Audit Committee. The evaluations are conducted through self-evaluation questionnaires, and the results of the performance evaluations are submitted and reported to the Board, which serve as a reference for determining directors' remuneration and for nominating them for reappointment.	
(4) Does the Company periodically evaluate the independence of CPAs?	V		(4) The Company conducts periodic annual evaluations of CPA independence using the following criteria and reports the results to the Audit Committee and the Board: A.Declaration of Independence by the CPA.	

			B. Prior review of audit and non-audit services provided by the CPA by the Audit Committee to ensure that non-audit services do not compromise audit results. C. Ensuring that no single CPA provides services for more than seven consecutive years. D. Use of the CPA Independence Evaluation Questionnaire and the Audit Quality Indicators (AQIs) published by the Financial Supervisory Commission each year to compile the results of the CPA independence evaluation, covering aspects such as financial interests, credit and guarantees, business relationships, family and personal relationships, employment relationships, gifts and special offers, and CPA rotation and non-audit services.	
4. Does the TWSE/TPEx listed company appoint a qualified and appropriately sized team of corporate governance personnel and a corporate governance officer responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the necessary information to perform their duties, ensuring directors and supervisors comply with laws and regulations, organizing Board meetings and Shareholders' Meetings in accordance with the law, and preparing minutes for these meetings)?	V		The Board has appointed the Company's Director of Finance as the Corporate Governance Officer, responsible for corporate governance-related matters, including organizing Board meetings, Audit Committee meetings, Remuneration Committee meetings, and Shareholders' Meetings in accordance with the law; assisting directors with onboarding and continuing education; providing directors with the necessary information to perform their duties; and assisting directors in ensuring compliance with laws and regulations.	None
5. Does the company have communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the company website, and properly respond to stakeholders' concerns regarding the key corporate social responsibility issues?	V		The Company has appointed a spokesperson as communication channels for stakeholders. A dedicated section for stakeholder feedback is available on the company website to address relevant concerns.	None
6. Has the company engaged a professional stock transfer agency to handle shareholders' meeting matters?	V		The Company has engaged the Transfer Agency Department of CTBC Bank to handle Shareholders' Meeting matters.	None
7. Information disclosure				

(1) Does the company have a website disclosing financial, business, and corporate governance information?	V		(1) The Company's website provides information about the company, clinical R&D and products, latest updates, financial operations, corporate social responsibility, and corporate governance. This information is disclosed on the Market Observation Post System (MOPS) in accordance with regulations.	None
(2) Does the company adopt other methods of information disclosure (such as building a website in English, appointing dedicated personnel to gather and disclose company information, implementing a spokesperson system, and disclosing the proceedings of investor conferences on the company website)?	V		(2) The Company has established websites in both Traditional Chinese and English, appointed dedicated personnel to gather and disclose information, and designated a spokesperson. Additionally, the Company holds periodic or ad-hoc physical or virtual investor conferences, with the proceedings disclosed on the MOPS or the Company's website to ensure transparency of corporate information.	
(3) Does the company publish and file its annual financial reports within two months after the end of a fiscal year, and publish and file its financial reports for the first, second and third quarters as well as its operating status for each month ahead of specified deadline?	V		(3) The Company publishes and files its annual financial reports within two months after the end of a fiscal year. It also publishes and files the first, second, and third quarter financial reports and monthly operating statuses ahead of specified deadline. Disclosure of the aforementioned information can be found on the MOPS.	
8. Does the company have any other information that contributes to better understanding its corporate governance standing (including but not limited to employee rights, employee care, investor relations, supplier relationships, stakeholder rights, the continuing education of directors and supervisors, implementation status of risk management policies and risk assessment standards, implementation status of customer policies, and liability insurance purchased for the company's directors and supervisors)?	V		(1) Employee rights: The Company has taken measures including establishment of an Employee Benefits Committee, implementation of a retirement pension plan, and purchase of group insurance for its employees. (2) Employee care: The Company protects employees' legal rights in accordance with the Labor Standards Act and other relevant regulations and holds employer-employee meetings on a regular basis. (3) Investor relations: The Company discloses financial, business, and material information on the MOPS in accordance with relevant laws and regulations, ensuring transparency for investors. The Company properly addresses inquiries from investors and maintains good relationships with its investors. (4) Supplier relationships: The Company strictly fulfills its rights and obligations to suppliers in accordance with contracts and agreements, ensuring that delivery schedules, pricing, and quality meet requirements, building good communication and partnerships with suppliers. (5) Stakeholder rights: The Company discloses financial, business, and material information on the MOPS, ensuring transparency for stakeholders.	None

			(6) Continuing education for directors: The Company's directors all have professional backgrounds and achieved a 100% completion rate for their training hours in 2024. (7) Implementation of risk management policies and risk assessment standards: The Company has established appropriate policies, procedures, and internal controls for risk management in accordance with relevant regulations. Important financial activities must be re-reviewed by the Board in accordance with relevant regulations and internal control systems. (8) Implementation of customer policies: The Company maintains good communication with its customers and has dedicated sales personnel to promptly respond to customer needs. (9) Purchase of liability insurance for directors: The Company's Articles of Incorporation explicitly provide for the purchase of liability insurance for directors and supervisors. Liability insurance for directors and supervisors has been procured.	

9. Please describe the improvements made based on the company' corporate governance evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange Corporation for the most recent fiscal year, and propose priority enhancement areas and measures for unresolved issues.
   The results of the 11th (2024) corporate governance evaluation of the Company fall within the 21%~35% range. Below is an explanation of improvements made and priority areas for enhancement:
   A. We have engaged a third-party external organization to conduct an evaluation of the effectiveness of the Board. The results of the evaluation report have been disclosed on the Company's official website.
   B. The Company has established a Sustainable Development Center and five key functional teams under the CEO's leadership. They are responsible for planning and promoting the company's ESG sustainability policies and implementation plans, and provide quarterly performance reports to the Board.
   C. The Company plans to set up a nomination committee based on actual operational development needs to continuously strengthen the director selection mechanism. In addition, senior executives and the human resources department will formulate talent development plans for key management positions based on actual operational development needs.
   D. The Company will continue to refine its corporate governance information on the official website, making it easier for internal and external stakeholders to timely access the information they need, establishing good interaction and communication with them.
   E. Considering the Company has turned losses into profits, it now can increase voluntary disclosure items.
   F. The Company re-elected its Board and added one independent director during the 2024 Shareholders' Meeting. Independent directors now account for at least one-third of the total Board seats, and at least half of the independent directors have served no more than three consecutive terms.

Corporate Governance Officer’s continuing education in 2024:

Organizer	Course Name	Training Date	Hours
Securities and Futures Institute	Theory and Practice of Insider Trading	2024/9/26	3
Taiwan Institute of Directors	Global Management Strategies and Multinational Operations	2024/11/14	3
Taiwan Institute of Directors	From Perspective of Century-Old Enterprises: Insights for Fast-Growing Companies	2024/11/14	3
Securities and Futures Institute	Balanced and Holistic Financial Planning: Wealth Management Methods Achievable for All	2024/12/3	3

(4) Remuneration Committee Composition and Operations:

The Company has established a Remuneration Committee, which currently comprises Independent Directors Chang, Jinn-Der, Yang, Yu-Min, Tien, Jien-Heh, and Professor Hsieh, Ming-Chuan. Its primary functions include formulating and reviewing policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managerial officers.

A. Remuneration Committee Member Profile

Identity	Name / Criteria	Has at Least 5 years of Work Experience and One of the Following Professional Qualifications			Meets Independence Criteria (Note)										Number of Other Public Companies Where Concurrently Serving as a Remuneration Committee Member	Remarks
		A lecturer or higher in commerce, law, finance, accounting, or fields relevant to corporate operations at public or private universities or colleges	Passed a national exam and awarded with a certificate as a judge, prosecutor, lawyer, CPA, or other professionals or technical specialists required for corporate operations	Work experience in commerce, law, finance, accounting, or fields relevant to corporate operations	1	2	3	4	5	6	7	8	9	10		
Independent Director	Tien, Jien-Heh			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Hsieh, Ming-Chuan	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	
Independent Director	Liu, Ching-Tsun			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Jeffrey R. Williams			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	

Note: Mark a "✓" in the corresponding box for each member meeting the criteria outlined below in the two years prior to their appointment and during their service.

(1) Not an employee of the Company or any of its affiliated companies.

(2) Not a director or supervisor of the Company or any of its affiliated companies (except for cases where the person is concurrently an independent director of the company and its parent company, a subsidiary, or another subsidiary of the same parent company appointed pursuant to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or local laws and regulations of the registered country).

(3) Not a natural-person shareholder whose total shareholding, including shares held by their spouse, minor children, and those held under others' names, exceeds 1% of the Company's total issued shares or places them among the Company's top 10 shareholders.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons listed in (2) or (3).

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's total issued shares, ranks among the top 5 shareholders, or a representative appointed as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (except for cases where the person is concurrently an independent director of the company and its parent company, a subsidiary, or another subsidiary of the same parent company appointed pursuant to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or local laws and regulations of the registered country).

(6) Not a director, supervisor or employee of another company that has the same directors as the company or is controlled by the same person that has more than half of the voting shares in the company (except for cases where the person

is concurrently an independent director of the company and its parent company, a subsidiary, or another subsidiary of the same parent company appointed pursuant to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or local laws and regulations of the registered country).

(7) Not a director, supervisor, or employee of another company or institution where the chairperson, general manager, or equivalent of the company is the same person or the spouse of that person (except for cases where the person is concurrently an independent director of the company and its parent company, a subsidiary, or another subsidiary of the same parent company appointed pursuant to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or local laws and regulations of the registered country).

(8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the company. However, this restriction does not apply if the specified company or institution holds 20% or more but less than 50% of the company's issued shares, and independent directors are mutually appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the local laws and regulations of the registered country to concurrently serve in the company, its parent company, a subsidiary, or another subsidiary of the same parent company.

(9) Not a professional, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any of its affiliated companies, or that provides commercial, legal, financial, accounting, or related services to the company or any of its affiliated companies, where the cumulative compensation received for such services in the past two years exceeds NT$500,000, or the spouse of such an individual. However, this restriction does not apply to members of the remuneration committee, public tender offer review committee, or special committee for mergers and acquisitions who exercise their duties pursuant to the Securities and Exchange Act, the Business Mergers and Acquisitions Act, or related laws and regulations.

(10) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.

B. Operations of the Remuneration Committee

i. The Company's Remuneration Committee consists of four members.

ii. The Remuneration Committee focuses on strengthening corporate governance and enhancing the functions of the Board, while refining the remuneration system for the Company's directors and managerial officers every year. In accordance with Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, promulgated by the Financial Supervisory Commission on March 18, 2011 (via Jin-Guan-Zheng-Fa-Zi No. 1000009747), the Board resolved in February 2014 to establish a Remuneration Committee, adopt the Company's Remuneration Committee Organizational Rules, and approve the appointment of the first-term Remuneration Committee members.

iii. Current members' term of office: May 27, 2024 to May 26, 2027.

iv. A total of 3 (A) Remuneration Committee meetings were held in 2024. The attendance is as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (in person) (%) (B/A)	Remarks
Chairperson	Chang, Jinn-Der	1	0	100%	Dismissed on May 27, 2024
Member	Patrick Y. Yang	1	0	100%	Dismissed on May 27, 2024
Chairperson	Tien, Jien-Heh	3	0	100%	
Member	Hsieh, Ming-Chuan	3	0	100%	
Member	Liu, Ching-Tsun	2	0	100%	Newly appointed on May 27, 2024
Member	Jeffrey R. Williams	2	0	100%	Newly appointed on May 27, 2024

Other required disclosure:

1. Cases where the Company's Board did not adopt or modified the Remuneration Committee's recommendations: None.
2. Resolutions from the Remuneration Committee where members expressed objections or qualified opinions that were put on record or issued as written statements: None.
3. Discussion topics and resolutions of the Remuneration Committee meetings in 2024

Period	Discussion topics	Results of resolutions
1st meeting in 2024	1. Review of PharmaEssentia's 2023 Managerial Officers' Performance Evaluations 2. Review of PharmaEssentia's 2024 Managerial Officers' Remuneration Adjustment Proposal	Unanimously approved as presented by all attending committee members. Unanimously approved by all attending committee members as follows: For senior managerial officers Teng, Ching-Leou, Lin, Ko-Chung, and Hwang, Chan-Kou, it was recommended an annual salary adjustment of 8% based on the market adjustment raise, along with a bonus equivalent to 1 month's salary. For managerial officers Albert Qin and Snow Chang, a 10% salary adjustment as recommended by the Chairperson, CEO, and General Manager was approved.
2nd meeting in 2024	Proposal submission for resolution for the formulation of the Policy on Remuneration for Directors,	The proposal was discussed by all attending committee members who decided that details regarding resolution procedure, payment items, and

	Functional Committee Members, and Managerial Officers.	specific amounts would be proposed at the next meeting for further discussion. All other items were approved after amendments.
3rd meeting in 2024	1. Partial Revision of PharmaEssentia's Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers. 2. Review of the Appointment and Compensation Package for the New Global Chief Commercial Officer, Joseph R. Horvat	Unanimously approved after amendment by all attending committee members. Unanimously approved as presented by all attending committee members and submitted to the Board for resolution.

(5) Implementation status of sustainable development and differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
1. Has PharmaEssentia set up a governance framework that promotes sustainable development and a dedicated (or nondedicated) team, which is authorized by the Board of Directors and reports to the senior management and the Board, to implement sustainable development?	V		The Board of Directors is the highest authority for governing the implementation of sustainable development. For more comprehensive management of sustainable development, the company established a Sustainability Development Center under the management of the CEO. The center works with five functional groups (environmental friendliness group, employee care group, corporate governance group, product ethics and safety group, and drug accessibility group) to establish sustainable development policies, goals, strategies, and implementation plans as well as to handle relevant affairs. A quarterly progress report is submitted to the Board of Directors by a project representative.	None
2. Has PharmaEssentia conducted risk assessments on environmental, social, and corporate governance issues related to its operations and formulated related risk management policies or strategies based on the concept of materiality?	V		(1) PharmaEssentia disclosed the non-financial ESG performance from January to December 2024, covering its major business locations, including the Taiwan headquarters, Taichung Plant, and subsidiaries such as Panco Healthcare Co., Ltd., as well as its U.S. and Japan subsidiaries. (2) PharmaEssentia conducts materiality analysis and identification every two years with reference to COSO ERM Enterprise Risk Management, GRI110, SASB, AA1000, TCFD, and the concept of Double Materiality proposed by the E.U., in addition, the sustainable trends and developmental issues that international rating agencies attach great importance to are also taken into consideration, and feedback from internal and external stakeholders are collected according to the direction of PharmaEssentia's strategic development	None

			to identify the impact/effect of PharmaEssentia's major operating activities on the economy, environment, people/human rights as well as the impact/effect of major activities on the operating performance of PharmaEssentia, and we conducted interviews with important stakeholders and senior executives, and 8 critical issues were determined for management and disclosure. Related information, such as major topic management, will be disclosed in the 2024 corporate sustainability report. (3) Risk evaluation results and management policies: We established short, mid, and long-term strategic goals and management policies for the highly significant issues identified this time, and reviewed the achievement rate of various indicators/goals periodically to track and manage various sustainable performance in a timely manner. Related information, such as major topic management, will be disclosed in the 2024 corporate sustainability report.	
3. Environmental issues (1) Does PharmaEssentia have in place a suitable environmental management system based on the characteristics of the industry?	V		(1) PharmaEssentia has established a dedicated environmental safety team that is responsible for publicizing and regulating environmental protection–related matters. The 2023 ISO 14064-1:2018 Greenhouse Gas Inventory Verification Statement from a third-party verifier has been obtained. In 2024, the Taichung Plant introduced the ISO 14001:2015 Environmental Management System to assist the company in identifying potential environmental issues and implementing improvements across the product life cycle, aiming to reduce environmental impact, enhance production efficiency, and increase company revenues. In December 2024, we successfully obtained third-party certification from SGS and were accredited with the latest version of the internationally recognized standard for environmental management systems, ISO 14001:2015. This achievement demonstrates the Company's performance in environmental protection and sustainability, earning it well-deserved international recognition.	None
(2) Does PharmaEssentia work to improve resource utilization efficiency and use recycled materials that have a low impact on the environment?	V		(2) The energy consumption of the company mainly consists of purchased electricity and natural gas within the organization. The replacement of variable frequency driven compressors and the installation of a new magnetic levitation ice water machine have been completed. In 2024, we actively assessed the potential adoption of an energy monitoring system to reduce electricity consumption, improve steam process control/optimization and waste heat recovery to reduce natural gas consumption, and improve energy-saving	

			efficiency and effectiveness. Related information on energy consumption and utilization will be disclosed in the 2024 Corporate Sustainability Report.	
(3) Does PharmaEssentia evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		(3) In response to the United Nations' Sustainable Development Goal 13 (Climate Action), PharmaEssentia has adopted the TCFD framework to identify climate-related risks and opportunities and conducted scenario analysis and financial impact evaluation based on the framework.	
(4) Does PharmaEssentia take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and draw up policies on energy efficiency and carbon reduction, greenhouse gas reduction, water reduction, or waste management?	V		(4) PharmaEssentia is actively committed to issues related to energy conservation, carbon reduction, and greenhouse gas reduction. The company adopts appropriate temperature control of the air conditioners in summer to achieve energy efficiency, energy conservation, and carbon reduction. Related information on PharmaEssentia's greenhouse gas emissions, water consumption, and total waste from the preceding two years will be disclosed in the 2024 Corporate Sustainability Report.	
4. Safeguarding social welfare				
(1) Has PharmaEssentia formulated management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		(1) PharmaEssentia complies with relevant labor regulations and has formulated relevant labor operation procedures and human rights policies to protect against and prevent situations that may endanger the basic rights of its employees. No violation of human rights was reported this year.	None
(2) Has PharmaEssentia established and does it implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	V		(2) In compliance with the Sustainable Development Best Practice Principles, PharmaEssentia provides equal treatment and fair payment to its employees, regardless of their sex, religion, race, nationality, and political opinions. In addition, PharmaEssentia formulated a work code as well as regulations regarding personnel rewards and punishments. Promotions and salary adjustments are provided annually according to the degree to which the annual business goal is achieved, individuals' annual performance reviews, and outsourced salaries and welfare surveys to provide compensation that is above the industry standard.	
(3) Does PharmaEssentia provide a safe and healthy work environment and organize regular health and safety training for employees?	V		(3) Following the Occupational Safety and Health Policy, PharmaEssentia has supported employee health management and has implemented health promotion measures. PharmaEssentia conducts annual employee health examinations as well as employee training on internal and external occupational safety and health. We have obtained the Badge of Accredited Healthy Workplace, and health lectures for which physicians and nurse practitioners were invited and sessions on employee occupational safety training are conducted every year.	

(4) Does PharmaEssentia have in place effective tools to help employees with career planning and development?	V		(4) To meet organizational goals, achieve employee development, improve employee quality, and enhance professional competencies and work efficiency, in-service employees were provided various professional and technical training sessions and training courses upon approval, according to their competency level and job requirements. Employees are encouraged to enhance their specialized academic skills through knowledge sharing and exchange. PharmaEssentia emphasizes the cultivation of professional and technical talent by offering employees diverse learning channels and opportunities as well as professional training on the required work skills.	
(5) With regard to customer health and safety, customer privacy, marketing, and labeling of products and services, does PharmaEssentia follow relevant regulations and international standards and formulate relevant protection policies and appeal procedures for safeguarding consumer rights?	V		(5) All business activities and operations at all stages of PharmaEssentia's product life-cycle value chain abide by the regulations of the country in which the operations take place. PharmaEssentia has established policies and management systems for legal compliance to ensure that all operations before and after product launches comply with the relevant laws and company policies. Moreover, PharmaEssentia ensures that clients' health and safety, privacy, marketing and branding, and privacy interests are not at risk. PharmaEssentia has also assigned personnel for global drug safety monitoring operations and reporting procedures to protect the rights and safety of patients using PharmaEssentia's products. No violation of health and safety regulations for products and services was reported this year.	
(6) Has PharmaEssentia formulated and implemented supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health, and labor human rights?	V		(6) PharmaEssentia has formulated the code of conduct for suppliers and conducted ESG questionnaire to its suppliers to convey its corporate sustainability philosophy and practices and ensure stable supply partnerships and protection of patients' rights to use drugs. Meanwhile, PharmaEssentia has maintained a smooth communication channel with its suppliers. Based on mutual trust and mutual benefits, PharmaEssentia aims to safeguard the reasonable rights and interests of both parties to achieve mutual prosperity. PharmaEssentia adopts a parallel approach of internal assessment review and on-site audit system every year to regularly evaluate its suppliers to ensure the stability of the quality of supply chain management. The Taichung Plant implemented the ISO 45001:2018 Occupational Health and Safety (OH&S) Management System in 2024 and was successfully accredited with this international standard in December of the same year. aiming to promote a safe and hygienic working environment by identifying workplace hazards, preventing risks, and ensuring the protection of employees. It provides its employees with a safe and secure workplace, reduces the possibility of accidents and illnesses, and improves regulatory compliance.	

5. Does PharmaEssentia reference international report preparation standards or guidelines to prepare corporate social responsibility reports and other reports for disclosing the company's non-financial information? Are the aforementioned reports supported by the trust or guaranteed opinions of third-party verification units?	V		PharmaEssentia's 2024 Corporate Sustainability Report complies with the new GRI Standards and reports ESG non-financial information and performance, and AFNOR Asia, a France-based standards organization, was engaged to conduct a third-party verification in accordance with AA1000 Assurance Standard Type I at a moderate level. PharmaEssentia expects that the third-party assurance statement will be available before the end of June and the 2024 Corporate Sustainability Report will be uploaded/released before the end of August.	None

6. If PharmaEssentia has formulated corporate social responsibility practice principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please state the operational differences between the two:
   The Sustainable Development Best Practice Principles formulated by PharmaEssentia are consistent in its spirit, with no significant dissimilarities.
7. Other material information that may aid in understanding the operations related to sustainable development:
   (1) PharmaEssentia's Corporate Sustainability Report received the Platinum Award for the health care industry at the 17th annual Taiwan Corporate Sustainability Awards, marking the third consecutive year that we have achieved the highest recognition of the Platinum Award.
   (2) In 2024, PharmaEssentia was honored as one of the top 10 biotechnology companies in the world by the S&P Global Corporate Sustainability Assessment (CSA) and was included in the S&P Global Sustainability Yearbook 2024, making PharmaEssentia the first and only representative company from Taiwan's biotechnology industry to receive this honor. This is an important milestone for Taiwan's biotechnology industry, highlighting PharmaEssentia's active and outstanding performance in implementing global environmental, social and governance (ESG) principles. S&P Global specifically commended PharmaEssentia's exceptional performance in social and medical contributions, talent management, and corporate governance. In December of the same year, PharmaEssentia was selected for the first time as a constituent stock of the Dow Jones Sustainability Index (DJSI) Emerging Markets Index, becoming the only Taiwanese company in the biotechnology industry selected in 2024. This demonstrates that the company's efforts and achievements in the ESG field have been acknowledged internationally, further enhancing its visibility in the global investment community.
   (3) Annual tangible plans and outcomes for annual corporate sustainable development
      A. Since 2016, PharmaEssentia has been sponsoring the International Symposium on Myeloproliferative Neoplasms (MPN Asia) for 7 years in 4 cities in Asia, during which experts, scholars, and clinicians from numerous countries gather to engage in interactions and academic exchanges related to the research and treatment of blood diseases.
      B. PharmaEssentia has helped the myeloproliferative neoplasm (MPN) treatment center of Chia-Yi Christian Hospital and the Taiwan Myeloproliferative Neoplasms Care Association (TMPNA) to provide service and care to patients with MPNs and realize the support activities for these patients in Taiwan.
      C. PharmaEssentia has sponsored the New Year Charity Concert held by the OneSong Orchestra for 6 consecutive years to support the development of culture and art and promote a new ecology of inclusiveness and mutual benefit. To respond to the United Nations' Sustainable Development Goals 8 and 11.
      D. PharmaEssentia continues to sponsor the public welfare project for rural elderly health of the Digital Humanitarian Association to support local healthy aging through digital technology and remote medical care model, and takes actions to care for disadvantaged groups. To respond to the United Nations' Sustainable Development Goals 3, 4, 5, 8, 10, 11, 13, and 17.

E. PharmaEssentia sponsors the International Jane Goodall Association_Hope Box plant diversity public welfare project and helps to protect biological diversity, and also contributes to the impact of sustainable use on human health. To respond to the United Nations' Sustainable Development Goals 3, 4, 13, and 15 and Convention on Biological Diversity (CBD), and the Health Initiatives of the World Health Organization (WHO).

F. PharmaEssentia's subsidiary, Panco Healthcare Co., Ltd., has set up MPN iCare, an interactive platform for patient health education, to provide relevant information to patients and their families. To provide new knowledge in the field of MPN and the effectiveness of long-acting interferon treatment to physicians, a total of 25 large and small seminars were held in 2024 for medical staff and patients to increase their understanding of the disease and drug treatment options and improve professional medical knowledge.

G. PharmaEssentia USA Corporation, the U.S. subsidiary, initiated a patient support event on BESREMi.com in 2022 and has continued this initiative. The subsidiary also launched the SOURCE Program, providing patients with a range of comprehensive services, such as insurance assistance and the consolidation of health education resources.

H. The new drug P1101 is listed as a treatment option for polycythemia vera (PV). Not only it was selected as the preferred drug for PV_2A patients by the U.S. NCCN Guidelines in May 2023, but it also became the only preferred drug for treating both high- and low-risk PV patients in the latest NCCN Guidelines in January 2024. "The updated NCCN Guidelines prioritize the policy to expedite reimbursement for P1101, effectively increasing its market share in the U.S. The policy priority also presents an excellent opportunity to expand P1101's reach in the U.S. market, helping us achieve the goals of increasing market penetration and enhance market presence."

I. PharmaEssentia's P1101 has been available for compassionate use since 2017 to benefit more patients. As of the end of 2024, a total of 52 patients in 4 countries have received the treatment.

J. Dr. Lin, Lih-Ling joined PharmaEssentia in 2022 as Chief Scientific Officer, where she leads the company's global R&D activities. She is responsible for expanding and diversifying the Group's product lines, driving R&D and innovation efforts in key global markets, overseeing scientific activities, and managing the application of research outcomes to advance cutting-edge technologies. In addition, Dr. Lih-Ling Lin was honored by Women We Admire as one of the "Top 25 Chief Scientific Officers of 2024" in December 2024.

(4) More details on the plans and outcomes of implementing sustainable development among affiliate enterprises can be found in PharmaEssentia's Corporate Sustainability Report or its Chinese/English ESG website:
http://www.pharmaessentia-esg.com/
https://www.pharmaessentia-esg.com/en

(6) Ethical Corporate Management Practices and Adopted Measures

Assessment item	Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policy and plans				
(1) Has PharmaEssentia formulated the ethical corporate management policies approved by the Board of Directors, and expressed its commitment to the policies and practices of ethical corporate management in the regulations and external documents, as well as the Board and management's commitment to actively implement the operating policy?	V		(1) PharmaEssentia has formulated “Corporate Governance Best Practice Principles”, “Ethical Corporate Management Best Practice Principles”, “Code of Ethics Conduct, “Procedures for Ethical Management and Guidelines for Conduct”, “Sustainable Development Best Practice Principles” and “Operation Procedures for Processing Internal Material Information and Preventing Insider Trading” to established satisfactory corporate governance and risk control mechanisms in order to achieve the sustainable development of PharmaEssentia.	None
(2) Has PharmaEssentia established an assessment mechanism for the risks of unethical behavior, regularly analyzed and evaluated business activities with a high risk of unethical behavior, and formulated plans to prevent such behaviors that encompass the prevention measures stipulated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		(2) PharmaEssentia’s directors, managers, employees, or persons with substantial control are strictly prohibited from directly or indirectly providing, promising, requesting or accepting any improper favors, or other acts of unethical behavior that violate integrity, lawfulness, or fiduciary duty.	
(3) Has PharmaEssentia formulated operating procedures, behavioral guidelines, punishment and appeal system for violations or other business activities with a high risk of unethical behavior and implement as well as periodic review of the aforementioned plan?	V		(3) PharmaEssentia has established a Code of Conduct for employees, based on the principles of self-discipline, integrity, honesty towards customers, investors, colleagues, suppliers and everyone we come into contact with. Employees are also strictly prohibited from accepting any inappropriate favors and hospitality.	

2. Implementation of ethical corporate management (1) Does PharmaEssentia evaluate the integrity records of the counterparties and clearly stipulate terms of ethical behavior in the contract signed with counterparties?	V		(1) PharmaEssentia's business activities do not involve illegal matters or purposes, and terms of ethical behavior are clearly stipulated in the contract. For those who have a record of unethical behavior, the person may be demoted, suspended, or removed from the list of qualified suppliers. PharmaEssentia has established the code of conduct for suppliers to ensure that suppliers' business practices are ethical and uphold the principle of operating with integrity.	None
(2) Has PharmaEssentia set up a special unit for promoting ethical corporate management under the Board of Directors, which regularly reports to the Board (at least once a year) on its ethical corporate management policies and plans aimed at preventing unethical behavior and supervises the implementation?	V		(2) PharmaEssentia has designated the General Management Office as the dedicated responsible unit ("Dedicated Unit"), which reports directly to the Board of Directors. The unit is allocated sufficient resources and competent personnel to oversee the revision, implementation, interpretation, consultation services, and the registration and filing of reports related to the Integrity Management Procedures and Code of Conduct. Its primary duties include the following, and it is required to report to the Board of Directors on an annual basis (at least once a year): A. Assist in integrating integrity and ethical values into the PharmaEssentia's business strategies, and collaborate with the formulation of legal and regulatory systems to establish preventive measures ensuring ethical business practices. B. Regularly analyze and assess the risks of unethical behavior within the scope of business operations, and based on this, develop preventive measures against unethical conduct. Additionally, establish standard operating procedures and code of conduct related to work operations within each of these measures. C. Plan the internal organization, structure, and responsibilities, and establish a system of mutual supervision and checks for business activities with higher risks of unethical behavior within the scope of operations. D. Promote and coordinate integrity policy training. E. Develop a whistleblowing system to ensure the effectiveness of its implementation.	

F. Assist the Board of Directors and management in auditing and evaluating the effectiveness of the preventive measures established for implementing ethical business practices, and regularly assess the compliance with relevant business processes, preparing reports accordingly.
G. Create and properly maintain documentation related to the integrity management policy, including its compliance statements, implementation commitments, and execution status.

PharmaEssentia has implemented the integrity management policy, with the following execution details for 2024:

A. PharmaEssentia has established the Integrity Management Code, Integrity Management Procedures and Code of Conduct, and Ethical Behavior Guidelines, all of which were approved by the Board of Directors before being implemented. PharmaEssentia requires both the Board of Directors and all employees to adhere to these guidelines to ensure that no unethical incidents occur in its operations.
   The Japanese subsidiary has also established a separate Code of Corporate Conduct to regulate the daily work behavior of its employees. Additionally, it has compiled all these procedures into a handbook, which employees can refer to at any time. Relevant corporate governance procedures and regulations are available for download in the dedicated section on PharmaEssentia's official website.
B. PharmaEssentia's Integrity Management Code clearly outlines regulations regarding anti-corruption and anti-bribery, and it regularly conducts educational training for all employees. In 2024, all employees and directors in Taiwan were required to participate in global Code of Conduct training, which covers topics such as anti-corruption, anti-bribery, and anti-trust/anti-competition. In addition, it organized a course on "Internal Major Information and Insider Trading Prevention," with a total

			of 215 participants and a combined total of 645 training hours. The US subsidiary also promotes integrity management, business conduct, and internal major information prevention through Code of Conduct training and the employee handbook, with a total of 168 employees participating in the training. In 2024, the company conducted an internal control system assessment of corruption-related risks, with no incidents identified, and no anti-competition, anti-trust, or monopolistic behaviors were observed. PharmaEssentia's Board of Directors Rules specify the board's and other relevant parties' conflict-of-interest avoidance policies, and plans are in place to establish a Legal Compliance Committee and its associated Integrity Management Oversight Committee in the future. C. All employees are required to adhere to PharmaEssentia's seven key business conduct and ethical regulations, which govern the principles of fairness and justice in business operations. Employees are prohibited from using their positions for personal gain or from manipulating or abusing information acquired through their roles. The Human Resources Department has also established a specific whistleblowing system for both internal and external parties to report illegal activities (including corruption). New employees receive training on professional ethics and conduct as part of their onboarding process. In 2024, PharmaEssentia did not encounter any incidents violating the integrity management and corporate conduct guidelines, nor were there any complaints received.	
(3) Does PharmaEssentia have a conflict of interest management policy in place, provide adequate reporting channels, and enforce rules accordingly?	V		(3) The directors of PharmaEssentia maintain a high degree of self discipline and disclose vital details of their conflicts of interests in motions listed by the Board when the motions present a conflict of interest with the director or their proxy. Such directors abstain from discussion and passing resolutions and do not exercise the proxy voting right authorized by another	

			director when their conflicts of interests are against the interests of PharmaEssentia.	
(4) Does PharmaEssentia have effective accounting and internal control systems in place to implement business ethics, and does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit systems accordingly to prevent unethical conduct, or engage CPAs to perform such audits?	V		(4) PharmaEssentia established an effective accounting and internal control system, and has been promoting the digitization of operations, which connects various management functions from one computer to another other, laying interconnecting checks at each layer to execute the management of anomalies.	
(5) Does PharmaEssentia provide regular internal and external training on ethical corporate management?	V		(5) PharmaEssentia provides regular internal and external training on ethical corporate management.	
3. Implementation status of PharmaEssentia's whistle-blowing system				
(1) Does PharmaEssentia have a well established whistleblowing and reward system and an accessible reporting channel in place, and has it appointed suitable representatives for approaching accused individuals?	V		PharmaEssentia has established a whistle-blowing mailbox on its official website and accepts all notifications of unlawful or unethical matters, and has an independent special unit responsible for related investigation. Confidentiality of the identity of the informants and the content of the report are ensured. The results of the investigation are regularly announced to all employees and reported to the members of the Board of Directors.	None
(2) Does PharmaEssentia have standard operating procedures in place for investigating reports and, when investigations are complete, does it implement follow-up measures and confidentiality measures?	V			
(3) Does PharmaEssentia take measures to protect whistleblowers from inappropriate treatment or retaliation?	V			
4. Reinforcing information disclosure				
(1) Does PharmaEssentia disclose the Ethical Corporate Management Best Practice Principles and its results on the official website and the Market Observation Post System (MOPS)?	V		PharmaEssentia's website discloses the status of PharmaEssentia and complies with relevant laws concerning posting timely information on the Market Observation Post System.	None
5. If PharmaEssentia has formulated ethical corporate management practice principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please state the differences between the two in their operations, if any: None. 6. Other key information useful for explaining status of ethical corporate management practices: PharmaEssentia has formulated Corporate Governance Practice Principles and relevant information can be found under the corporate governance section of the Company website.				

(7) Other important information useful for the understanding of corporate governance practices:

The Board of Directors of PharmaEssentia convenes at least once every quarter. Managers and accounting supervisors attend the meeting to face enquiries from directors, and audit managers attend the meeting to report audit findings to the Board of Directors and Audit Committee.

(8) Status of implementation of internal control system

1. Internal Control System Statement: Please see pages 68-69 for details.
2. Those who engage a CPA to review the internal control system must disclose the CPA's review report: None.

(9) Important resolutions of the shareholders' meeting and board of directors in the most recent year and up to the publication date of this Annual Report:

A. Items to be resolved by the Shareholders' Meeting and their implementation status

The 2023 Annual General Meeting of Shareholders of PharmaEssentia was held on May 27, 2024, Taipei Nangang Exhibition Center, Hall 1, Conference Room 504 (5F., No. 1, Jingmao 2nd Road, Nangang District, Taipei City). The items resolved during the meeting and their implementation status are as follows:

i. Acknowledgment of the 2023 Annual Business Report and Financial Statements

Implementation status: The 2023 Business Report and Financial Statements were acknowledged. The consolidated revenue for the year was approximately NT$5,105,615 thousand, with a net loss after tax of NT$623,835 thousand and a net loss per share of NT$1.93.

ii. Acknowledgment of the 2023 Loss Make-Up Proposal.

Implementation status: The 2023 Loss Make-up Proposal was acknowledged. The beginning accumulated deficit for 2023 was NT$4,185,557 thousand. The 2023 Annual General Meeting of Shareholders approved the use of NT$4,185,557 thousand from the additional paid-in capital to make up for the deficit. After reducing the 2023 annual net loss after tax of NT$623,835 thousand and other comprehensive loss of NT$7,352 thousand, the ending accumulated deficit for the period was NT$631,187 thousand. Considering PharmaEssentia had no earnings in 2023, no dividends would be distributed.

iii. Proposal for PharmaEssentia's Issuance of Restricted Stock Awards

Implementation status: The resolution was passed and executed in accordance with the resolution of the shareholders' meeting.

iv. Proposal for the Full Re-Election of the 9th-Term Board of Directors

Implementation status: The resolution was passed and executed in accordance with the resolution of the shareholders' meeting.

v. Proposal to Lift Non-Compete Restrictions on Directors

Implementation status: The resolution was passed and executed in accordance with the resolution of the shareholders' meeting.

No extraordinary motions were raised at this Annual Shareholders' Meeting. Please refer to PharmaEssentia's 2023 Annual Shareholders' Meeting Minutes for the voting results of the shareholders' meeting.

Internal Control System Statement

Date: February 25, 2025

The internal control system from January 1 to December 31, 2024, according to the result of self-assessment is thus stated as follows:

1. The Company acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and management, and the Company has established such system. The internal capital system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability of financial reporting and the compliance of applicable law and regulations are achieved.
2. The internal control system has its innate restriction. An effective internal control system can only ensure the foregoing three goals are achieved; nevertheless, due to the change of environment and conditions, the effectiveness of internal control system will be changed accordingly. However, the internal control system of the Company has self-monitoring function, and the Company will take corrective action once any defect is identified.
3. According to the effective judgment items for the internal control system specified in "Highlights for Implementation of Establishing Internal control System by Listed Companies" (hereinafter referred to as "Highlights") promulgated by Securities and Futures Commission, Ministry of Finance R.O.C., the Company has made judgment whether or not the design and execution of internal control system is effective. The judgment items for internal control adopted by “Highlights” are, based on the process of management control, for classifying the internal control into five elements: 1.Control environment; 2.Risk assessments; 3.Control activities; 4.Information and communication; and 5.Monitoring. Each element also includes a certain number of items. For the foregoing items, refer to "Highlights".
4. The Company has adopted the aforesaid judgment items for internal control to evaluate the effectiveness of design and execution of internal control system.
5. Based on the above-mentioned result of evaluation, the Company suggests that the internal control system, including the design and execution of internal control relating to the effectiveness and efficiency of operation, the reliability of financial reporting, the compliance of applicable law and regulations has been effective and they can reasonably assure the aforesaid goals have been achieved.
6. This statement will be the main content for annual report and prospectus and will be disclosed publicly. If the above contents have any falsehood and concealment, it will involve in the liability as mentioned in Article 20, 32, 171 and 174 of Securities and Exchange Law.

7. This statement has been approved by the meeting of Board of Directors on February 25, 2025, and those 11 directors in presence all agree at the contents of this statement.

PharmaEssentia Corp.

Chairman: Ching-Leou Teng

Chief Executive Office: Ko-Chung Lin

General Manager：Chan-Kou Hwang

B. Major resolutions of Board of Directors' Meetings

Date	Major Resolutions	Results of resolutions
2024.2.26	1. Proposal for the CDO Service Agreement between PharmaEssentia and Its U.S. Subsidiary PharmaEssentia USA Corporation	Passed without objection from any directors in attendance.
	2. Proposal for the Management Service Agreement between PharmaEssentia and Its U.S. Subsidiary PharmaEssentia USA Corporation	Passed without objection from any directors in attendance.
	3. It was proposed to recognize the accounts receivable that were overdue for more than 3 months as of the end of the fourth quarter of 2023 as normal sales, not loaning funds to others.	Passed without objection from any directors in attendance.
	4. Review of PharmaEssentia's 2023 Financial Statements and Business Report	Passed without objection from any directors in attendance.
	5. PharmaEssentia's 2023 Loss Make-Up Proposal	Passed without objection from any directors in attendance.
	6. Reviewed the annual evaluation of independence of PharmaEssentia's certified public accountant Ernst & Young.	Passed without objection from any directors in attendance.
	7. Proposal to Renew the Appointment of Ernst & Young for Preparing the Financial and Tax Reports for 2024 and Change CPAs Due to CPA Firm's Internal Adjustments	Passed without objection from any directors in attendance.
	8. PharmaEssentia's 2024 CPA Fee Proposal	Passed without objection from any directors in attendance.
	9. Proposal for PharmaEssentia's 2023 Internal Control System Statement	Passed without objection from any directors in attendance.
	10. Proposal for 2023 Q4 New Share Issuance for the Exercise of Employee Stock Options and the Capital Increase Record Date	Passed without objection from any directors in attendance.
	11. Proposal for Extension of Bank Credit with Shin Kong Commercial Bank	Passed without objection from any directors in attendance.
	12. Proposal for Extension of Bank Credit with Cathay United Bank	Passed without objection from any directors in attendance.
	13. Proposal for Extension of Bank Credit with Mega International Commercial Bank	Passed without objection from any directors in attendance.
	14. Proposal for the Full Re-Election of PharmaEssentia's Board of Directors	Passed without objection from any directors in attendance.
	15. Matters Related to the Election of Directors	Passed without objection from any directors in attendance.
	16. Report on the Implementation of the PharmaEssentia's 2023 Annual General Meeting of Shareholders Resolution to Conduct Cash Capital Increase by Issuing Common Shares for Global Depositary Receipts and Private Placement of Common Shares, or Private Placement of Convertible Bonds (Overseas or Domestic)	Passed without objection from any directors in attendance.
	17. Resolved to issue new common shares by cash capital increase for sponsoring GDR issuance/cash capital increase by private placement/issue overseas or domestic convertible bonds in private placement	Passed without objection from any directors in attendance.
	18. Proposal for Matters Planned Related to the 2024 Annual General Meeting of Shareholders	Passed without objection from any directors in attendance.
	19. Review of PharmaEssentia's 2023 Managerial Officer Performance Evaluation	Passed without objection from any directors in attendance.
	20. Review of PharmaEssentia's 2024 Managerial Officers'	Passed without objection from any

Date	Major Resolutions	Results of resolutions
	Remuneration Adjustment Proposal	directors in attendance.
2024.4.2	1. Proposal for PharmaEssentia's Issuance of Restricted Stock Awards	After discussion by all attending directors, the weight of the vesting condition Indicator A in the issuance regulations was adjusted. The amended proposal was unanimously approved by all attending directors.
	2. Proposal to Approve the Board Nomination of Candidates for Directors (Including Independent Directors)	The list of director candidates was reviewed individually. Each director on the nomination list explained the significant details of their conflict of interest in order and recused themselves from voting. When reviewing the candidates nominated by Chairperson Teng, Ching-Leou, who served as the meeting chair, Independent Director Tien, Jien-Heh acted as the meeting chair during the discussion and the resolution approving the nomination. For the other nominees, following their recusals, Chairperson Teng, Ching-Leou consulted the remaining attending directors, who unanimously approved the nominations as proposed.
	3. Proposal to Lift Non-Compete Restrictions on Directors to the Annual General Meeting of Shareholders	Directors with non-compete restrictions included in the proposal to lift these restrictions, as presented to the Annual General Meeting of Shareholders, were reviewed on a case-by-case basis. Each director explained the significant details of their conflict of interest in order and recused themselves from voting. When reviewing the candidates proposed by the Chairperson Teng, Ching-Leou, who served as the meeting chair, Independent Director Tien, Jien-Heh acted as the meeting chair during the discussion and the resolution approving the nomination. For the other candidates, following their recusals, the Chairperson, Teng, Ching-Leou, consulted the remaining attending directors, who unanimously approved the nominations as proposed.
	4. Resolved to issue new common shares by cash capital increase for sponsoring GDR issuance/cash capital increase by private placement/issue overseas or domestic convertible bonds in private placement	Passed without objection from any directors in attendance.
	5. Revision of Matters Planned Related to the 2024 Annual General Meeting of Shareholders	Passed without objection from any directors in attendance.
2024.4.16	Explanation on PharmaEssentia's Cash Capital Increase by Issuing Common Shares for Global Depositary Receipts and/or Cash Capital Increase by Private Placement of Common Shares and/or Private Placement of Convertible Bonds (Overseas or Domestic)	Except for Director Huang, Yan-Qing, who abstained from expressing an opinion due to lack of authorization, this proposal was amended and passed after discussion by all other attending directors.
2024.4.19	Revision of Matters Planned Related to the 2024 Annual	Passed without objection from any

Date	Major Resolutions	Results of resolutions
	General Meeting of Shareholders	directors in attendance.
2024.5.13	1. It was proposed to recognize the accounts receivable that were overdue for more than 3 months as of the end of the first quarter of 2024 as normal sales, not loaning funds to others.	Passed without objection from any directors in attendance.
	2. Acknowledgment of PharmaEssentia's Q1 Consolidated Financial Statements of 2024	Passed without objection from any directors in attendance.
	3. Proposal to Reclaim and Cancel 2024 Q1 Restricted Stock Awards and to Set the Capital Reduction Record Date	Passed without objection from any directors in attendance.
	4. Proposal for 2024 Q1 New Share Issuance for the Exercise of Employee Stock Options and the Capital Increase Record Date	Passed without objection from any directors in attendance.
	5. Revision of the management regulations of PharmaEssentia	Passed without objection from any directors in attendance.
	6. Proposal for PharmaEssentia to Invest in ApexImmune Therapeutics	Chairperson Teng, Ching-Leou recused herself during the resolution due to a conflict of interest. Independent Director Chang, Jinn-Der acted as the meeting chair during the resolution, and the remaining attending directors unanimously approved the proposal.
	7. Proposal to Sign a Regional Licensing Agreement with Forus Therapeutics Inc. in Canada	Passed without objection from any directors in attendance.
2024.5.27	According to the Rules of Procedure for Board Meetings and the Articles of Incorporation, the Chairperson for the 9th-term Board was elected.	All the attending directors nominated Director Teng, Ching-Leou to continue as the Chairperson for the 9th-term Board. All attending directors approved the nomination without objection.
2024.6.28	1. Proposal for Managerial Officer Changes in the U.S. Subsidiary PharmaEssentia USA Corporation	Passed without objection from any directors in attendance.
	2. Proposal to Appoint Members of the 5th-Term Remuneration Committee	Independent Directors Tien, Jien-Heh, Liu, Ching-Tsun, Hsieh, Ming-Chuan, and Jeffrey R. Williams recused themselves due to conflicts of interest and did not participate in the resolution. The remaining attending directors unanimously approved the proposal.
2024.8.13	1. It was proposed to recognize the accounts receivable that were overdue for more than 3 months as of the end of the second quarter of 2024 as normal sales, not loaning funds to others.	Passed without objection from any directors in attendance.
	2. Acknowledgment of PharmaEssentia's Q2 Consolidated Financial Statements of 2024	Passed without objection from any directors in attendance.
	3. Proposal to Reclaim and Cancel 2024 Q2 Restricted Stock Awards and to Set the Capital Reduction Record Date	Passed without objection from any directors in attendance.
	4. Proposal for 2024 Q2 New Share Issuance for the Exercise of Employee Stock Options and the Capital Increase Record Date	Passed without objection from any directors in attendance.
	5. Revision of the management regulations of PharmaEssentia	Passed without objection from any directors in attendance.
	6. Proposal to Increase Capital by US$5 Million for	Passed without objection from any

Date	Major Resolutions	Results of resolutions
	PharmaEssentia Asia (Hong Kong) Limited.	directors in attendance.
	7. Proposal to Increase Capital by US$5 Million for PharmaEssentia's Korean Subsidiary, PharmaEssentia Korea Corporation	Passed without objection from any directors in attendance.
	8. For the sale of Besremi, it was proposed to authorize PharmaEssentia Asia (Hong Kong) Ltd. to carry out activities related to P1101 drugs in China, including marketing, services, use, and research, and to authorize the Chairperson to handle subsequent contract signings between the subsidiary and the parent company.	Passed without objection from any directors in attendance.
	9. Proposal to Revise AMENDMENT #3 TO TASK ORDER #1 of the Phase III Clinical Trial Agreement for SURPASS ET (Protocol ID: P1101 ET) with Medpace Inc. (Medpace)	Passed without objection from any directors in attendance.
	10. Budget Proposal for Signing Contracts with 3 Contract Research Organizations (CROs) to Conduct Phase III Clinical Trials of Ropeginterferon alfa-2b for Pre-fibrotic/Early Myelofibrosis Indications (HOPE-PMF)	Passed without objection from any directors in attendance.
	11. Budget Proposal for Signing Contracts with 2 Contract Research Organizations (CROs) to Conduct Post-Marketing Phase IV Clinical Trials of Ropeginterferon alfa-2b for PV Patients Requiring Continuous Phlebotomy (PARADIGM-PV)	Passed without objection from any directors in attendance.
	12. Proposal for Extension of Bank Credit with SinoPac Bank	Passed without objection from any directors in attendance.
	13. Proposal for Extension of Bank Credit with Citibank (Taiwan)	Passed without objection from any directors in attendance.
2024.11.14	1. It was proposed to recognize the accounts receivable that were overdue for more than 3 months as of the end of the third quarter of 2024 as normal sales, not loaning funds to others.	Passed without objection from any directors in attendance.
	2. Acknowledgment of PharmaEssentia's Q3 Consolidated Financial Statements of 2024	Passed without objection from any directors in attendance.
	3. Proposal to Reclaim and Cancel 2024 Q3 Restricted Stock Awards and to Set the Capital Reduction Record Date	Passed without objection from any directors in attendance.
	4. Proposal for 2024 Q3 New Share Issuance for the Exercise of Employee Stock Options and the Capital Increase Record Date	Passed without objection from any directors in attendance.
	5. Establishment of PharmaEssentia's Policy on Sustainability Information Management	Passed without objection from any directors in attendance.
	6. Establishment of PharmaEssentia's Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers	The proposal was discussed by all attending directors who decided that details regarding resolution procedure, payment items, and specific amounts would be proposed at the next meeting for further discussion. All other items were approved after amendments.
	7. Proposal to Revise AMENDMENT #4 TO TASK ORDER #1 of the Phase III Clinical Trial Agreement for SURPASS ET (Protocol ID: P1101 ET) with Medpace Inc. (Medpace)	Passed without objection from any directors in attendance.
	8. Budget Adjustment Proposal for the CRO Contracts to	

Date	Major Resolutions	Results of resolutions
	Conduct Phase III Clinical Trials of Ropeginterferon alfa-2b for Pre-fibrotic/Early Myelofibrosis Indications (HOPE-PMF)	Passed without objection from any directors in attendance.
	9. Proposal to Acquire Global Exclusive License for Anti-CD73 Antibodies and Derivatives as New Drugs from Development Center for Biotechnology (DCB)	Passed without objection from any directors in attendance.
	10. Proposal to Invest in Senti Biosciences, Inc.	Passed without objection from any directors in attendance.
	11. Extension of bank credit with Entie Commercial Bank	Passed without objection from any directors in attendance.
	12. Proposal for Extension of Bank Credit with First Bank	Passed without objection from any directors in attendance.
	13. Proposal for Extension of Bank Credit with Taiwan Cooperative Bank	Passed without objection from any directors in attendance.
2024.12.18	1. Proposal for PharmaEssentia's 2025 Business Plan and Budget	Passed without objection from any directors in attendance.
	2. Proposal for PharmaEssentia's 2025 Audit Plan	Passed without objection from any directors in attendance.
	3. Proposal to Increase Capital by US$1 Million for PharmaEssentia's Singapore Subsidiary, PHARMAESSENTIA SINGAPORE PTE. LTD.	Passed without objection from any directors in attendance.
	4. Appointment of PharmaEssentia's Global Chief Commercial Officer	Passed without objection from any directors in attendance.
	5. Proposal to Re-assign Supervisors for PharmaEssentia's Japanese Subsidiary, PharmaEssentia Japan KK	Passed without objection from any directors in attendance.
	6. Proposal for Extension of Bank Credit with Cathay United Bank	Passed without objection from any directors in attendance.
	7. Proposal for Extension of Bank Credit with Mega International Commercial Bank	Passed without objection from any directors in attendance.
	8. Partial Revision of PharmaEssentia's Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers	Passed without objection from any directors in attendance.

(10) Content in which a major motion of the Board of Directors encountered dissenting opinions from a director or supervisor and is accompanied with records or written statements in the most recent year and up till the time of publication of the Annual Report: None.

4. Information on CPA Fees

Name of CPA Firm	CPA Name		Audit Period	Remarks
Ernst & Young	Lu, Chain-Uen	Chang, Chiao-Ying	2024.1.1~2024.12.31	-

(1) When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed.

Unit: NT$ thousands

Name of CPA Firm	CPA Name	Audit Fee	Non-Audit Fee					CPA's Audit Period	Remarks
			System Design	Company Registration	Human Resources	Other	Subtotal		
Ernst & Young	Lu, Chain-Uen Chang, Chiao-Ying	4,600	-	-	-	2,180	6,780	2024.1.1~ 2024.12.31	Non-audit fees cover services such as tax certification and sustainability report consulting.

(2) When the company changes its CPA firm, and the audit fees paid for the fiscal year of such change are lower than those for the fiscal year prior to the change: None.

(3) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more: None.

5. Information on CPA Changes

(1) Regarding the former CPA:

Date of Replacement	Effective from the 2024 Q1 financial report.		
Reason for Replacement and Explanation	Due to internal work re-assignments and arrangements within Ernst & Young, the engagement was transferred from CPA Chien-Ju Yu to CPA Chain-Uen Lu		
Whether the Termination or Non-Acceptance of the Engagement Was Initiated by PharmaEssentia or the CPA	Party(ies) / Circumstances	CPA	PharmaEssentia
	Termination of engagement by	N/A	N/A
	Non-acceptance (or continuation) of engagement by	N/A	N/A
Audit Opinions Other Than Unqualified Opinions Issued in the Past Two Years and Their Reasons	None.		
Disagreement with the Issuer?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or procedures
			Other
	None	V	
	Explanation		
Other Disclosures (Matters to Be Disclosed per Article 10, Subparagraph 6, Items 1-4 to 1-7 of the Regulations Governing Information to be Published in Annual Reports of Public Companies)	None		

(2) Regarding the Successor CPA:

Name of CPA firm	Ernst & Young
CPA Name	CPA Chain-Uen Lu
Date of Engagement	Effective from the 2024 Q1 financial report.
Consultations and Their Outcomes Regarding the Accounting Treatment Methods or Accounting Principles for Specific Transactions, and the Potential Opinion to be Issued on the Financial Report prior to the Engagement	N/A
Written Opinions of the Successor CPA on Disagreements with the Former CPA	None

(3) Former CPA's Response to Matters Outlined in Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: N/A.

6. PharmaEssentia's Chairperson, General Manager, or Managerial Officers Responsible for Financial or Accounting Affairs Have Served at the CPA's Firm or its Affiliated Companies in the Past Year:

None.

7. Changes in Share Transfers and Equity Pledges of Directors, Supervisors, Managerial Officers, and Shareholders with over 10% Ownership for the Most Recent Fiscal Year and up to the Annual Report Publication Date.

(1) Changes in shareholding of directors, supervisors, managerial officers, and major shareholders

As of March 30, 2025; shares

Title	Name	2024		As of March 30, 2025	
		Change +/(−) in Shares Held	Change +/(−) in Shares Pledged	Change +/(−) in Shares Held	Change +/(−) in Shares Pledged
Chairperson and Chief Pharmaceutical Officer	Teng, Ching-Leou	280,000 (15,000)	430,000 (610,000)	99,000 (30,000)	-
Director and Chief Executive Officer	Lin, Ko-Chung	380,000	1,360,000 (1,080,000)	65,000	-
Director, General Manager of PharmaEssentia Corporation and Representative of Taichung Branch	Hwang, Chan-Kou	-	-	27,000	-
Director	Eon Capital investment account, entrusted to Yuanta Commercial Bank Representative: Hsu, Hsueh-Fang	-	-	-	-
Director	Management Committee, National Development Fund, Executive Yuan Representative: Hsiao, Chen-Jung	-	-	-	-
Director	Chang, Jinn-Der	-	-	-	-
Director	Lee, Shen-Yi	- (19,242)	-	-	-
Independent Director	Tien, Jien-Heh	-	-	-	-
Independent Director	Hsieh, Ming-Chuan	-	-	- (1,000)	-
Independent Director	Liu, Ching-Tsun	-	-	-	-
Independent Director	Jeffrey R. Williams	-	-	-	-
Chief Medical Officer	Albert Qin	70,000 (53,000)	-	121,000	-
Chief Scientific Officer	Lin, Lih-Ling	- (31,000)	-	30,000	-
Director of Finance and Corporate Governance Manager	Snow Chang	40,000 (72,000)	-	4,000 (20,000)	-
Director	Chen, Ben-Yuan (Date of dismissal: May 27, 2024)	-	-	-	-

Title	Name	2024		As of March 30, 2025	
		Change +/(−) in Shares Held	Change +/(−) in Shares Pledged	Change +/(−) in Shares Held	Change +/(−) in Shares Pledged
Director	Management Committee, Yaohua Glass Co., Ltd. (Date of dismissal: May 27, 2024)	-	-	-	-
Independent Director	Patrick Y. Yang (Date of dismissal: May 27, 2024)	-	-	-	-

(2) Information on whether the counterparties of share transfers by directors, supervisors, managerial officers, and major shareholders are related parties: None.

(3) Information on whether the counterparties of equity pledges are related parties: None.

8. Information on whether the top 10 shareholders by shareholding ratio are related parties, spouses, or relatives within the second degree of kinship

As of March 30, 2025; Shares; %

Name	Shares Held Personally		Shares Held by Spouse or Minor Children		Shares Held Under Others' Names		Names and Relationships of Individuals or Entities Who are Related Parties, Spouses, or Relatives Within the Second Degree of Kinship to the Top 10 Shareholders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Management Committee, National Development Fund, Executive Yuan	22,066,296	6.45	-	-	-	-	-	-	-
Representative: Hsiao, Chen-Jung	-	-	-	-	-	-	-	-	-
Hongtai Investment Co., Ltd.	9,191,120	2.69	-	-	-	-	Chen, Chao-Ho	Chairperson of this company	-
Representative: Chen, Chao-Ho	4,314,323	1.26	767,282	0.22	-	-	Chen, Han-Cheng Hongtai Investment Co., Ltd.	A relative within the second degree of kinship Chairperson of this company	-
Chen, Han-Cheng	8,657,154	2.53	-	-	-	-	Chen, Chao-Ho	A relative within the second degree of kinship	-
Yu, Rui-Yu	7,365,897	2.15	-	-	-	-	-	-	-
Eon Capital investment account, entrusted to Yuanta Commercial Bank	6,210,022	1.81	-	-	-	-	-	-	-
Representative: Hsu, Hsueh-Fang	-	-	-	-	-	-	-	-	-
Lin, Ko-Chung	4,508,964	1.32	1,300,000	0.38	-	-	-	-	-
Management Committee, Yaohua Glass Co., Ltd.	4,405,000	1.29	-	-	-	-	-	-	-
Chen, Chao-Ho	4,314,323	1.26	767,282	0.22	-	-	Chen, Han-Cheng Hongtai Investment Co., Ltd.	A relative within the second degree of kinship Chairperson of this company	-
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	3,625,000	1.06	-	-	-	-	-	-	-
Teng, Ching-Leou	3,467,046	1.01	200,000	0.06	-	-	-	-	-

9. The Number of Shares Held by PharmaEssentia, Its Directors, Supervisors, Managerial Officers, and Companies Directly or Indirectly Controlled by PharmaEssentia in the Same Reinvested Company, With the Total Shareholding Ratio Aggregated

December 31, 2024; Unit: thousand shares; %

Re-Invested Company	Investments by PharmaEssentia		Investments by Directors, Supervisors, Managerial Officers, and Companies Directly or Indirectly Controlled by PharmaEssentia		Consolidated Investment	
	Shares	%	Shares	%	Shares	%
PharmaEssentia Asia (Hong Kong) Limited	24,200	100%	-	-	24,200	100%
PharmaEssentia (Hong Kong) Ltd. (Note)	-	-	-	-	-	-
PharmaEssentia Japan KK	235,983	100%	-	-	235,983	100%
PharmaEssentia USA Corporation	32,700	100%	-	-	32,700	100%
PharmaEssentia Korea Corporation	2,335	100%	-	-	2,335	100%
Panco Healthcare Co., Ltd.	10,000	100%	-	-	10,000	100%
PharmaEssentia Singapore Pte. Ltd.	753	100%	-	-	753	100%
PharmaEssentia Innovation Research Center, Inc	1,150	100%	-	-	1,150	100%

Note: To expand into the Mainland China, the Company established a wholly-owned company, PharmaEssentia (Hong Kong) Co., Ltd., in 2013. As of December 31, 2024, PharmaEssentia (Hong Kong) has only completed the incorporation process. The Company has not yet issued shares.

III. Information on Capital Raising Activities

1. Capital and Shares

(1) Sources of Share Capital

As of March 30, 2025; Unit: thousands; thousand shares

Year/Month	Issue Price (NT$)	Authorized Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Share Capital	Paid with Non-Cash Assets	Other
2016/3	150	200,100	2,001,000	195,283	1,952,832	NT$50,000 thousand in cash	-	Jing-Shou-Shang-Zi No. 10501062410 dated March 31, 2016
2016/4	10	200,100	2,001,000	195,458	1,954,583	-	NT$1,751 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10501073000 dated April 25, 2016
2016/4	10	200,100	2,001,000	195,662	1,956,621	-	NT$2,038 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10501084170 dated April 28, 2016
2016/6	10	200,100	2,001,000	198,130	1,981,301	-	NT$24,680 thousand from restricted stock awards	Jing-Shou-Shang-Zi No. 10501122570 dated June 15, 2016
2016/8	159	400,000	4,000,000	218,130	2,181,301	NT$200,000 thousand in cash	-	Jing-Shou-Shang-Zi No. 10501186060 dated August 12, 2016
2016/8	10	400,000	4,000,000	218,348	2,183,486	-	NT$2,185 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10501206390 dated August 23, 2016
2016/12	10	400,000	4,000,000	218,460	2,184,601	-	NT$2,086 thousand from conversion of stock warrants; (NT$972 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 10501272390 dated December 1, 2016
2017/1	10	400,000	4,000,000	218,538	2,185,389	-	NT$876 thousand from conversion of stock warrants; (NT$88 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 10601009870 dated January 26, 2017
2017/5	10	400,000	4,000,000	218,812	2,188,128	-	NT$2,827 thousand from conversion of stock warrants; (NT$88 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 10601064650 dated May 19, 2017
2017/8	10	400,000	4,000,000	218,885	2,188,850	-	NT$723 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10601121590 dated August 25, 2017
2017/11	10	400,000	4,000,000	218,721	2,187,208	-	NT$1,223 thousand from conversion of stock warrants; (NT$2,866 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 10601161720 dated November 29, 2017
2018/4	10	400,000	4,000,000	218,969	2,189,686	-	NT$2,478 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10701038950 dated April 12, 2018
2018/5	10	400,000	4,000,000	219,008	2,190,088	-	NT$402 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10701058900 dated May 30, 2018

As of March 30, 2025; Unit: thousands; thousand shares

Year/Month	Issue Price (NT$)	Authorized Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Share Capital	Paid with Non-Cash Assets	Other
2018/9	10	400,000	4,000,000	219,126	2,191,260	-	NT$1,206 thousand from conversion of stock warrants; (NT$34 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 10701106890 dated September 5, 2018
2018/11	10	400,000	4,000,000	219,085	2,190,849	-	NT$1,664 thousand from conversion of stock warrants; (NT$2,075 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 10701146730 dated November 27, 2018
2019/4	10	400,000	4,000,000	219,230	2,192,297	-	NT$1,478 thousand from conversion of stock warrants; (NT$30 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 10801041280 dated April 23, 2019
2019/6	10	400,000	4,000,000	219,105	2,191,048	-	NT$726 thousand from conversion of stock warrants; (NT$1,975 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 10801041280 dated June 3, 2019
2019/9	10	400,000	4,000,000	219,276	2,192,766	-	NT$1,718 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10801118240 dated September 3, 2019
2019/12	10	400,000	4,000,000	219,375	2,193,756	-	NT$990 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10801173720 dated December 3, 2019
2020/1	10	400,000	4,000,000	225,043	2,250,438	-	NT$56,682 thousand from private placement of common stock	Jing-Shou-Shang-Zi No. 10901001830 dated January 13, 2020
2020/3	10	400,000	4,000,000	225,053	2,250,538	-	NT$100 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10901032270 dated March 3, 2020
2020/5	10/74	400,000	4,000,000	225,161	2,251,619	-	NT$1,080 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 10901089170 dated May 29, 2020
2020/7	2004.8	400,000	4,000,000	241,887	2,418,869	-	NT$167,249 thousand from private placement of common stock	Jing-Shou-Shang-Zi No. 10901118670 dated July 8, 2020
2020/8	102	400,000	4,000,000	263,887	2,638,869	NT$220,000 thousand in cash	-	Jing-Shou-Shang-Zi No. 10901157990 dated August 25, 2020
2020/9	74	400,000	4,000,000	263,203	2,632,031	-	NT$570 thousand from conversion of stock warrants; (NT$7,408 thousand) treasury stock canceled	Jing-Shou-Shang-Zi No. 10901159570 dated September 1, 2020
2020/11	74/88	400,000	4,000,000	263,418	2,634,183	-	NT$2,152 thousand from conversion of	Jing-Shou-Shang-Zi No. 10901220870 dated

As of March 30, 2025; Unit: thousands; thousand shares

Year/Month	Issue Price (NT$)	Authorized Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Share Capital	Paid with Non-Cash Assets	Other
							stock warrants	November 25, 2020
2021/03	74/88	400,000	4,000,000	263,447	2,634,478	-	NT$295 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11001038410 dated March 9, 2021
2021/05	74/88	400,000	4,000,000	263,539	2,635,393	-	NT$915 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11001091050 dated May 31, 2021
2021/11	74/88	400,000	4,000,000	263,671	2,636,706	-	NT$1,312 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11001216120 dated November 30, 2021
2021/12	177	400,000	4,000,000	270,273	2,702,726	-	NT$66,020 thousand from private placement of common stock	Jing-Shou-Shang-Zi No. 11001233670 dated December 22, 2021
2022/01	235	400,000	4,000,000	276,904	2,769,036	-	NT$66,310 thousand from private placement of common stock	Jing-Shou-Shang-Zi No. 11101003970 dated January 11, 2022
2022/03	74/88	400,000	4,000,000	277,434	2,774,348	-	NT$5,312 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11101038660 dated March 10, 2022
2022/05	250/74/88	400,000	4,000,000	284,956	2,849,566	-	NT$73,340 thousand from private placement of common stock NT$1,878 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11101077840 dated May 16, 2022, Jing-Shou-Shang-Zi No. 11101084720 dated May 30, 2022
2022/07	74/88	400,000	4,000,000	285,144	2,851,441	-	NT$1,875 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11101129570 dated July 15, 2022
2022/11	408/74/88	400,000	4,000,000	302,456	3,024,556	NT$167,000 thousand in cash	NT$6,115 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11101204190 dated November 3, 2022, Jing-Shou-Shang-Zi No. 11101220100 dated November 24, 2022
2023/03	88/136	400,000	4,000,000	305,359	3,053,597	-	NT$2,541 thousand from conversion of stock warrants NT$26,500 thousand from restricted stock awards	Jing-Shou-Shang-Zi No. 11230034670 dated March 7, 2023 Jing-Shou-Shang-Zi No. 11230054130 dated March 31, 2023
2023/04	415	400,000	4,000,000	339,359	3,393,597	NT$340,000 thousand in cash	-	Jing-Shou-Shang-Zi No. 11230069450 dated April 27, 2023
2023/05	74/88	400,000	4,000,000	339,504	3,395,044	-	NT$1,447 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11230083660 dated May 25, 2023
2023/8	88/45	400,000	4,000,000	339,569	3,395,699	-	NT$745 thousand from conversion of stock warrants; (NT$90 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 11230159490 dated August 25, 2023

As of March 30, 2025; Unit: thousands; thousand shares

Year/Month	Issue Price (NT$)	Authorized Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Share Capital	Paid with Non-Cash Assets	Other
2023/10	88/45	400,000	4,000,000	339,893	3,398,939	-	NT$3,240 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11230200540 dated October 23, 2023
2023/12	102	400,000	4,000,000	340,263	3,402,639	-	NT$3,700 thousand from restricted stock awards	Jing-Shou-Shang-Zi No. 11230245350 dated December 29, 2023
2024/03	74/88/45	400,000	4,000,000	340,810	3,408,104	-	NT$5,465 thousand from conversion of stock warrants	Jing-Shou-Shang-Zi No. 11330033010 dated March 8, 2024
2024/05	88/45	400,000	4,000,000	340,906	3,409,068		NT$1,105 thousand from conversion of stock warrants; (NT$140 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 11330081450 dated May 23, 2024
2024/8	88/45	400,000	4,000,000	341,196	3,411,963		NT$2,945 thousand from conversion of stock warrants; (NT$50 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 11330152680 dated August 23, 2024
2024/11	74/88/45	400,000	4,000,000	341,791	3,417,913		NT$6,150 thousand from conversion of stock warrants; (NT$200 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 11330204870 dated November 28, 2024
2025/03	74/88/45	400,000	4,000,000	341,947	3,419,471	-	NT$1,597 thousand from conversion of stock warrants; (NT$40 thousand) restricted stock awards reclaimed	Jing-Shou-Shang-Zi No. 11430028120 dated March 12, 2025

(2) Stock Type

As of March 30, 2025; shares

Stock Type	Authorized Share Capital				
	Shares Outstanding			Shares Unissued	Total
	Listed (Note)	Unlisted	Subtotal		
Common stock	299,214,996	42,960,145	342,175,141	57,824,859	400,000,000

Note: Including 228,000 shares of common stock converted from employee stock options exercised in the first quarter of 2025 but not yet registered for change, 5,000 shares of restricted stock awards issued in the first quarter of 2025 that are still pending cancellation and capital reduction, and treasury shares. Please refer to Section (XI) Repurchase of the Company's Shares for details.

(3) Information on Shelf Registration: N/A.

(4) Composition of Shareholders

As of March 30, 2025

Composition of Shareholders	Government Agencies	Financial Institutions	Other Institutions	Foreign Institutions and Foreigners	Individuals	Treasury Stock	Total
Number of People	1	12	230	750	42,850	1	43,844
Number of Shares Held	22,066,296	3,241,500	34,823,109	74,296,328	198,837,908	8,910,000	342,175,141
Shareholding %	6.45%	0.95%	10.18%	21.71%	58.11%	2.60%	100.00%

(5) List of Major Shareholders

As of March 30, 2025

Major Shareholders	Number of Shares Held	Shareholding %
Management Committee, National Development Fund, Executive Yuan	22,066,296	6.45%
Hongtai Investment Co., Ltd.	9,191,120	2.69%
Chen, Han-Cheng	8,657,154	2.53%
Yu, Rui-Yu	7,365,897	2.15%
Eon Capital investment account, entrusted to Yuanta Commercial Bank	6,210,022	1.81%
Lin, Ko-Chung	4,508,964	1.32%
Management Committee, Yaohua Glass Co., Ltd.	4,405,000	1.29%
Chen, Chao-Ho	4,314,323	1.26%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	3,625,000	1.06%
Teng, Ching-Leou	3,467,046	1.01%

(6) Dividend Policy and Implementation Status

A. Dividend Policy in the Articles of Incorporation

In view of the environment the Company faces and its stages of growth, the Company, in an attempt to facilitate the development and expansion of its operations, shall take into account future capital expenditure budgets and demand for funds when distributing earnings. When paying stock dividends, no less than 10% of the distributable earnings as of this period shall be allocated as shareholders' bonuses (including cash and stocks). Among them, cash dividend shall account for no less than 10% of total dividends in principle.

B. Proposal to Distribute Dividend for the Fiscal Year

On February 25, 2025, the Company's Board passed a resolution proposing the distribution of stock dividends of NT$366,170,630, at NT$1.1 per share, and cash dividends of NT$366,170,630, at NT$1.1 per share, from the distributable earnings for 2024. The Chairperson is also authorized to set the ex-dividend record date and handle related matters regarding the cash distribution.

(7) Impact of Proposed Stock Dividend Issuance on the Company's Business Performance and Earnings Per Share for the Fiscal Year: None.

(8) Profit-Based Rewards for Employees and Directors

A. Percentage or scope of profit-based rewards provided in the Articles of Incorporation

If the Company sustains a profit for the year (i.e., profit before employee and director profit-based rewards are deducted from profit before tax, after cumulative losses are reimbursed): not less than 1% of the profit shall be set aside as employee profit-based rewards and not more than 5% of the profit as director profit-based rewards.

The distribution ratio of employee and director profit-based rewards, as well as the method of distributing employee profit-based rewards in the form of shares or cash, shall be resolved by a majority vote at a meeting attended by at least two-thirds of the directors. The resolution shall also be reported at the shareholders' meeting.

The objects of employee compensation disbursement in the form of stocks or cash include subordinate company employees who fit certain criteria.

B. Basis for estimating the profit-based reward amount of employees, directors, and supervisors, calculating the number of shares to be distributed as employee profit-based rewards, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the period:

i. On February 25, 2025, the Company's Board approved the distribution of 2.55% as employee profit-based rewards and 0.60% as director profit-based rewards.

ii. Any discrepancy between the actual amount of employee profit-based rewards distributed and the estimated amount shall be handled in accordance with changes in accounting estimates.

C. Profit-based rewards distribution approved by the Board:

On February 25, 2025, the Company's Board proposed the distributions of employee profit-based rewards of NT$61,219,951 in cash and director profit-based rewards of NT$14,400,000 in cash.

The amount of any employee profit-based rewards distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company-only financial reports or individual financial reports for the period and total employee profit-based rewards: None.

D. The actual distribution of employee, director, and supervisor profit-based rewards for the previous fiscal year (including 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-based rewards, state the difference, cause, and how it was handled: Not applicable due to the Company's deficit in 2023.

(9) Repurchase of the Company's Shares:

Phase of repurchase	1st Repurchase in 2020	1st Repurchase in 2021	1st Repurchase in 2023	2nd Repurchase in 2023
Date of resolution of the board of directors	2020/10/28	2021/1/6	2023/05/24	2023/7/28
Purpose of repurchase	Transfer to employees	Transfer to employees	Transfer to employees	Transfer to employees
Scheduled buyback period	2020/10/29~ 2020/12/27	2021/1/7~ 2021/3/5	2023/5/25~ 2023/7/21	2023/7/31~ 2023/9/29
Type and quantity of shares scheduled for repurchase	Common stock 3,200,000 shares	Common stock 1,500,000 shares	Common stock 5,000,000 shares	Common stock 4,000,000 shares
Scheduled buyback interval price	NT$57 – NT$126	NT$64 – NT$112	NT$330 – NT$450	NT$350 – NT$450
Actual repurchase period	2020/10/29~ 2020/12/25	2021/1/8~ 2021/3/5	2023/5/26~ 2023/7/21	2023/7/31~ 2023/9/28
Type and quantity of repurchased shares	Common stock 2,935,000 shares	Common stock 904,000 shares	Common stock 4,001,000 shares	Common stock 4,000,000 shares
Amount of shares repurchased	NT$257,384,659	NT$87,501,582	NT$1,366,174,026	NT$1,351,418,596
Proportion of repurchased shares to the scheduled repurchase shares	91.72%	60.27%	80.02%	100%
Average repurchase price per share	87.69	NT$96.79	NT$341.46	NT$337.85
Number of shares transferred	2,935,000 shares	None	None	None
Cumulative number of shares held by the Company	0 shares	904,000 shares	4,905,000 shares	8,905,000 shares
Proportion of cumulative number of shares held by the Company to the total outstanding shares (%)	0%	0.26%	1.43%	2.60%

2. Issuance of Corporate Bonds
None.

3. Issuance of Preferred Shares
None.

4. Issuance of Global Depositary Receipts

Item \ Issue (Process) Date			April 18, 2023
Issue (Process) Date			April 18, 2023
Issuance and Exchange Location			Luxembourg Stock Exchange
Total Amount Issued			US$462,740,000
Issue Price per Unit			US$13.61
Total Units Issued			34,000,000 units
Source of the Securities Represented			Follow-on public offering through the issuance of new common shares
Amount of the Securities Represented			34,000,000 shares
Rights and Obligations of the Depositary Receipt Holders			Each unit of global depositary receipt represents one share of the Company's common stock. Holders of global depositary receipts enjoy the same treatment as those of the already issued common stock.
Trustee			N/A
Depositary Institution			Citibank, N.A.
Custodian			Citibank Taiwan Limited.
Unredeemed Balance			0 units
Allocation of Expenses Incurred During Securities Issuance and Existence			Borne by the issuing company
Important Matters Agreed in Depositary and Custody Agreements			Please refer to the depositary and custody agreements.
Market Price per Unit	As of December 31, 2024 of the fiscal year	Highest	$22.419
		Lowest	$8.571
		Average	$15.625

5. Status of Employee Stock Option Plan

(1) Status of Employee Stock Option Plan

A. Compensation Plans for Employee Stock Options Issued by the Company

As of March 30, 2025

Type of Employee Stock Options	1st Issuance of Employee Stock Options in 2017	1st Issuance of Employee Stock Options in 2021
Effective Date of Filing	2017.9.18	2021.6.24
Issue (Process) Date	1st issuance, 1st tranche of 2017 1st issuance, 2nd tranche of 2017	1st issuance, 1st tranche of 2021
Units Issued	2,166,000 units (1st issuance, 1st tranche of 2017) 2,234,000 units (1st issuance, 2nd tranche of 2017)	3,000,000 units (1st issuance, 1st tranche of 2021)
Ratio of Shares to be Subscribed to Total Shares Issued	1.67%	1.08%
Subscription Period	7 years	7 years
Contract Execution Method	Issuance of new shares of common stock	Issuance of new shares of common stock
Restricted Stock Subscription Period and Ratio (%)	The cumulative proportion of stock options exercisable starting 2 years after the grant period expires: 50% The cumulative proportion of stock options exercisable starting 3 years after the grant period expires: 75% The cumulative proportion of stock options exercisable starting 4 years after the grant period expires: 100%	The cumulative proportion of stock options exercisable starting 2 years after the grant period expires: 50% The cumulative proportion of stock options exercisable starting 3 years after the grant period expires: 75% The cumulative proportion of stock options exercisable starting 4 years after the grant period expires: 100%
Number of Exercised Shares Acquired	3,411 thousand shares	1,410 thousand shares
Amount Paid for Exercised Stock Options	NT$274,613 thousand	NT$63,472 thousand
Number of Unexercised Stock Options	62 thousand shares	1,081 thousand shares
Subscription Price per Share for Unexercised Stock Options	NT$74 NT$88	NT$45
Ratio of Unexercised Stock Options to Total Shares Issued	0.02%	0.32%
Impact on Shareholders' Equity	The purpose of this stock warrant is to attract and retain the talents needed by the company, motivate employees, and improve team cohesion, aiming to jointly create benefits for the company and its shareholders. The unexercised stock options account for 0.02% of the total issued shares, which has no significant impact on the level of equity dilution.	The purpose of this stock warrant is to attract and retain the talents needed by the company, motivate employees, and improve team cohesion, aiming to jointly create benefits for the company and its shareholders. The unexercised stock options account for 0.32% of the total issued shares, which has no significant impact on the level of equity dilution.

B. Names, Acquisition Details, and Subscription Status of Managerial Officers Who Have Been Granted Employee Stock Options and the Top 10 Employees by Number of Stock Options Granted

As of December 31, 2024; Unit: Shares; NT$

	Title	Name	Number of Stock Options Acquired (Shares)	Ratio of Stock Options Acquired to Total Shares Issued	Exercised				Unexercised			
					Number of Shares Subscribed (Shares)	Subscription Price (NT$)	Subscription Amount (NT$)	Ratio of Shares Subscribed to Total Shares Issued	Number of Shares Subscribed (Shares)	Subscription Price (NT$)	Subscription Amount (NT$)	Ratio of Shares Subscribed to Total Shares Issued
Managers	Chief Executive Officer	Lin, Ko-Chung	2,468,000	0.72%	1,485,000	74/88/45	106,342,000	0.43%	983,000	74/88/45	48,424,000	0.29%
	Chief Pharmaceutical Officer	Teng, Ching-Leou										
	General Manager	Hwang, Chan-Kou										
	Senior Scientific Fellow	Luan, Yen-Tung										
	Chief Medical Officer	Albert Qin										
	Director	Snow Chang										
Employee	President of the Americas	Meredith Manning	2,773,000	0.81%	1,714,000	45/74	112,655,000	0.50%	1,059,000	74/45	58,895,000	0.31%
	Vice President of Commercial	Marija Sebastian										
	Sr. Vice President, CDMA	Ray Urbanski										
	PEJ General Manager	Katsuya Yonezu										
	Director, Quality Assurance	Narihisa Miyachi										
	Vice President of Business Operations and Strategy	Samuel Lin										
	PEBJ General Manager	Warren Shen										
	Executive VP, Head of R&D/Medical	Toshiaki Sato										
	Director of Clinical Development	Lee, Chung-Wei										
	Clinical Scientist, Director	Zimmerman Craig Neil										

Note 1: Luan, Yen-Tung, the former Chief Operating Officer of Taichung Branch, has been discharged on December 5, 2021.
Note 2: Marija Sebastian resigned on April 2, 2020.
Note 3: Lee, Chung-Wei resigned on April 17, 2020.
Note 4: Meredith Manning resigned on November 30, 2023.
Note 5: Ray Urbanski resigned on November 30, 2023.

(2) Status of Any Private Placement of Employee Stock Options During the 3 Most Recent Fiscal Years

None.

6. Status of Restricted Stock Awards

(1) Restricted Stock Awards

As of March 30, 2025

Type of Restricted Stock Awards	2022 Restricted Stock Awards	
Effective Date of Filing	Resolved and approved at the Annual General Meeting of Shareholders on May 24, 2022; approved and recorded as effective by the Financial Supervisory Commission via Jin-Guan-Zheng-Zi No. 1110368248 dated January 11, 2023.	
Issue Date	March 13, 2023	December 11, 2023
Number of Restricted Stock Awards Issued	2,650 thousand common shares	370 thousand common shares
Issue Price	NT$136/share	NT$102/share
Ratio of Restricted Stock Award Shares Issued to Total Shares Issued	0.78%	0.11%
Conditions for Vesting of Restricted Stock Awards	Indicator A: Achieving the following milestones and obtaining regulatory approval for the ET indication (45%) ・A1: Completion of recruitment for clinical trials (expected in 2023) (15%) ・A2: Submission of a Biologics License Application (BLA) to the U.S. FDA (expected in 2024) (15%) ・A3: Obtaining regulatory approval in the United States (expected in 2025) (15%) Indicator B: Achieving the following milestones and obtaining regulatory approval for the PV indication (30%) ・B1: Obtaining regulatory approval for the PV indication in Japan (expected in 2023) (15%) ・B2: Obtaining regulatory approval for the PV indication in China (expected in 2024) (15%) Indicator C: Employee retention (25%) ・C1: Remaining with the Company for one year after the issue date of restricted stock awards (5%) ・C2: Remaining with the Company for two years after the issue date of restricted stock awards (10%) ・C3: Remaining with the Company for three years after the issue date of restricted stock awards (10%)	
Restrictions on the Rights of Restricted Stock Awards	1. Employees shall not sell, pledge, transfer, gift, set as guarantee, or otherwise dispose of in any form the restricted stock awards. 2. Voting rights at shareholders' meetings: Same as those of the other common shares of the Company. 3. Shareholders' Subscription and Dividend Rights: Same as those of the other common shares of the Company. However, any shares or dividends allocated must also be entrusted to a trust.	
Custody of Restricted Stock Awards	Before the vesting conditions are met, the restricted stock awards shall be held in custody of a stock trust. When the new shares are allocated, it shall be deemed that the employee with the new shares allotted has authorized the Company to sign or amend any trust-related contracts or agreements on their behalf.	
Measures to Be Taken When Vesting Conditions Are Not Met	1. Voluntary resignation: Any restricted stock awards that do not meet the vesting conditions are considered unvested on the date of an employee's resignation. The Company will repurchase the shares at the original issue price in accordance with the law and cancel them. 2. Other types of employment termination (including termination of employment contracts, dismissal, and severance without notice): If the employment relationship between the Company and the employee is terminated for reasons other than those mentioned above, the Company will repurchase the restricted stock awards not meeting the vesting conditions at the original issue price in accordance with the law and cancel them. 3. Retirement: Any restricted stock awards that do not meet the vesting conditions are considered unvested on the effective date of an employee's retirement. The Company will repurchase the shares at the original issue price in accordance with the law and cancel them. However, the Board may, after considering the employee's special achievements and overall contribution, grant partial or all of the restricted stock awards that do not meet the vesting conditions. 4. Unpaid leave and parental leave: Employees approved by the Company for unpaid leave or parental leave have their restricted stock awards not meeting the vesting conditions reinstated upon resuming work, provided that the vesting period is deferred according to the period of unpaid leave taken. 5. General death: General death refers to death other than those caused by occupational injuries as set forth in Article 5, Paragraph 4, Subparagraph 7.	

	Any restricted stock awards that do not meet the vesting conditions are considered unvested on the date of death. The Company will repurchase the shares at the original issue price in accordance with the law and cancel them. 6. Employees who are physically disabled due to occupational injuries and are unable to continue their employment: If an employee becomes physically disabled due to an occupational injury and is unable to continue their employment, the restricted stock awards that do not meet the vesting conditions will vest proportionally in accordance with the vesting schedule as set forth in this Article. 7. Employees who die from occupational injuries: If an employee dies due to an occupational injury, the restricted stock awards that do not meet the vesting conditions will be inherited by the heirs of the deceased employee and vest proportionally in accordance with the vesting schedule as set forth in this Article, effective from the date of death. 8. Transfer: If an employee voluntarily transfers to an affiliate or another company, the restricted stock awards that do not meet the vesting conditions shall be handled according to the procedure for voluntary resignation. However, if the transfer is required for the operation of the Company, the restricted stock awards granted to employees who are transferred by the Company to an affiliate or another company remain unaffected by the transfer. 9. For restricted stock awards that do not meet the vesting conditions (including those unvested due to the reasons listed in the preceding paragraphs), the Company will repurchase the shares at the original issue price in accordance with the law and cancel them. However, the employee is not required to return or pay back the dividends derived from the restricted stock awards. 10. Before meeting the vesting conditions, if an employee violates Article 6, Paragraph 1, terminating or revoking the Company's agent authorization, the Company has the right to repurchase all restricted stock awards that do not meet the vesting conditions at the original issue price and cancel them. 11. For issued shares that are reclaimed or repurchased in accordance with the aforementioned provisions, the Company shall apply for capital change registration with the competent authority at least once every quarter.	
Impact on Shareholders' Equity	Based on the total issued shares of 302,455,641 as of January 11, 2023 (the date approved by the competent authority), the estimated impact on earnings per share (EPS) for the years 2023 to 2026 is NT$1.57, NT$4.04, NT$0.60, and NT$0.15, respectively. In summary, the overall evaluation shows that the potential dilution of the Company's EPS is limited, and therefore, there is no material impact on shareholders' equity.	
Number of Restricted Stock Awards Reclaimed or Repurchased	47,000 shares	10,000 shares
Number of Unrestricted Stock Awards	2,296,500 shares	360,000 shares
Number of Restricted Stock Awards	306,500 shares	0 shares
Ratio of Restricted Stock Awards to Total Shares Issued (%)	0.09%	0%

(2) Names and Acquisition Details of Managerial Officers Who Have Been Granted Restricted Stock Awards and the Top 10 Employees by Restricted Stock Awards Granted

As of December 31, 2024; Unit: Shares; NT$

	Title	Name	Number of Stock Options Acquired (Shares)	Ratio of Restricted Stock Award Shares Granted to Total Shares Issued	Unrestricted Rights				Restricted rights			
					Number of Unrestricted Shares	Issue Price (NT$)	Issue Amount (NT$)	Ratio of Unrestricted Shares to Total Shares Issued	Number of Restricted Shares	Issue Price (NT$)	Issue Amount (NT$)	Ratio of Restricted Shares to Total Shares Issued
Managers	Chief Pharmaceutical Officer	Teng, Ching-Leou	1,010,000	0.30%	706,000	136	94,656,000	0.21%	304,000	136	41,344,000	0.09%
	Chief Executive Officer	Lin, Ko-Chung										
	General Manager	Hwang, Chan-Kou										
	Chief Scientific Officer	Lin, Lih-Ling										
	Chief Medical Officer	Albert Qin										
	Director	Snow Chang										
Employee	Director Operations and Data Science	Tingwei Tom Lin	610,000	0.18%	338,000	136/102	44,608,000	0.10%	272,000	136/102	31,212,000	0.08%
	Vice President of Business Operations and Strategy	Samuel Lin										
	Sr. Director, Pharmacology and Translational Science.	Huang, Kuan-Chun										
	VP of Market Access	Jason Mitch										
	Senior Area Business Director	Christopher Shanahan										
	Director	Derek Yuan										
	Plant Director	Zheng, Zhao-Sheng										
	Deputy Director	Yang, Yu-Ying										
	Director	Ellen Chang										
	Senior Manager	Wang, Shih-Chu										

Note 1: Yang, Yu-Ying resigned on January 31, 2024.
Note 2: Derek Yuan resigned on July 31, 2024.
Note 3: Ellen Chang resigned on March 14, 2025.

7. New Share Issuance for Mergers or Acquisition of Shares from Other Companies

None.

8. Financial Plans and Implementation

As of the fourth quarter of 2024, the status and utilization of funds of PharmaEssentia's previous public offerings, issuances, and private placements of securities are as follow:

Follow-On Offering by Issuance of New Shares in 2022

(1) Content of the plan

A. Total amount of capital required for the plan: NT$6,813,600 thousand (including the excess NT$13,600 thousand attributable to the change of the actual offering price).

B. Funding source:

For cash capital increase, PharmaEssentia issued 16,700 thousand shares of common stock; the par value was NT$10 per share, and the shares were issued at a premium, with an offering price of NT$408, and the total capital raised was NT$6,813,600 thousand. The excess NT$13,600 thousand attributable to the change of the actual offering price will be put into working capital.

C. Plan items, status of capital allocation, and expected benefits:

i. Plan items and status of capital allocation

Unit: NT$ thousands

Plan	Expected Completion Date	Total Capital Required	Planned Capital Allocation									
			2022	2023				2024				2025
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Building Plant-Zhubei Plant	Q1 of 2025	4,010,000	378,334	395,834	395,833	515,833	515,833	595,833	407,500	407,500	327,500	70,000
Purchase of equipment-Zhubei Plant	Q1 of 2025	1,086,735	-	44,480	286,766	60,155	56,155	-	32,155	32,155	287,435	287,434
Building Plant-Taichung Houli Plant	Q3 of 2024	1,207,265	116,667	159,525	134,524	134,524	134,523	134,523	116,490	196,489	80,000	-
Purchase of equipment-Taichung Houli Plant	Q1 of 2025	496,000	-	-	198,400	-	-	-	-	-	148,800	148,800
Addition of working capital	Q3 of 2023	13,600	-	-	-	13,600	-	-	-	-	-	-
Total		6,813,600	495,001	599,839	1,015,523	724,112	706,511	730,356	556,145	636,144	843,735	506,234

ii. Expected benefits

The capital increase of $6,800,000 thousand in 2022 was mainly used to finance the construction of the Zhubei and Taichung Houli plants and their machinery and equipment. PharmaEssentia is an R&D company, focusing on development of protein drugs, and has successfully developed a long-lasting interferon, Ropeginterferon alfa-2b (hereinafter referred to as P1101), through the development of an innovative PEGylation technology that couples PEG with protein. P1101-PV has been approved for the treatment of PV in the European Union, Taiwan, Switzerland, Israel, and South Korea since 2019, and received U.S. regulatory approval in November 2021. PharmaEssentia has also initiated a global clinical trial for ET and expects to complete the Phase III human trial in 2024 to collect data on primary endpoints. After completion of the clinical trial, PharmaEssentia will submit regulatory approval applications in countries including the United States, Taiwan, Japan, South Korea, and China and anticipates to obtain the approval in 2025. Considering the above-mentioned needs, PharmaEssentia's production capacity may become increasingly insufficient. Therefore, in view of the long-term development of PharmaEssentia, we plan to construct the Houli Plant in Taichung and the Zhubei Plant for the production of P1101 to support the future development of the operation.

PharmaEssentia intends to build two plants and plans to use the Houli plant in Taichung for the chemical process to produce PEG, and the Zhubei plant for the biological process including the production of interferon and coupling with PEG to generate long-acting interferon, i.e. drug substance of P1101 (hereafter referred to as DS which is the active ingredient of the drug), and DS will then be filled into injections for sale. Considering the Houli plant in Taichung and Zhubei plant will produce PEG and DS, which are major processing of P1101, PharmaEssentia expects that the tender and construction of the two plants will commence in the fourth quarter of 2022, and the installation of machinery and equipment will commence in the third quarter of 2024. The trial production, process validation and FDA inspection will be conducted in the first quarter of 2025. The new plant is expected to start contributing revenue in 2026.

The Houli plant in Taichung and Zhubei plant of PharmaEssentia is intended for different processing required by P1101 and therefore the benefits of construction these two plants are evaluated together. Based on the capital required for construction of the new plants and purchase of equipment, NT$6,800,000 thousand, except for the amount for P1101-PV production, the drug license of P1101-ET is expected to be granted in 2025 in various countries for sale. In addition, considering the estimated number of PV and ET patients in various countries, the estimated number of shots, current drug price and the trend of drug price, the payback period for the two plants is estimated to be 4.22 years starting from the fourth quarter of 2022.

Also, the actual amount of capital raised, NT$6,813,600 thousand, was higher than the required amount required for the plan, namely NT$6,800,000 thousand. The excess attributable to the change of offering price, NT$13,600 thousand, will be put into working capital and the increased capital will be used for replenishing operating capital and strengthen capital structure.

D. Changes to the plan, reasons for changes, and benefits before and after the changes:

No change was made to the plan at this time.

(2) Implementation status:

Plan	Implementation Status		As of the End of 2024	Reasons for ahead of or fall behind of the plan and improvement plans
Building Plant-Zhubei Plant	Amount spent	Planned	3,940,000	PharmaEssentia issued an invitation to bid for civil engineering as planned in August 2022. However, due to the following interface management issue, the invitation to bid was changed to joint invitation to bid for civil engineering and five major pipeline engineering, and the new engineering contract was signed in March 2023 while the related basic engineering remains ongoing. Payment has been made for the first floor slab grouting work and it is proceeding as planned.
		Actual	1,214,512	
	Implementation Status (%)	Planned	98.25	
		Actual	30.29	
Purchase of equipment-Zhubei Plant	Amount spent	Planned	799,301	In the future, relevant operations such as procurement and installation will proceed in accordance with the construction of the Zhubei plant.
		Actual	-	
	Implementation Status (%)	Planned	73.55	
		Actual	0.00	
Building Plant-Taichung Houli Plant	Amount spent	Planned	1,207,265	Due to the adjustments made to the Zhubei Plant, the construction has fallen behind the schedule. Therefore PharmaEssentia plans to hire consultants for planning the construction of the Houli plant based on the experience gained from the construction of the Zhubei plant. The latest update on the planning process indicates that it is still ongoing. Architects have been engaged for project planning, design, and supervision, which will help facilitate future construction projects.
		Actual	4,701	
	Implementation Status (%)	Planned	100	
		Actual	0.39	
Purchase of equipment-Taichung Houli Plant	Amount spent	Planned	347,200	In the future, relevant operations such as procurement and installation will proceed in accordance with the construction of the Taichung plant.
		Actual	-	
	Implementation Status (%)	Planned	70.00	
		Actual	-	
Addition of working capital	Amount spent	Planned	13,600	All the funds have been fully expended.
		Actual	13,600	
	Implementation Status (%)	Planned	100	
		Actual	100	
Total	Amount spent	Planned	6,307,366	
		Actual	1,232,813	
	Implementation Status (%)	Planned	92.57%	
		Actual	18.09%	

(3) Benefit analysis

A. Improve capital structure

Item \ Year		The end of September, 2022 (Before cash capital increase)		The end of December, 2022 (After cash capital increase)	
		Consolidated	Individual company only	Consolidated	Individual company only
Financial structure	Debt ratio (%)	27.14	37.51	20.82	25.23
	Ratio of long-term capital to real estate property, plants and equipment (%)	1,313.04	1,791.28	2,348.35	2,983.92
Liquidity	Current ratio (%)	463.21	918.95	486.16	1,975.81
	Quick ratio (%)	369.19	799.50	435.33	1,780.33

PharmaEssentia increased capital cash in 2022 for building of plants in Zhubei City and Houli and purchase of equipment and replenishing operating capital. The consolidated and individual debt to total assets ratio of PharmaEssentia by the end of December 2022 after capital increase was 20.82% and 25.23%, a reduction of 27.14% and 37.51%, respectively, compared with that at the end of September 2022. The ratio of long-term capital to real estate property, plants and equipment (%), current ratio and quick ratio all showed significant increase after capital increase. PharmaEssentia has indeed strengthened its financial structure after the capital increase in 2022.

B. Building of plants in Zhubei City and Houli and purchase of equipment

PharmaEssentia adjusted the estimated number of sales and amount of sales in year 2026, and the payback period was adjusted from 4.22 years to 4.04 years according to the actual sales of the new drug and adjusted group sales strategies. Since February 2019, P1101-PV has been successfully launched in regions such as the European Union, the United States, Taiwan, South Korea, and China, which has substantially boosted the PharmaEssentia's revenue. According to the 2024 financial statements audited and certified by the CPAs, PharmaEssentia reported revenue of NT$9,734,814 thousand in the fiscal year 2024, an increase of 90.67% compared to NT$5,105,615 thousand in the same period last year, indicating that the sales performance of P1101 continues to improve. The number of patients will continue increasing as most PV patients require long-term treatment and follow-up. PharmaEssentia has completed recruitment for the clinical trial of P1101-ET and plans to submit regulatory approval applications for ET in countries including Taiwan, the United States, Japan, South Korea, and China. It is estimated that the drug will gradually launch in 2026, further replenishing the revenue of PharmaEssentia. Based on the above mentioned circumstances, PharmaEssentia's current sales performance of P1101-PV, the status of obtaining drug certificates in various countries, and the future sales of P1101-PV in various countries, and the progress of P1101-PV business development and P1101-ET product development, the benefits of the Company's construction of the Zhubei and Taichung Houli plants and its machinery and equipment should become increasingly evident.

Follow-On Offering by Issuance of New Shares Tied to Global Depositary Receipt Issuance in 2023

(1) Content of the plan

A. Total amount of capital required for the plan: NT$15,247,500 thousand, equivalent to US$500,000 thousand (calculated based on an exchange rate of NT$30.495:US$1).

B. Funding source:

i. Raised through follow-on offering by issuance of new shares for global depositary receipts, and each global depositary receipt represents one common share of PharmaEssentia. The total number of shares to be issued is expected to be 25,000 thousand shares to 34,000 thousand shares, and the raised amount was estimated to range from US$340,250 thousand to US$462,740 thousand (based on NT$415 per share and an exchange rate of NT$30.495:US$1).

ii. The total funding required for this plan of PharmaEssentia is NT$15,247,500 thousand and will be paid by the funds of NT$14,111,256 thousand raised from this plan and the self-owned funds of NT$1,136,244 thousand.

iii. In the event that the capital raised is insufficient to pay for the projects due to variation in the number of shares issued by new stocks or global depositary receipts or adjustments made to the share price due to market changes, the amount of shortage will be paid by bank loan, self-owned assets, or funds raised by other means. In the event that the amount of capital raised exceeds the amount required by the projects, the extra amount will be used to replenishing operating capital.

C. Plan items, status of capital allocation, and expected benefits:

i. Plan items and status of capital allocation

Unit: NT$ thousands

Plan		Expected Completion Date	Total Capital Required			Planned Capital Allocation						
			Funding source	Transaction currency	Amount	2023			2024			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
Addition of working capital	Pharmaceutical research and development	Q4 of 2026	Capital raised this quarter	USD	114,240	2,261	4,000	3,500	21,400	20,000	20,000	22,000
				NT$	3,483,749	68,949	121,980	106,732	652,393	609,900	609,900	670,890
			Self-owned assets	USD	37,260	239	-	-	-	-	-	-
				NT$	1,136,244	7,287	-	-	-	-	-	-
	Global clinical trial	Q4 of 2026	Capital raised this quarter	USD	68,500	3,450	3,950	7,450	9,500	9,200	5,570	5,620
				NT$	2,088,907	105,207	120,455	227,188	289,703	280,554	169,857	171,382
Reinvestment	Reinvestment in PharmaEssentia USA	Q1 of 2024	Capital raised this quarter	USD	200,000	90,000	30,000	30,000	50,000	-	-	-
				NT$	6,099,000	2,744,550	914,850	914,850	1,524,750	-	-	-
	Reinvestment in PharmaEssentia Japan KK	Q4 of 2024	Capital raised this quarter	USD	80,000	10,000	15,000	-	10,000	15,000	15,000	15,000
				NT$	2,439,600	304,950	457,425	-	304,950	457,425	457,425	457,425
Total				USD	500,000	105,950	52,950	40,950	90,900	44,200	40,570	42,620
				NT$	15,247,500	3,230,943	1,614,710	1,248,770	2,771,996	1,347,879	1,237,182	1,299,697

Unit: NT$ thousands

Plan		Expected Completion Date	Total Capital Required			Planned Capital Allocation							
			Funding source	Transaction currency	Amount	2025				2026			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Addition of working capital	Pharmaceutical research and development	Q4 of 2026	Capital raised this quarter	USD	114,240	15,900	5,179	-	-	-	-	-	-
				NT$	3,483,749	484,871	157,934	-	-	-	-	-	-
			Self-owned assets	USD	37,260	-	1,321	6,900	6,600	6,600	5,700	5,900	4,000
				NT$	1,136,244	-	40,284	210,416	201,267	201,267	173,822	179,921	121,980
	Global clinical trial	Q4 of 2026	Capital raised this quarter	USD	68,500	2,920	3,500	3,400	3,500	3,400	2,820	2,620	1,600
				NT$	2,088,907	89,044	106,733	103,683	106,733	103,683	85,996	79,897	48,792
Reinvestment	Reinvestment in PharmaEssentia USA	Q1 of 2024	Capital raised this quarter	USD	200,000	-	-	-	-	-	-	-	-
				NT$	6,099,000	-	-	-	-	-	-	-	-
	Reinvestment in PharmaEssentia Japan KK	Q4 of 2024	Capital raised this quarter	USD	80,000	-	-	-	-	-	-	-	-
				NT$	2,439,600	-	-	-	-	-	-	-	-
Total				USD	500,000	18,820	10,000	10,300	10,100	10,000	8,520	8,520	5,600
				NT$	15,247,500	573,915	304,951	314,099	308,000	304,950	259,818	259,818	170,722

ii.Expected benefits

Used for research and development, funds required for clinical trials, and reinvestment in subsidiaries to improve capital structure, reduce operational risks, and support future business development of PharmaEssentia.

D. Changes to the plan, reasons for changes, and benefits before and after the changes:

No change was made to the plan at this time.

(2) Implementation status:

Plan	Implementation Status		As of the End of 2024	Reasons for ahead of or fall behind of the plan and improvement plans
Addition of working capital	Amount spent	Planned	4,150,062	The delay is due to the fact that the procurement contract related to the R&D project has just been signed, causing progress to fall behind in the fourth quarter. PharmaEssentia will accelerate the execution of relevant R&D activities, ensuring that the R&D project can be completed as scheduled. In terms of clinical aspects, the relevant IND applications have been successfully submitted to the NMPA and the U.S. FDA and have been approved by Japan's PMDA. In addition, the application for the Phase I clinical trial of the TCR-T therapy is currently in progress. Once approved, PharmaEssentia will expedite the initiation of the relevant clinical trials.
		Actual	1,129,658	
	Implementation Status (%)	Planned	61.85	
		Actual	16.83	
Reinvestment	Amount spent	Planned	8,538,600	The difference was resulted from the actual assets required by the subsidiary.
		Actual	7,623,750	
	Implementation Status (%)	Planned	100	
		Actual	89.28	
Total	Amount spent	Planned	12,688,662	
		Actual	8,753,408	
	Implementation Status (%)	Planned	83.22	
		Actual	57.41	

(3) Benefit analysis

A. Improve capital structure

Item	Year	January to March, 2023 (Before cash capital increase)		April to June, 2023 (After cash capital increase)	
		Consolidated	Individual company only	Consolidated	Individual company only
Financial structure	Debt ratio (%)	26.69	21.28	8.59	4.21
	Ratio of long-term capital to real estate property, plants and equipment (%)	1,526.91	1,831.72	2,692.11	2,762.38
Liquidity	Current ratio (%)	368.98	2,143.16	1,439.31	3,640.83
	Quick ratio (%)	331.36	2,002.27	1,350.32	3,499.25

The debt to total assets ratio of PharmaEssentia by the end of June 2023 after capital increase was 8.59%, down from the debt to total assets ratio of 26.69% before the capital increase as of March 2023. The ratio of long-term capital to property, plants, and equipment (%) was 2,692.11% after the capital increase, higher than that of 1,526.91% before capital increase, and such increase made an improvement to our financial structure. In addition, the current and quick ratio before capital increase was 368.98% and 331.36%, respectively, and compared with the current and quick ratio of 1,439.31% and 1,350.32% before capital raise, the increase demonstrates that our liquidity has improved. After evaluation, the benefits of the issuance of the global depositary receipts in 2023 by PharmaEssentia for addition of working capital is obvious.

B. Pharmaceutical research and development

NT$4,619,993 thousand of the aforementioned raised capital was used for continuous promotion of the various new drug projects. The clinical trial results of these projects are rather positive. Please see the table "Status on the Research and Results of Projects" below, which indicates that the capital-raising plan is yielding visible benefits.

Title of Project	Up to date research status and results from capital raise
long-acting PEGylated immuocytokines	• Multiple cytokine-targeted projects are ongoing. Among the projects, the results of the IL-2 rat and monkey non-GLP dose-range finding (DRF) study support further toxicological studies under GLP standards for this project. In addition, the process and drug property analysis methods are continuously being developed and optimized. The Master Cell Bank (MCB) preparation was completed in December 2024. Other projects remain in the phase of structure design, optimization, and activity research.
Immune checkpoint inhibitors	• Two immune checkpoint inhibitor projects are progressing. For Project A, three candidate genes were selected in the first quarter of 2024. Drug optimization is currently ongoing, exploring gastric cancer and liver cancer as potential indications. For Project B, its R&D team has decided in the fourth quarter of 2024 to advance the lead drug candidate to the preclinical candidate (PCC) stage. • Collaborating with two external partners, we have successfully introduced early-stage immune checkpoint inhibitor development projects. The technical documentation transfer will be completed by the first quarter of 2025, and subsequent experiments will be planned based on the cooperative development model between the two parties.
Bispecific antibodies	• Cell line development is currently underway, and it is expected that cell line selection will be completed by the second quarter of 2025 to facilitate the subsequent MCB preparation. The process development is continuously being optimized. We are generating bispecific molecules that combine two checkpoint antibodies. In addition, we are developing other bispecific molecules, such as T-cell engagers.
Drug development platform	• The collaboration with Vizuro LLC is progressing smoothly. Leveraging the Causal AI system, we have developed several MPN-related genes that can be used as target genes in the future. The results have been compiled and submitted to the MPN annual meeting for publication. • The ADC drug development platform is ongoing, and ADC-related projects have been established internally. We will continue to monitor the competitiveness and dynamics of these projects as they proceed.

C. Global clinical trials of pharmaceutical research and development

In addition, NT$2,088,907 thousand of the aforementioned raised capital was used for continuous promotion of the various new drug projects. Although the time required for subject recruitment was extended and the number of enrolled subjects of various projects reduced due to the pandemic in recent years and therefore the trials have been extended, the results of the clinical trial projects are rather positive, indicating the benefits of this capital raise project is obvious.

D. Reinvestment in subsidiaries in the U.S.

PharmaEssentia reinvested a total of NT$8,932,285 thousand raised from the cash capital raised before listing in 2016, cash capital raise in 2020, issuance of common shares through the second private capital raise in 2021, and issuance of global depositary receipt (GDR) in 2023 in the amount of NT$569,960 thousand, NT$1,047,288 thousand, NT$1,216,037 thousand, and NT$6,099,000 thousand, respectively, in the U.S. subsidiary.

E. Reinvestment in PharmaEssentia Japan KK

PharmaEssentia reinvested in the subsidiary in Japan with the private placement of common stock in 2019, the second private placement of common stock in 2021, and the issuance of global depositary receipts in 2023 in the amount of NT$297,885 thousand, NT$208,830 thousand, and NT$1,219,800 thousand, respectively, amounting to NT$1,726,515 thousand in total.

IV Overview of Business Operations

1. Descriptions of Business

(1) Business Scope

A. Main Business Activities

The Company's major lines of business are as follows:

i. Wholesale of Chemistry Raw Material
ii. Wholesale of Drugs and Medicines
iii. Wholesale of Drugs, Medical Goods
iv. Wholesale of Cosmetics
v. Retail sale of Chemistry Raw Material
vi. Retail Sale of Drugs and Medicines
vii. Retail sale of Medical Equipment
viii. Retail Sale of Cosmetics
ix. Retail Sale of the Second Type Patent Medicine
x. International Trade
xi. Intellectual Property
xii. Pharmaceuticals Examining Services
xiii. Biotechnology Services
xiv. Research Development Service
xv. Beverage Manufacturing
xvi. Other Food Manufacturing Not Elsewhere Classified
xvii. Basic Industrial Chemical Manufacturing
xviii. Drugs and Medicines Manufacturing
xix. Cosmetics Manufacturing
xx. Other Chemical Products Manufacturing
xxi. All business items that are not prohibited or restricted by law, except those that are subject to special approval.

B. Relative Weight of Primary Products

PharmaEssentia and its subsidiaries primarily engage in the research, development, manufacturing, and sales and of new drugs, and the main source of revenues is from sales of new drugs, and the consolidated revenue and distribution in 2024 are as follows:

Unit: NT$ thousands; %

Revenue Item	2024	
	Revenue	Weight (%)
Sale of medicinal products	9,673,989	99.38
Provision of labor services	28,865	0.30
Research/labor services	31,960	0.32
Total	9,734,814	100.00

C. Current products (services)

Product	Category	Indication	Clinical application (target patient group)	Target market
P1101 (new generation long-acting interferon)	Self-developed	Polycythemia vera (PV)	PV patients	U.S., Europe, Japan, South Korea, China, Taiwan

P1101 has received regulatory approval for sale in the European Union, United States, Japan, South Korea, and Taiwan. Regarding the arrangements for the sale of the product in different markets worldwide: In Europe, a licensing agreement has been established with AOP. For the South American markets, a licensing agreement with Pint-Pharma GmbH has been made for sales in Latin America. For Canada, a licensing agreement has been made with Forus Therapeutics Inc. In the United States, Japan, South Korea, China, and Taiwan, PharmaEssentia and its subsidiaries across different regions sell the product directly to distributors, contracted pharmacies, and medical institutions. These entities are responsible for marketing campaigns and providing services in their respective local markets. Moving forward, PharmaEssentia will continue to expand its presence in other markets and adjust its marketing strategies to cater to the specific demands of each market.

D. New Products (Services) Planned for Development

PharmaEssentia and its subsidiaries will continuously use the established new drug development platform to continue developing other high-yield, long-acting biologics, including P1101-ET and anti-PD-1 antibodies (immune checkpoint inhibitors).

- P1101-ET (Essential Thrombocythemia)

  PharmaEssentia's P1101 in treating the second indication, essential throbocythemia (ET), has been granted ODD by the United States. A multi-center Phase III clinical trial of the drug has been officially launched in multiple countries (including the United States, Taiwan, Japan, South Korea, and China) since September 2020. By the end of 2024, the last subject had been examined, and the data collected for the primary endpoint has been released in early 2025. PharmaEssentia will submit regulatory approval applications for ET in multiple countries while preparing for marketing roll-out in 2025.

- Anti-PD-1 antibodies (immune checkpoint inhibitors)

  PharmaEssentia has joined the group of studying anti-PD-1 monoclonal antibodies by taking the advantages of production efficiency and quality control of biologics manufacturing with a hope that the immune response in patients can be enhanced to fight against various cancers by including P1101 in the treatment. PharmaEssentia's Phase I clinical trial of sequential treatment of P1801, an anti-PD-1 inhibitor monoclonal antibody, following P1101 in patients with advanced solid tumors has been approved in principle by the TFDA in 2024. Recruitment is about to commence. Moreover, PharmaEssentia will make a good use of this advantage to expand the scope of P1101 treatment and use the drug for treating the indications such as malignant melanoma, T-cell lymphoma, hairy cell leukemia, and liver cancer.

- GCSF (long-acting granulocyte colony-stimulating factor)

  PharmaEssentia applied to the TFDA and was granted IND approval for its Phase I clinical trial of long-acting granulocyte colony-stimulating factor (PEG-GCSF) in 2024, with recruitment officially commenced. The main indications of this drug include chemotherapy-induced neutropenia, multiple myeloma (MM), chronic myeloid leukemia (CML), acute myeloid leukemia (AML), and myelodysplastic syndrome (MDS).

- PEG-IL-2

  PharmaEssentia is leveraging its PEGylation platform for the research and development of long-acting IL-2, primarily aimed at the treatment of ulcerative colitis (UC). This marks PharmaEssentia's first expansion from blood cancers to autoimmune diseases. PEG-IL-2, which has exhibited preliminary therapeutic effects in animal testing, is able to selectively activating Treg cells to maintain intestinal immunity. PharmaEssentia plans to submit an IND application in the United States between late 2025 and early 2026 in hopes to overcome the current barrier in the market where no long-acting IL-2 has yet been approved.

(2) Industry overview

A. Current status and development of the industry

The biotechnology and pharmaceutical industry is a high value-added industry known for its innovative R&D and value creation. It is an industry that directly impacts human life, safety, and health. This is why the entire process from preclinical trials such as drug discovery and animal testing, to filing for IND approval with competent authorities, conducting Phase I to Phase III clinical trials, registration, and finally bringing the drug to market requires strict regulatory control and heavy investments in R&D technologies, funding, and time. These factors make the biotechnology and pharmaceutical industry highly technology-intensive, with long development cycles and high risks. However, once a product is successfully developed, it is protected by patents, giving it high profitability potential.

The global biotechnology and pharmaceutical industry has been on the rise, driven by continuous technological innovations over recent years. For example, technologies such as mRNA, gene editing, antibody engineering, and CAR-T cell therapy have not only accelerated drug development and time-to-market but have also introduced advanced therapies into clinical applications. These advancements have significantly improved the effectiveness of disease treatment, expanded the scope of treatable diseases, and provided new solutions to unmet medical needs. As a result, they have increased both the success rates and cure rates of disease treatments. According to the 2024 Biotechnology Industry in Taiwan, citing IQVIA's research, the global medicine market is projected to grow at a compound annual growth rate (CAGR) of 5–8% over the next 5 years, reaching approximately US$2.3 trillion in total market size by 2028.

As of the end of July 2024, a total of 211 companies and 533 products in Taiwan's biotechnology industry have passed the eligibility review for biotechnology and pharmaceutical companies and product items under the Act for the Development of Biotech and Pharmaceutical Industry. These companies operate in a wide range of fields, including

biopharmaceuticals, medical devices, and genetic diagnostics. Among them, 84 products have successfully entered both domestic and international markets, demonstrating the rapid development and competitiveness of Taiwan's biotechnology industry on the global stage.

PharmaEssentia is a pharmaceutical company focusing the development of new drugs and manufacturing of biological products and continues to invest in the research of the rare disease, MPN. And we will also extend our PEGylation platform to tumor and immunology fields and expand our research to the field of cell therapy. Following is the industry overview of MPN and tumor diseases:

- Myeloproliferative Neoplasms (MPNs)

  Myeloproliferative neoplasms are categorized into four types: Polycythemia vera (PV), Essential Thrombocythemia (ET), Chronic Myeloid Leukemia (CML), and Primary Myelofibrosis (PMF). Many major pharmaceutical companies have invested in the development of drugs for treating rare hematologic diseases, especially myeloproliferative neoplasms. Multiple of these companies have been granted regulatory approval from the U.S. FDA. Examples include Jakafi® developed jointly by Incyte and Novartis, fedratinib by BMS, and pacritinb by CTIBiopharma.

- Tumor diseases

  Tumor diseases remain one of the major challenges in global health. According to the World Health Organization (WHO), cancer is the second leading cause of death worldwide. In recent years, the focus of tumor treatment has gradually shifted to strengthening the immune system's ability to combat cancer, with the most convincing example being the clinical application of anti-PD-1 monoclonal antibodies. In recent years, many major pharmaceutical companies have started to invest in developing anti-PD-1 or anti-PD-L1 antibodies and tested these antibodies in a number of treatments for solid tumors, which have significantly changed the treatment methods of cancer therapy in recent years. In addition to PD-1 or PD-L1 monoclonal antibodies, some major pharmaceutical companies are also studying how to increase the effectiveness of small molecule drugs for treating cancer or other diseases by improving immune functions through concomitant use of small molecule drugs and interferon. Because the side effects of the previous generations of interferons such as Pegasys® and PegInton® may not be tolerated by some cancer patients and therefore their applicable indications are limited.

  Due to its high tolerability and safety, PharmaEssentia's P1101 can be used in combination with more anti-cancer drugs or anti-PD-1 antibodies, which greatly broadens the applicable scope of P1101 and unleashes the full potential of interferon, overcoming the previous limitations on interferon administration and treatment. First, unlike traditional second-generation interferon which needs to be injected once a week, P1101 is administered once every two weeks and the frequency of administration can be extended to once every four weeks after the patient's condition is stabilized. Next, the dosage of P1101 can be adjusted according to the treatment needs of different patients because of its highly purified effective ingredients, and patients can still have their normal daily lives without the impact of side effects even if the dose is increased to 540ug which is a high dose not possible for traditional second-generation interferon.

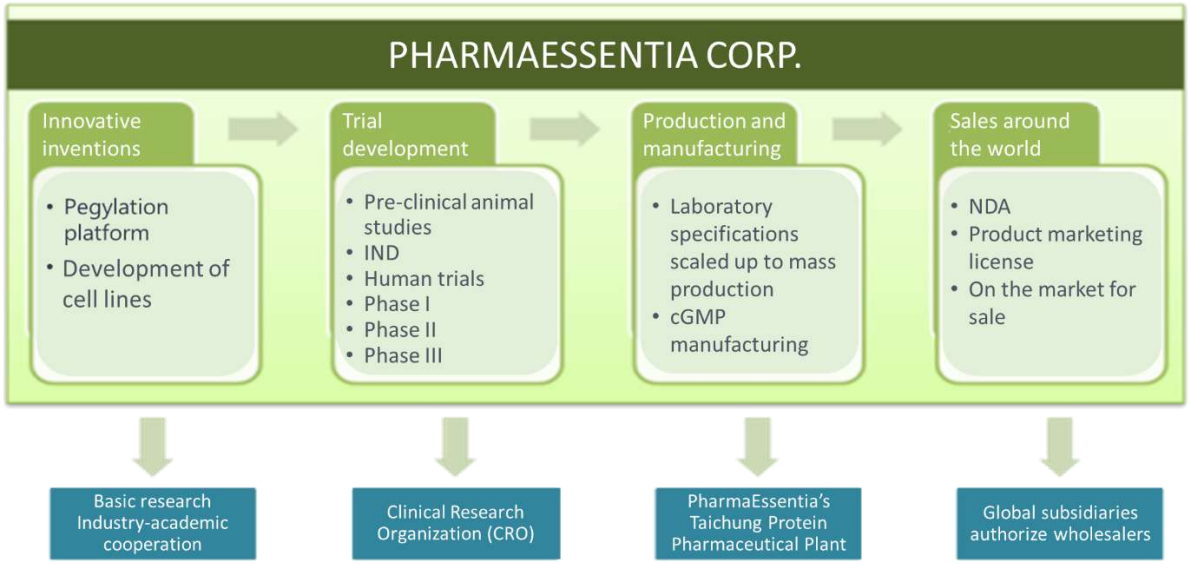
Tumor cell therapies, such as CAR-T cell therapy, have also achieved significant breakthroughs in recent years. These therapies work by genetically editing a patient's immune cells to enable them to specifically identify and destroy cancer cells. CAR-T cell therapy has achieved remarkable results in treating hematologic malignancies, including lymphoma and leukemia, and is expected to be expanded to the treatment of more solid tumors in the future.

B. Planned licensees and areas of sales in the future

In addition to treating PV, PharmaEssentia has developed clinical trials of P1101 for the treatment of other rare hematological diseases, including ET, PMF, Chronic Myeloid Leukemia (CML), and Hepatitis (HBV/HCV). PharmaEssentia's P1101 has been granted regulatory approvals for PV in the European Union, Taiwan, the United States, Japan, and China. Specifically, in the United States and Asia, the drug is sold directly through PharmaEssentia's sales teams established in the United States, Japan, South Korea, China, and Taiwan; For commercial authorization, the European market is mainly managed through licensing agreements with AOP; For the South American markets, a licensing agreement with Pint-Pharma GmbH has been made for sales in Latin America. In Canada, FORUS Therapeutics Inc. is chosen to serve as PharmaEssentia's sales partner, marking the gradual establishment of our presence across the globe.

C. Connections between upstream, midstream, and downstream industries

PharmaEssentia and its subsidiaries primarily engage in the research and development of new drugs, and the connections between the upstream, midstream, and downstream industries involved in the development of new drugs are expressed as follows:



PharmaEssentia and its subsidiaries are biotech and biopharmaceutical companies primarily focused on R&D, with new drug development being its main businesses. We are involved in the entire drug development process from innovation and invention to testing, development, production, and finally, marketing the finished products globally. The safety and efficacy of these drugs on humans must be strictly regulated by government agencies worldwide. Regulatory processes include prelisting reviews and postlisting supervisory mechanisms. Consequently, unlike general industries, the development, production, and

marketing of new drugs by biotech and pharmaceutical industry typically involve the following processes:

i. Basic laboratory research and applied research stage: In this stage, domestic and foreign industrial–academic institutions and research agencies conduct basic laboratory research and applied research to explore the potential of a new drug or treatment.

ii. Technology and leads development stage: In this stage, the pilot plant verifies the commercial feasibility of a laboratory product and drafts the specifications and standards for batch production. The pilot plant also establishes methods for product analysis and equipment cleaning in order to meet statutory requirements.

iii. Preclinical testing stage: In this stage, the drugs produced under current good manufacturing practices undergo nonclinical animal tests—such as pharmacokinetic tests, toxicology tests, and pharmacological tests—to ensure that the drugs are effective in animals and have no safety concerns.

iv. Application to enter human clinical trials: Investigational new drug (IND) applications are submitted to drug and safety authorities to initiate human clinical trials. Clinical trials are typically conducted in three phases. Phase I involves determining the safety of the drug in healthy subjects. In Phase II, the efficacy of the drug is tested and experiments are conducted using possible drug dosages on a small number of patients. Before proceeding to Phase III, a certain level of reproducibility must be achieved. In Phase III, the efficacy of the drug is verified and the long-term responses to the drug use are monitored in a large number of patients. After the Phase III trials, if expected results are obtained, NDA (new drug application) or BLA (biological license application) are submitted to drug and safety authorities for license approval for listing of the new drug.

v. Pharmaceutical manufacturing and registration (factory inspection): After the successful completion of the R&D procedures and after the safety and efficacy of the drug has been demonstrated in humans, the drug is prepared for commercial production. However, before the drug is manufactured and sold commercially, the manufacturing facilities are required to pass inspection by the drug and safety authorities.

D. Development trends of products

P1101 is used to treat MPNs, including PV, ET, and PMF.

PV and ET are rare hematologic diseases characterized by low prevalence and a small patient population. The definition of rare diseases varies across countries. In Taiwan, the term of rare diseases in the Rare Disease and Orphan Drug Act is defined as: A disease with its prevalence rate under one in 10,000 people, along with other criteria such as whether genetic counseling is necessary or beneficial for disease prevention, the difficulty of diagnosing and treatment of the disease, the severity of the disease, and whether the treatment is covered under the existing national health insurance. In the United States, a disease that affects fewer than 200,000 people is defined as a rare disease. The Ministry of Food and Drug Safety (MFDS) of South Korea grants orphan drug license to facilitate the development and review of the treatment drugs for rare diseases, particularly drugs that treat diseases with a prevalence lower than 20,000 persons in South Korea, or those used to treat diseases that no suitable treatment

is currently available in South Korea, or drugs with significantly improved safety or effectiveness compared with existing alternative drugs, etc. The U.S. FDA approved a total of 55 new drugs for market entry in 2023. By disease treatment areas, cancer drugs and rare disease drugs accounted for the highest numbers, with 14 and 13 approvals respectively.

The application of P1101 in the treatment of diseases such as PV and ET has garnered great attention from the patient population. With limited treatment options available for these diseases, the demand for P1101 in global markets is increasing. The following is an overview of the use of P1101 in treating PV and ET:

i. Polycythemia vera (PV)

PharmaEssentia's P1101 for PV has been approved in Taiwan, the European Union, the United States, Japan, South Korea, and China. We will continue to expand the list of countries where the drug is marketed, as planned.

In July 2024, P1101 was approved by the NMPA in China for the treatment of adult PV patients who have responded poorly to HU therapy. According to the Guideline for the Diagnosis and Treatment of PV released this year by the Chinese Society of Clinical Oncology (CSCO), P1101 is recommended as the preferred drug for reducing blood cell counts in all PV patients and is the only blood cell-reducing drug recommended as a Class I treatment by the CSCO for both high- and low-risk PV patients.

ii. Essential thrombocythemia (ET)

ET is a rare hematological disease characterized by the excessive production of platelets by the bone marrow; similar to PV, ET is associated with a mutation in the JAK2 gene. Current treatments for ET typically involve the administration of low-dose aspirin combined with HU treatments; however, approximately 20%–40% of patients become intolerant or resistant to HU. Resistance to treatment increases the risk of disease progression and reduces the survival rate of patients. Anagrelide (Agrylin/Xagrid) was approved by the U.S. FDA as a second-line drug to treat ET in March 1997 and is the current standard treatment drug; however, it is associated with various side effects, including edema and diarrhea, and may cause vasodilation, heart palpitations, and heart failure. Individuals with a history of cardiovascular dysfunction must closely monitor any changes in their condition after taking Anagrelide. Patients with ET are at exceedingly high risks of thrombosis and hemorrhage if they do not receive appropriate treatment.

The results for the primary endpoint from the global Phase III clinical trial (SURPASS ET) evaluating PharmaEssentia's P1101 for the treatment of ET were officially announced in early 2025. The results revealed that P1101 was significantly superior to Anagrelide in the control arm. The primary endpoint showed good therapeutic responses at both month 9 and month 12, indicating that P1101 not only was superior to the existing therapeutic drug Anagrelide in terms of long-term therapeutic effects but also exhibited a better safety profile and tolerability. The clinical data for P1101 in the ET indication is highly significant for PharmaEssentia. We will continue submitting applications for regulatory approval in various markets. Moving forward, we plan to share marketing resources to accelerate access for patient populations who are not controlled by existing treatment regimens.

- Cancer drugs

Development of new cancer drugs has been a hot filed in recent years and many different types of drugs such as immune checkpoint inhibitor and antibody drug complexes (ADCs), novel target therapies, have been launched and created endless possibilities. The US market will remain the fastest growing market around the world, a growth rate of 12%~15%. Below is an overview of anti-PD-1 antibodies for cancer treatment:

i. Immune checkpoint inhibitors, anti-PD-1 antibodies

The function of cancer immunotherapy is to strengthen the activity of autologous immune cells and the autoimmune function will then detect and remove cancer cells that should be eliminated to maintain normal body functions. Of which, the monoclonal antibodies of PD-1/PD-L1 have high efficacy and good safety and has attracted major pharmaceutical companies around the world to invest in key areas of research and development. Immunotherapy focuses on improving efficacy and reducing the side effects of surgeries to enhance the quality of life as well as survival of patients.

The side effects of the long-acting interferon P1101 produced by PharmaEssentia are very mild and temporary. In addition, the range of dosage adjustment of this drug is large, allowing physicians to prescribe the drug for different indications or treat patients based on the severity of their diseases within a more flexible range. Of which, the development of cancer immunotherapy provides a variety of new weapons to cope with diseases and also gradually changes the market of cancer treatment. PharmaEssentia plans to join the group of studying anti- PD-1/ PDL-1 monoclonal antibodies by taking the advantages of production efficiency and quality control of biologics manufacturing with a hope that the immune response in patients can be enhanced to fight against various cancers by including P1101 in the treatment. Moreover, PharmaEssentia also will make a good use of this advantage to expand the scope of P1101 treatment and use the drug for treating the indications such as malignant melanoma, T-cell lymphoma, hairy cell leukemia and liver cancer.

E. Product competitiveness

PharmaEssentia has completed the clinical trial of the new generation long-acting interferon, P1101, for the treatment of PV, and has obtained the license for sale in the United States, European Union, South Korea, Japan, Taiwan, Switzerland, and Israel. Ongoing clinical trials include a Phase III trial for the treatment of ET, an accelerated dosing regimen trial for the treatment of PV, and a single-arm Phase III trial in the United States for the treatment of ET. PharmaEssentia's P1101 is the first interferon approved for treating PV. Compared to traditional interferons, P1101 is longer-acting and has fewer side effects. It overcomes the limitations of traditional interferons in terms of administration and treatment, while expanding the scope of indications and applications for IFN-α. Moreover, unlike traditional second-generation IFN-α, which requires weekly injection, P1101 can be administered once every two weeks and the frequency of administration can be extended to once every four weeks after the patient's condition is stabilized. Thanks to its highly purified active ingredients, the dosage of P1101 can be tailored to meet the varying treatment needs of different patients. Even at a high

dose of 540 μg, which is a high dose not possible for traditional second-generation interferons, patients can maintain their normal daily lives without being impacted by side effects. This makes patients more inclined to adhere to treatment.

In summary, when compared to other drugs in the same class, PharmaEssentia's P1101-PV demonstrates competitive advantages, showing superiority in multiple aspects, including the maximum number of patients expected to be treated for PV, the drug price per person per year, the position as a first-line or second-line drug, and the frequency of administration.

(3) Overview of technologies and R&D

A. Technical level and research and development of business operations

PharmaEssentia and its subsidiaries develop their own technologies. One such technology is the innovative PEGylation technique that allows the coupling of long-acting PEG molecules with proteins. In addition, we have developed a specific linker that can connect specific amino acids. The company's proprietary linker has been used to add proline onto the N-end of interferon-α for coupling. By leveraging the ability of proline to successfully couple PEGs and interferons, we have developed a highly pure (more than 95% being one component) new-generation pegylated interferon drug (PEG-P-IFN-α2b) with an extended duration of action. The development of long-acting drugs allows longer intervals between injections, which alleviates the burden on the patients and reduces the side effects, that is, the new drug, P1101.

P1101 developed by PharmaEssentia and its subsidiaries is a new-generation PEG-interferon that was developed using the Company's proprietary PEGylation platform. By using the platform, we produced single 40K PEG-interferons through multiple levels of patent technology breakthroughs. P1101 offers more advantages and flexibility in its application, fewer side effects, longer-lasting action (one dose every two weeks), and more flexible dose adjustment (up to 540 μg) than other interferons. We compared the differences between the composition of P1101 and those of other interferons through high-performance liquid chromatography (HPLC).

B. R&D Personnel and Their Educational Background

As of the end of March 2025, the educational background distribution of the Company's R&D personnel was as follows:

Education	Number of People	Percentage
PhD	23	21.90%
Master's Degree	78	74.29%
Bachelor's Degree	4	3.81%
Total	105	100%

C. R&D Expenses Invested in the Past 5 Fiscal Years and Up to the Annual Report Publication Date

Unit: NT$ thousands

Item	2020	2021	2022	2023	2024
R&D Expenses	922,380	1,272,776	1,425,964	2,224,054	2,587570
Net Operating Revenue	557,257	656,506	2,882,042	5,105,615	9,734,814
As a Percentage of Net Revenue	165.52%	193.87%	49.48%	43.56%	26.58%

PharmaEssentia and its subsidiaries are dedicated to the development of new drugs in the biotechnology industry. Although some drugs have been launched and have generated revenue since 2019, we have not yet achieved economic scale. Coupled with our continued investments in various research projects, the overall R&D expenses for the period of 2020–2021 exceeded the revenue for those years. It was not until PharmaEssentia was granted regulatory approval for P1101-PV by the U.S. FDA in 2022, as well as approved in other countries, that revenue began to increase significantly year by year, leading to a corresponding reduction in the R&D expenses-to-revenue ratio.

D. Technologies or products successfully developed in the past five years, as stated in the Company's annual report

Category	Product	Indication	R&D achievements
Blood diseases	P1101 Self-developed	Polycythemia vera (PV)	To date, the drug has been approved for treating adult patients with PV in approximately 40 countries around the world, including major new drug markets such as the United States, Japan, China, and the European Union.
		Essential thrombocythemia (ET)	Recruitment for the multi-national, multi-center Phase III clinical trial officially commenced in September 2020. The core study has been successfully completed, and starting in 2025, applications for regulatory approval for ET will be submitted successively in multiple countries, including Taiwan, United States, Japan, South Korea, and Mainland China.
		ECLIPSE - PV	Recruitment for this clinical trial was completed in 2024, exceeding the planned number of participants. PharmaEssentia will evaluate the data results to determine if it will apply to the FDA for a revision of the dosage recommendations on the package insert.
		EXCEED - ET	Recruitment for this clinical trial was completed in 2024, exceeding the planned number of participants. Data from the trial is expected to be available in 2025 and will serve as supporting documentation for the review of the ET regulatory approval application in the United States.
Tumor diseases Skin diseases Growth	Anti-PD1 TCR-T	Solid tumors	PharmaEssentia's Phase I clinical trial of combining P1101 and the PD-1 inhibitor P1801 for patients with advanced solid tumors has been approved by the TFDA. Recruitment is

Category	Product	Indication	R&D achievements
hormone			expected to commence in early 2025.
		Suitable for treating a number of solid tumors	PharmaEssentia, in collaboration with Axis Therapeutics Limited (“Axis”) has applied to the TFDA for IND approval to conduct a Phase I clinical trial of the TCR-T therapy TCRT-ESO-A2-TW for the treatment of patients with advanced solid tumors.
	PEGylated immunocytokine (long-acting PEGylated immunocytokines)	For the treatment of a number of cancers and immune diseases.	The PEGylated immunocytokines selected include IL-2, IFNλ, IFNγ, and IL-15. Multiple activity determination methods are being developed and the efforts will continue to advance.
	Checkpoint antibody (immune checkpoint inhibitors)	For treating a number of solid tumors	The Company expects to explore the new filed of immunotherapy application through investing resources in the development of best-in-class/first-in-class potential new immune checkpoint antibodies to develop new drugs for treating leukemia and solid tumors. These immune checkpoint antibody drugs can be used to treat a wide range of indications, not limited to leukemia or solid tumors, and also include those diseases that have massive and unmet medical needs such as acute myeloid leukemia (AML), myelodysplastic syndromes (MDA), lung cancer, and pancreatic cancer, and each of these diseases has separate market potential worths billions.
	KX01 (Kinase inhibitor) Licensed development	Psoriasis and Actinic Keratosis	In the treatment of psoriasis with KX01, it is necessary to find the best treatment period for psoriasis at the highest dose of the treatment drug. Based on this result, the Company will decide on the plan for the phase III clinical trial. The Phase I clinical trials were completed in 2021, and the report was submitted to the TFDA in January 2022. The TFDA issued a memo dated February 16, 2022, notifying the conclusion of the case. PharmaEssentia also has received the approval letter from the TFDA for registration of new drug for the treatment of actinic keratosis (AK) in September 2022.
Myelofibrosis (MF)	Early / Pre MF	For treating early and prefibrotic myeloid fibrosis (Early/pre-MF)	PharmaEssentia has initiated discussions with the United States FDA regarding the global Phase III clinical trial for the treatment of pre-fibrotic/early primary myelofibrosis (PMF) (HOPE-PMF). The PMDA in Japan has approved this clinical trial.

(4) Short- and long-term development strategies and plans

A. Short-term Development Strategy and Plan

In this regard, aside from continuing to apply for regulatory approval of P1101 for PV in countries around the world, PharmaEssentia and its subsidiaries plan to begin applying for P1101 for its second indication, ET, in multiple countries—including Taiwan, the United States, Japan, South Korea, and Mainland China—following the completion of the core study of the global Phase III clinical trial in 2025. The marketing and sales of P1101 in Taiwan, the United States, Japan, and South Korea are managed entirely by PharmaEssentia's own teams. Moving forward, the company can leverage existing sales resources and channels to rapidly expand the market for the ET indication. In addition, PharmaEssentia has initiated clinical trials of P1101 for other indications, including pre-fibrotic/early primary myelofibrosis, continuing to advance its product portfolio.

B. Mid-to-long-term Development Strategy and Plan

In terms of mid- and long-term development strategies and plans, PharmaEssentia and its subsidiaries will expand the technology platform, in addition to continuing research and development of new PEGylated therapeutic protein drugs, we will expand the use of our chemical synthesis expertise to develop new small-molecule drugs as well as therapeutic protein drugs for cancer immunotherapy.

C. Develop successful product commercialization models and expected schedules

P1101, a product successfully developed by PharmaEssentia, has been approved for the PV indication in the European Union, the United States, Japan, South Korea, and Taiwan. The product is distributed through third-party partners engaged by PharmaEssentia in Europe, South America, and Canada. In other regions, it is sold directly by PharmaEssentia's own teams. Many members on PharmaEssentia's teams have extensive experience working with major pharmaceutical companies, possessing deep knowledge of the new drug market. This enables them to fully stay informed on evolving market demands, the R&D activities of competitors, and changes in laws and regulations. Leveraging this expertise, they develop business strategies of new drugs for PharmaEssentia and its subsidiaries, covering areas such as R&D, clinical trials, and international marketing.

2. Overview of the market and production and sales

(1) Market Analysis

A. Distribution of the Company's main products and services

P1101, for PV treatment, is currently the main product of PharmaEssentia. It is primarily sold in the United States. According to DelveInsight analysis, the United States—the largest market in the world for polycythemia—had a market size of US$1.5 billion in 2022. This market is expected to grow at an average annual compound rate of 14% in 2032, indicating the potential of the United States market for PV treatment.

B. Market Share

PharmaEssentia's P1101 has received regulatory approval in the European Union, United States, Japan, South Korea, and Taiwan. In Europe, a licensing agreement has been established with AOP. For the South American markets, a licensing agreement with Pint-Pharma GmbH has been made for sales in Latin America. For Canada, a licensing agreement has been made with Forus Therapeutics Inc. In the United States, Japan, South Korea, China, and Taiwan, PharmaEssentia and its subsidiaries across different regions sell the product directly to distributors, contracted pharmacies, and medical institutions. These entities are responsible for marketing campaigns and providing services in their respective local markets.

PharmaEssentia adopts flexible marketing strategies tailored to the varying demands and growth trends of different regional markets. By combining two modes—licensed partnerships and in-house teams—we aim to achieve optimal promotional results across different markets. Moving forward, PharmaEssentia will continue to adjust the balance between licensed partnerships and in-house teams to meet the needs and development of regional markets, aiming to effectively expand the global market share of P1101 and further enhance the product's competitiveness.

C. Supply and demand and market growth going forward

PharmaEssentia and its subsidiaries are primarily involved in the development of long-acting biological products and new drugs. Our R&D strategies involve the use of our unique coupling technology to modify existing long-acting biological products. Compared with the small molecule drugs sector, the biological product sector has less competitors due to the higher threshold required for the development of biological products. Furthermore, PharmaEssentia and its subsidiaries fully own their patented technology for synthesis, and the Company also owns pharmaceutical plants that are capable of controlling their own production schedule while manufacturing biological products and new drugs that meet the EU and US regulations. PharmaEssentia mainly develops products including drugs to treat hematological diseases, infectious diseases, and cancer, which are all rapidly expanding market sectors. PharmaEssentia and its subsidiaries expect to establish our presence and secure a share in the European and US markets for biological products and new drugs.

D. Competitive niche

i. A strong R&D team and multiple patents

The R&D teams of PharmaEssentia and its subsidiaries boast years of experience in new

drug R&D. Their achievements are extremely important assets for PharmaEssentia and its subsidiaries. Our continuous efforts in refining patent strategies not only protect these R&D achievements but also ensure the companies' ability to achieve sustainable development. In addition, our teams' in-depth understanding of the latest biotechnology and new drug development trends enables us to precisely identify R&D directions with the greatest market potential. After initial screening through animal testing, we can accurately select the most promising drug candidates for human trials and, ultimately, bring them to market for sale.

ii. Self-production and manufacturing capabilities

PharmaEssentia is the first versatile biotechnology company in Taiwan to engage in new drug R&D, clinical trials, production, manufacturing, and market launches in Europe and America. The establishment of a plant for the development of biological products and new drugs that meets international standards has enabled PharmaEssentia to transfer R&D achievements from laboratory processes to mass production that are in compliance with international standards. This allows the company to strictly control drug quality, ensuring that each batch of products meets high quality standards. Additionally, it provides the company with the advantage of absolute control over costs.

iii. Support from government policies around the world

In addition to focusing on the commercial potential of the pharmaceutical market, PharmaEssentia and its subsidiaries are actively developing drugs for rare diseases, with a particular emphasis on advanced markets such as Europe and the United States. These markets have a growing demand for rare disease and orphan drugs, supported by favorable policies such as tax incentives and R&D grants. To further facilitate the market entry of new drugs, countries in these markets also provide significant policy support for the development of rare disease drugs. For example, the U.S. FDA offers multiple expedited review pathways, including Fast Track, Breakthrough Therapy, Priority Review, and Accelerated Approval. These approaches effectively shorten the time required for drugs to reach the market and provide strong support for PharmaEssentia to compete in the global arena.

iv. Multiple Products in Varied R&D Stages

Apart from their commitment to developing P1101, the most advanced long-acting interferon, PharmaEssentia and its subsidiaries are also actively working on the development of other long-acting protein drugs. Additionally, we have initiated research into new types of immunotherapy for cancer, getting us prepared for the next decade. In addition to conducting in-house R&D, PharmaEssentia is well-equipped to bring in and develop new product technologies. The company will continue to pursue dual strategies—focusing on in-house R&D while partnering with other companies in product development, aiming to enrich our product portfolio and enhance our competitiveness in the market.

E. Future advantages, obstacles, and countermeasures

i. Favorable Factors

(A) Primary products may be applied to the treatment of multiple disorders

(i) For P1101, as a primary product, it can not only be used for the treatment of PV but also be developed for other indications, targeting multiple rare hematological

diseases. PharmaEssentia will adopt the same development model used for P1101 in treating PV to continue expanding its application to other rare hematological diseases.

(ii) Given the high tolerated dose of P1101 in humans, many clinicians have expressed strong interest in exploring its use for treating other malignant tumors and cancers where effective therapies are currently unavailable. Moreover, we are now actively planning physician-initiated clinical trials. These trials will enhance physicians' confidence in P1101, simplify recruitment for human trials, and greatly support its entry to market and marketing promotions in the future.

(B) Possess key technology patents

PharmaEssentia and its subsidiaries are R&D-driven companies that primarily engaged in developing new drugs. Patents are important assets of a company. Possessing key technologies enables the company not only to develop new products but also to license them out, generating additional revenue. In addition, patent protection helps the company avoid infringing on others' intellectual property during the R&D process, thereby reducing the risk of unnecessary delays and disputes. To further strengthen its patent strategy, PharmaEssentia has been actively working to extend the scope of patent protection to more international markets, including key markets such as the United States, Europe, and Asia, ensuring that its technologies are effectively protected by law on a global scale. PharmaEssentia is also actively exploring and applying for patents in emerging fields to safeguard future technological innovations, aiming to strengthen its competitive edge in fiercely competitive markets. Additionally, PharmaEssentia will continue to adjust its strategic patent planning to align with market demands and R&D advancements. The Company is actively seeking partnerships with internationally leading firms to enhance its competitiveness in the global arena.

ii. Obstacles and countermeasures

Obstacles	Countermeasures
Development of protein drugs requires longer time and manufacturing of such drugs is rather difficult	The goal is to develop and improve the long-acting protein drugs currently available on the market by reducing the uncertainty of drug safety and shortening the time required for research and development and investment risks.
The market of biosimilar drugs is becoming more competitive	To develop biosimilar drugs with high technical thresholds and high entry barriers, a rigorous evaluation process should be conducted when selecting R&D products, including technology, market, patents and regulations, so as to ensure that product development can be successfully completed and drug inspection as well as license registration can be approved in the shortest possible time.

(2) Applications and manufacturing processes of main products

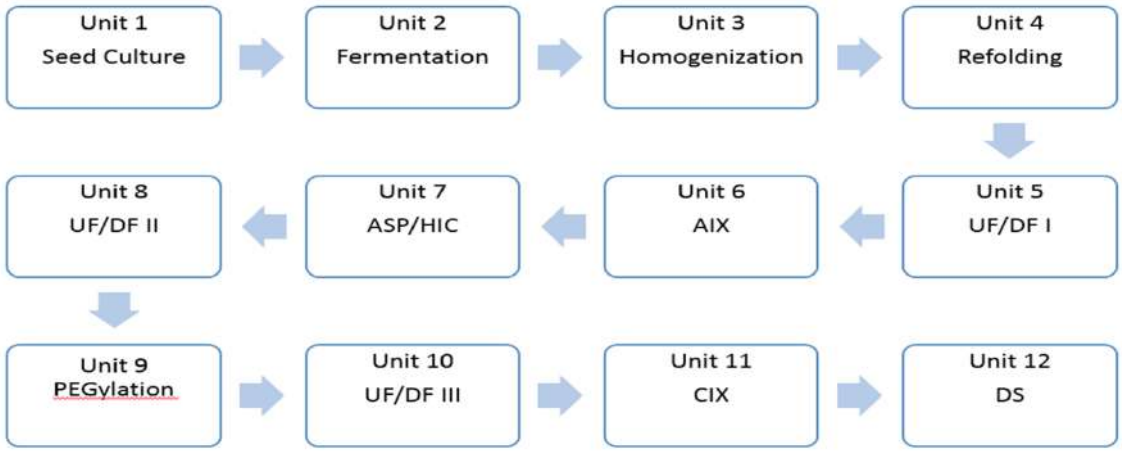
(1) Important applications of main products:

PharmaEssentia and its subsidiaries are companies that specialize in the R&D and manufacturing of new protein drugs by using its self-developed PEG platform for developing long-acting protein drugs and technology for synthesizing small molecule drugs. Our current focus is on developing drugs for the treatment of hematological diseases, infectious diseases, and tumors. In addition to the regulatory approval for the indication of PV that have been granted in the United States, Europe, Japan, Taiwan, and South Korea, we have also initiated

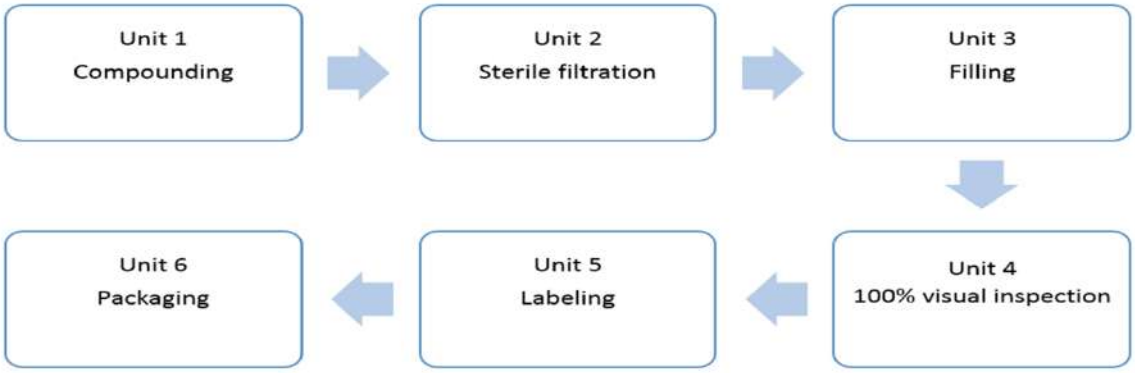
clinical trials for other indications as scheduled to expand product benefits.

(2) Production process of main products:

(2.1) Production Process of API (active pharmaceutical ingredient)



(2.2) Process of Filling Injections



For the Japanese, Taiwan and Korean markets, the Taichung plant produces API and fills injections. As for the US market, the Taichung plant will produce API and then filling of the injections will be completed by retained vendors in the United States. In the European market, the product is sold in the form of pen-type syringes, not injections, and the API is produced by the Taichung plant and then filling of the injections will be completed by retained vendors in Germany.

(3) Supply of primary materials

PharmaEssentia and its subsidiaries are biotech and pharmaceutical companies that emphasize R&D and are dedicated to discovering new drugs and conducting clinical trials. During the drug development process, researchers select the raw materials with the highest quality and purity based on expert judgment from the literature and R&D results. PharmaEssentia and its subsidiaries prioritize the maintenance of the quality of our drugs and ensure that the materials used in each experimental stage are obtained from the same supplier. We avoid replacing suppliers of materials used in the development of new drugs. Consequently, we source our raw materials used in each stage of new drug development from internationally reputed vendors and major vendors have not yet reported any significant abnormalities in production capacity as well as production operations, and relevant vendors all meet the requirements of PIC/S GMP for pharmaceutical production, so as to ensure the quality and stability of the supply chain.

(4) List of main customers

A. The names of customers who have accounted for at least 10% of the total purchase amount in any of the last two fiscal years and the amount and proportion of their purchase

Unit: NT$ thousands

Year	2023				2024				2025Q1			
No.	Name	Amount	% of Annual Net Purchase	Relationship with Issuer	Name	Amount	% of Annual Net Purchase	Relationship with Issuer	Name	Amount	% of Annual Net Purchase	Relationship with Issuer
1	Company X	101,473	32.08	None	Company X	101,730	31.60	None	Company Y	69,867	42.10	None
2	Company Y	66,584	21.05	None	Company Y	96,746	30.05	None	Company X	31,685	19.09	None
3	Company M	35,559	11.24	None	Company Z	68,602	21.31	None	Company Z	15,521	9.35	None
	Other	112,672	35.63		Other	54,870	17.04		Other	48,871	29.46	
	Total Net Purchase	316,288	100		Total Net Purchase	321,948	100		Total Net Purchase	165,994	100	

Explanation for changes: Customers who accounted for at least 10% of the total purchase amount in 2023 and 2024 were primarily engaged in hemophilia drugs.

B. The names of customers who have accounted for at least 10% of the net revenue in any of the last two fiscal years and the amount and proportion of their revenue

Unit: NT$ thousands

Year	2023				2024				2025Q1			
Item	Name	Amount	% of Full Year Net Revenue	Relationship with Issuer	Name	Amount	% of Full Year Net Revenue	Relationship with Issuer	Name	Amount	% of Full Year Net Revenue	Relationship with Issuer
1	Company A	1,050,720	20.58	None	Company A	1,938,223	19.91	None	Company A	591,310	18.15	None
2	Company B	759,633	14.88	None	Company B	1,338,950	13.75	None	Company B	421,106	12.93	None
3	Company C	736,751	14.43	None	Company C	1,086,825	11.16	None	Company C	412,351	12.66	None
4	Company D	647,474	12.68	None	Company D	1,078,048	11.07	None	Company D	348,859	10.71	None
5	Company E	147,711	2.89	None	Company E	1,002,362	10.30	None	Company E	307,612	9.44	None
	Other	1,763,326	34.54		Other	3,290,406	33.81		Other	1,176,068	36.11	
	Total Net Revenue	5,105,615	100.00		Total Net Revenue	9,734,814	100.00		Total Net Revenue	3,257,306	100.00	

Explanation for changes: BESREMi®, as a main product of PharmaEssentia, has to date been approved for the treatment of PV in approximately 40 countries worldwide, including major new drug markets such as the United States, Japan, China, and the European Union. This has contributed to the notable growth of revenue over the past two years. We will continue to pursue regulatory approvals in more countries to further expand our market presence. In addition, PharmaEssentia is conducting a global Phase III clinical trial of BESREMi® for the treatment of ET, as well as clinical trials of P1101 for other indications, such as PMF. With the successive approvals of BESREMi® for new drug authorizations in additional markets and the expansion of its indications, we are well-positioned to effectively diversify our customer base as we move forward.

3. Employee data for the past two fiscal years and up to the annual report publication date

Unit: person; Year

Year		2023	2024	As of March 31, 2025
Number of employees	Managerial level	194	205	209
	Non-managerial employees	366	395	405
	Total	560	600	614
Average age		42.42	43	42.88
Average years of service		4.02	4.49	4.51
Educational background (%)	PhD	13	13	12.70
	Master's Degree	49	49	49.02
	Bachelor's Degree/Associate Degree	36	37	37.30
	Senior high school or below	2	1	0.98

4. Environmental Protection Expenditures

(1) The Company's acquisition of a permit for pollution emissions:

A. Stationary pollution source:

Permit no. for emitting stationary pollution: CTSPESD No. BC061-12 (valid till 2029/10/2)

B. Water pollution prevention:

Permit no. for water pollution prevention: CTSPEWP No. BD017-12 (valid till 2025/12/17)

C. Waste removal and disposal:

Business waste removal plan: Permit for the waste removal and disposal: No. B10110080005 (valid from 2024/1/19~2029/12/16)

D. Handling of toxic chemical substances:

Toxic chemical substance approval documentation: Taichung Environmental Protection Bureau No. 000023 (valid till 2025/3/11, renewal application in progress)

(2) Pollution prevention fees payable:

A. Air pollution control fee

No air pollution control fee was incurred because the raw materials and pollution emitted by the manufacturing activities at the Taichung Plant were below the thresholds (quarterly VOC emissions is fewer than 1 tonne) for charging. Since the fourth quarter of 2022 the Environmental Protection Bureau has required emergency generators (diesel) to be included in the scope of declaration, so air pollution control fees for 2024 are not required.

B. Wastewater treatment fee

The Taichung Plant is located in the Central Taiwan Science. Its water waste is directly discharged into the sewage water system and discharged to the Taichung Park Sewage Treatment Plant. As the water waste was not directly discharged to the surface, there is no concern of water pollution. The expenses incurred for wastewater is shown in the table below.

Year	2020	2021	2022	2023	2024
Amount	NT$134 thousand	NT$123 thousand	NT$184 thousand	NT$210 thousand	NT$152 thousand

C. Soil and Groundwater Pollution Remediation Fees

As the inspection activities of quality control produced heavy metals waste, the Company is required to pay soil pollution fees pursuant to the relevant regulations. However, the Company was exempt from payment for 2024 (the fees were below the NT$200 threshold).

D. Waste Disposal and Recycling Fees

The hazardous industrial waste and general industrial waste produced by the Taichung plant is handled by legitimate waste clearance and disposal organizations, and the compliance audit of environmental protection laws and regulations is arranged irregularly every year to avoid environmental pollution caused by improper disposal. Expenses incurred for waste removal and disposal was summarized as below:

Year	2020	2021	2022	2023	2024
Amount	NT$632 thousand	NT$609 thousand	NT$671 thousand	NT$1,409 thousand	NT$1,282 thousand

(3) Pursuant to Article 28 of the Waste Disposal Act, which states that enterprises shall employ professional technical personnel, the Taichung Plant is part of the manufacturing industry and should submit a waste disposal proposal, and has a registered capital of NT$2 billion or more. Hence, the Taichung Plant is required to employ professional technical personnel, which the Company has ensured.

Institution	Company name	Permit	Approval No.
Vendor responsible for waste clearance	1. How Well Environmental Engineering Co., Ltd.	Waste Clearance Permit	2022 Taichung City Fei-Jia-Qing No. 0131
	2. Skylark Technology Enterprise Co., Ltd.		2019 Taichung City Fei-Qing No. 0074
	3. Nanke Environmental Technology Co., Ltd.		2020 Tainan City Fei- Jia-Qing No. 0006
	4. Shin Shin Environmental Protection Engineering Co., Ltd.		2021 Taichung City Fei-Yi-Qing No. 0060
Vendor responsible for waste disposal	1. Taichung City Incineration Plant	Waste Disposal Permit	-
	2. How Well Environmental Engineering Co., Ltd.		2023 Nantou County Fei-Yi-Chu No. 0009
	3. How-Well Health Care Waste Treatment Co., Ltd.		Fu-Shou-Huan-Fei No. 1080285481
	4. Resource Recycling Facility, Environmental Resource Management Research Center, National Cheng Kung University		Tai-Jiao-Zi (6) No. 1080169607A

(4) List the company's investments in major antipollution facilities, the use purpose of such facilities, and the possible effects to be produced: None, an effective collection system of air pollutants was established in 2023. In 2024, improvements included the installation of a process exhaust collection system through pipelines and air pollution control equipment (condensation facilities) in the PEG zone, as outlined in Item 7.

(5) Describe the processes undertaken by the company for environmental pollution improvements in the most recent 2 fiscal years and up to the publication date of the prospectus. If there have been any pollution disputes, their handling processes should also be described: None.

(6) Describe the loss (including damage compensation paid) suffered by the company because of environmental pollution incidents in the most recent 2 fiscal years and up to the publication date of the prospectus, the total penalty/fine amount, as well as a disclosure of its future preventive policies (including improvement measures) and possible expenses to be incurred (including possible losses if no preventive measures are taken, and the penalties and estimated damage compensation amount; if reasonable estimations cannot be made, please present the facts that explain why not): No losses or penalties were incurred by the Taichung Plant in 2024.

(7) Explain the current pollution conditions and the impact of its improvement to profits, competitive position, and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the upcoming 2 fiscal years:

In accordance with the Air Pollution Control Act, companies shall effectively collect each type of air pollutant and maintain the normal operation of their air pollution control facilities. Therefore, Taichung Plant plans to purchase facilities for air pollutant collection, discharge pipelines (P103, P104, P105, P106) and sampling platforms, which will be included in the existing operating facilities (the Company has obtained the permit for emitting stationary pollution in October 2022). In response to regulations on the emission and emission limits of hazardous air pollutants (including dichloromethane, a raw material for PEG), we plan to collect process exhaust through pipelines in the PEG zone. Polluting exhaust will be treated via a condensation facility (A001) before being released through the original emission pipeline (P101) to comply with laws and regulations. A consulting firm, including certified professional engineers, has been engaged to draft installation and operational application documents.

(8) Workplace and Employee Safety and Protection Measures

Our Taichung branch has established the Work Rules for Labor Safety and Health for employees to regulate safety and management matters. Following are the matters implemented to ensure the health and safety of our Taichung branch.

A. Health and safety management unit and personnel

The Company has established a health and safety management unit in accordance with the Occupational Safety and Health Act. The unit is headed by the supervisor of the Administrative Management Department.

The Administrative Management Department has established an "Environmental Safety Group" that performs tasks related to safety, health, and environmental protection and is composed of a safety and health administrator and designated environmental personnel. The health and safety administrator are appointed as the head of health and safety operations.

B. Facility safety

All production equipment are installed with safety protection facilities. For example, Sterilizers are equipped with emergency stop buttons and natural gas systems have emergency shut-off devices.

Detectors are installed at sites where hydrogen and liquid nitrogen are used to prevent leakage. For dangerous equipment (e.g., Category A pressure vessels), the responsible department periodically commissions service providers to conduct maintenance. Annual inspections are carried out to prevent cracks, ensuring the safety of the pressure vessel body.

Annual/quarterly/monthly/daily automatic inspection is performed as required by law (Category A pressure vessels, power generators, small furnace, centrifuge, and vehicles/cars).

When signing a contract with contractors, the Company requires contractors to comply with the health and safety requirements in its Contractor Management Rules.

C. Environment and health

To create a risk-free work area, localized ventilation facilities are installed in work areas where chemical are used.

Monthly/daily automatic inspection is performed as required by law (activities involving organic solvents and specific chemical substances).

Work environment measurements are performed every 6 months.

Drinking water facilities are maintained monthly by contracted service providers, and quarterly inspections are conducted by certified laboratories to ensure the cleanliness of drinking water for employees.

D. Fire control and safety

The Company has installed a complete fire service system in accordance with the Fire Services Act. The system comprises a fire alarm system, water supply system, evacuation system, and fire extinguishers.

Fire drills are held every 6 months to better equip employees with knowledge on the use of fire control and evacuation systems.

Firefighting equipment is checked regularly to ensure that the equipment is functional whenever required.

Certified organizations or technicians specializing in firefighting equipment are hired every year to check, repair, and provide reports on firefighting equipment.

E. Education and training

New employees must receive general education and training on health and safety.

Existing employees must also receive such general education.

Pursuant to the law, the Company has appointed a supervisor of organic solvent operation, supervisor of specific chemical operation, first aider, Category A pressure vessel operator, boiler operator, and high-pressure gas vessel operator.

F. Employees' right to know

In training new employees, information regarding preventive and precautionary measures for hazardous and dangerous substances is provided to reduce the occurrence of workplace safety incidents.

Safety data sheets (SDSs) are provided at chemical workstations and in storage areas, and employees are taught to interpret their contents.

G. Health examination and health promotion

New employees are required to submit a physical examination sheet.

Every year, employees involved in special operations must receive a health examination.

Every year, all employees must undergo a health examination (in accordance with GMP laws and regulations).

Health promotion activities are held every year (including weight loss, aerobic exercise, ball games, and stress relief talks).

H. Recurrence prevention

Every occupational injury incident is investigated to enforce preventive measures. Workplace incident improvement measures are proposed by the Environmental Safety Group, IT Department, and Production Department within 48 hours of an incident.

Disaster statistics are calculated every month and reported to the Central Taiwan Science Park.

I. Group insurance

The Company purchases group insurance for all its employees so they can receive reasonable labor or group insurance claims and take time off without worrying when they sustain occupational injury.

J. Healthy workplace certification

The Company is committed to safety, health, and environmental management. In addition to caring for the safety of employees at work, the Company is concerned about their physical health status. The Company received the Badge of Accredited Healthy Workplace for its efforts in health promotion.

5. Labor Relations

(1) List all employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees:

A. Employee benefits

i. Labor insurance: In accordance with the Labor Insurance Act.

ii. National health insurance: In accordance with the National Health Insurance Act.

iii. Group insurance: All employees are eligible to life insurance, liability insurance, and medical insurance, which cover hospitalization and cancer treatments. All policies are fully covered by the Company.

iv. Employee bonus: Any earnings concluded in a fiscal year shall be first used to pay the statutory taxes and make up for losses of previous years, and the distribution ratio of employee bonuses for the year shall be proposed and approved by the Board of Directors, after which it shall be presented at the shareholder meeting for ratification.

v. Employee stock options: The Company invites professionals to join and be a part of the Company's work team and retains outstanding employees who demonstrate development potential. The Company cares for its employees and helps them to improve their quality of life, ensuring they are motivated to create benefits for the Company and shareholders. Following approval by the Board of Directors, employee stock options are issued in accordance with the Procedures for Employee Stock Option Issuance and Subscription.

vi. Year-end bonus/recreational activities: The Company regularly organizes employee trips, provides holiday bonuses, and hosts family day events. The Company has an Employee Welfare Committee in place that plans, promotes, and implements employee benefits, which include aspects in relation to weddings, funerals, birthdays, celebrations, employee trips, holiday bonuses, and occasional department gatherings. Committee members are elected in accordance with the law by employees through a voting process.

B. Continuing education and training

i. New employees: On the first day of work, employees are given an orientation tour around the workplace during which personnel rules, the Company profile, work rules, and supervisors and colleagues are introduced to them.

ii. Continuing Education Rules for Existing Employees: All full-time employees are encouraged to participate in on-the-job education and training courses to promote lifelong learning, impart professional knowledge and skills, and improve their humanistic qualities, thereby enhancing employees' service quality, literacy, and job performance.

C. Retirement systems and their implementation status

Pursuant to the Labor Standards Act, the Company has established the Employee Retirement Rules, which state that for employees who opt for the old pension system, the Company shall make monthly contributions equal to 2% of each employee's monthly salary to their 7 pension account with the Bank of Taiwan set up in the name of the labor pension reserve supervision committee. As of July 1, 2005 following the implementation of the Labor Pension Act (hereinafter referred to as the "new pension system"), a defined contribution plan shall apply to the years of service for employees who were originally applicable to the Rules and opted

for the new pension system or employees who report for duty after the implementation of the new pension system. Accordingly, the Company shall make monthly contributions equal to 6% of each employee's monthly salary to their individual pension account at the Bureau of Labor Insurance.

D. Status of agreements between labor and management and all measures aimed at preserving the rights and interests of employees

The Company adopts communication, incentive, and education mechanisms to fulfill employee needs in a timely manner, which helps to forge a positive relationship in which employees and the Company share and work together toward common goals and interests. Subsequently, employees' loyalty to the Company and job satisfaction are enhanced, increasing their willingness to commit to the Company and contribute more to creating value for it. The Company maintains uninterrupted communication and harmonious relations with its employees. therefore, no major labor disputes have occurred as of late.

(2) Losses suffered by the Company due to labor disputes in the past 2 fiscal years and up to the annual report publication date

The Company did not suffer any losses because labor disputes in the past 2 years and up to the publication date of the annual report.

6. Information Security Management

(1) Information security management strategy and structure

In order to effectively promote information security, the Company has set up an Information Security Management Team (hereinafter referred to as the Information Security Team), which is responsible for the promotion, governance and supervision of information security.

The Company's Information Security Management Team is convened by a senior executive designated by the CEO or the general manager. The members of the information security team include the General Management Office - Information Director, CEO Office - Biostatistics Director, General Management Office - Intellectual Finance Legal Director, and Sustainable Development Center Supervisors, Corporate Governance Supervisors, QA/QC/PROD/Engineering Supervisors, Human Resources Supervisors of the General Management Office, etc., and the internal auditors will join the meetings if needed. In addition, the convener may designate any other appropriate supervisor to serve as a committee member according to actual needs.

In addition, the Information Security Management Team of the Company has the following Promotion Teams, which are assigned by the convener and are responsible for the coordination, planning and execution of assigned tasks.

A. Personal data protection and business secret management promotion team: responsible for establishing a personal data protection system, implementing and supervising personal data protection, and coordinating the management of the Company’s business secrets. It covered the Company's internal employees, external suppliers, clinical data from CRO and PANCO, etc.
B. Information system security maintenance team: responsible for the planning and implementation of information system security management.
C. Auditing Department: responsible for the audit of information security related operations.

(2) Information Security Policy and Regulations

In accordance with the revision of the Regulations Governing Establishment of Internal Control Systems by Public Companies and the Guidelines for the Information Safety Management and Control for OTC Listed Companies, the Company continues to promote information security policies and regulations. The scope includes establishing an information security promotion organization, formulating information security policies and procedures, conducting personnel training, identifying important core businesses, inventorying and developing information security systems, conducting information security risk assessments, implementing information security protection and control measures, information security event response and reporting, and continuous improvement of information security management. The company has allocated adequate resources and assigned appropriate personnel as the information security supervisor for promoting, coordinating, supervising and reviewing information security management matters, with a view to establishing appropriate information security management mechanism.

(3) Management approaches

The management approaches for 2024 are as follow:

A. Fine-tune the Data Loss Prevention (DLP) policy and prevent unauthorized data breaches and risks by monitoring, controlling, and protecting sensitive data.

B. Continue to implement deep learning capabilities in endpoint detection and response (EDR) to protect endpoint devices.

C. Manage access to sensitive files, implement permission controls, and retain logs to protect endpoint files.

D. Continuously optimize the network architecture and access services to achieve zero trust security goals.

E. Provide remote backup mechanisms for critical systems to enhance data security and system availability.

F. Periodically patch high-risk vulnerabilities and conduct annual information security social engineering drills.

(4) Allocated resources for information security

- Policies: Formulate information security policies.
- Trainings: All new employees have completed the training courses on information security and social engineering.
- Laws and regulations: ISO 27001:2022 certification for information security was obtained in July 2024.
- Insurance: Information security insurance has been purchased to enhance risk tolerance.

(5) As of date, no major information security incidents have occurred.

7. Material Contracts

Contract type	Party(ies)	Contract period	Content	Restrictions
Licensing agreement	AOP Orphan Pharmaceuticals GmbH (previously known as AOP Orphan Pharmaceuticals AG)	2009/9/1~2039/8/31	Said company is contracted to conduct clinical trials of P1101 for the treatment of PV, ET, and idiopathic myelofibrosis (IMF) in Europe, the post-Soviet states, and the Middle East. The company is granted the right to sell the drug in these regions.	In compliance with the provisions of the agreement
Expenditure on new drug licensing fees	MM	December 8, 2011~the patent expiration date	Exclusive rights are granted for the dermatological new drug, KX01/KX02, in markets such as Taiwan, Singapore, Malaysia, China, Hong Kong, Macau, Japan, and South Korea.	In compliance with the provisions of the agreement
Expenditure on new drug licensing fees	MM	December 16, 2013~the patent expiration date	Exclusive rights are granted for the new oral cancer treatment drugs, Oraxol and Oratecan, in Taiwan, Singapore, and Vietnam.	In compliance with the provisions of the agreement
Clinical research	AA	2010/12/7~end of research	Said company is retained for Phase I and Phase II clinical trials of P1101 for chronic hepatitis B, Phase II clinical trials of P1101 for hepatitis C virus genotype 1, Phase III clinical trials of P1101 for hepatitis C virus genotype 2.	In compliance with the provisions of the agreement
Clinical research	BB	2020/3/15~trials completed	Said company was retained for Phase III clinical trials of P1101 for hepatitis C virus genotype 2 in China.	In compliance with the provisions of the agreement
Clinical research	CC	2020/8/14~trials completed	Said company is contracted to conduct the clinical trial of P1101 for the treatment of ET in the United States, Taiwan, and Hong Kong.	In compliance with the provisions of the agreement
Clinical research	EE	2020/9/29~trials completed	Said company is contracted to conduct the clinical trial of P1101 for the treatment of ET in Japan, South Korea, and China.	In compliance with the provisions of the agreement
Commissioned manufacturing	DD	2021/2/17~services completed	Original equipment manufacturer (OEM) of pharmaceuticals in Germany was retained for filling	In compliance with the provisions of the agreement
Joint venture agreement	FF	Effective on 2014/01/20	The main purpose of joint venture is to help with the application for clinical trials, conducting clinical trials, applying for drug license and marketing of P1101 after	In compliance with the provisions of the agreement

Contract type	Party(ies)	Contract period	Content	Restrictions
			receiving drug approval in China	
Land bid	Taoyuan City Government	2022/9/19–title transfer completed	In response to future market need and production capacity expansion, the company purchase the land to build injection filling plants and warehousing and logistics centers	In compliance with the provisions of the agreement
Clinical research	GG	2023/5/19~trials completed	Said company is contracted to conduct the clinical trials of P1101 for the treatments of PV and ET.	In compliance with the provisions of the agreement
Engaging others to build on rented land	HH	Effective on 2023/03/15 and valid through the construction is completed and the warranty is ended	New construction of the Zhubei plant, planning of additional production lines and expansion of new plants	In compliance with the provisions of the agreement
Licensing agreement	Q	Effective on 2023/06/02 and valid through 10 years after the license for the first indication in Brazil is issued	Said company is retained for license application and commercial sales of P1101 in central and south America including Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, and Peru	In compliance with the provisions of the agreement
Expenditure on new drug licensing fees	II	September 30, 2023~the patent expiration date	Exclusive global rights are granted for the research, development, production, and sales of the candidate antibody sequence for a myeloid immune checkpoint.	In compliance with the provisions of the agreement
Clinical research	JJ	2024/10/24~trials completed	Said company is contracted to conduct clinical trial research on pre-fibrosis/early primary myelofibrosis.	In compliance with the provisions of the agreement
Licensing agreement	FF	Effective from August 30, 2024. The agreement term is determined based on whichever occurs later: (1) 10 years from the date of the licensed product's first sale in Canada, or (2) the expiration date of the product's related patent or data protection period. Upon expiration, the agreement may automatically renew every three years.	Said company is authorized to apply for license approval and commercialize P1101 in Canada.	In compliance with the provisions of the agreement

V. Financial Status, Operating Results, and Risk Management

1. Financial Status

(1) Consolidated - IFRS

Unit: NT$ thousands; %

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	22,896,158	25,417,485	2,521,327	11.01
Property, plant, and equipment	1,780,670	2,712,674	932,004	52.34
Intangible Assets	267,911	272,721	4,810	1.80
Other Assets	2,324,578	2,658,753	334,175	14.38
Total Assets	27,269,317	31,061,633	3,792,316	13.91
Current Liabilities	2,152,093	2,557,232	405,139	18.83
Non-current Liabilities	1,169,074	1,035,557	(133,517)	(11.42)
Total Liabilities	3,321,167	3,592,789	271,622	8.18
Capital Stock	3,402,639	3,417,914	15,275	0.45
Additional Paid-in Capital	24,092,179	23,546,569	(545,610)	(2.26)
Retained Earnings (Accumulated Deficit)	(631,187)	2,973,582	3,604,769	(571.11)
Total Equity	23,948,150	27,468,844	3,520,694	14.70

Significant changes: (Changes in amount of 10% or more and representing at least 1% of the total assets for the fiscal year)

1. The increase in current assets and total assets in 2024 was mainly driven by the significant revenue growth during the year, resulting in higher cash and accounts receivables.
2. The increase in property, plant, and equipment was mainly due to the construction plan for the expansion of the Zhubei plant.
3. The increase in other assets was mainly due to new reinvestments and the recognition of deferred tax assets for the period.
4. The increase in current liabilities in 2024 was mainly due to the rise in revenue, which led to a corresponding increase in refund liabilities.
5. The increase in retained earnings and equity was mainly due to record-high revenue in 2024, which generated operating income.

(2) Parent Company Only - IFRS

Unit: NT$ thousands; %

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	16,462,522	15,428,723	(1,033,799)	(6.28)
Investment Accounted for Using the Equity Method	6,419,839	9,282,442	2,862,603	44.59
Property, plant, and equipment	1,615,902	2,526,496	910,594	56.35
Intangible Assets	242,011	227,850	(14,161)	(5.85)
Other Assets	1,347,385	2,157,986	810,601	60.16
Total Assets	26,087,659	29,623,497	3,535,838	13.55
Current Liabilities	1,284,378	1,416,073	131,695	10.25
Non-current Liabilities	855,131	738,580	(116,551)	(13.63)
Total Liabilities	2,139,509	2,154,653	15,144	0.71
Capital Stock	3,402,639	3,417,914	15,275	0.45
Additional Paid-in Capital	24,092,179	23,546,569	(545,610)	(2.26)
Retained Earnings (Accumulated Deficit)	(631,187)	2,973,582	3,604,769	(571.11)
Total Equity	23,948,150	27,468,844	3,520,694	14.70

Significant changes: (Changes in amount of 10% or more and representing at least 1% of the total assets for the fiscal year)

1. The increase in investments accounted for using the equity method was mainly due to a capital increase in subsidiaries.
2. The increase in property, plant, and equipment was mainly due to the construction plan for the expansion of the Zhubei plant.
3. The increase in other assets was mainly due to new financial investments and the recognition of deferred tax assets for the period.
4. The increase in total assets in 2024 was mainly driven by the Investment Accounted for Using the Equity Method and the recognition of deferred tax assets.
5. The increase in current liabilities was mainly due to an increase in other payables.
6. The increase in retained earnings and equity was mainly due to record-high revenue in 2024, which generated operating income.

2. Financial Performance

(1) Analysis of Operating Results in Consolidated Financial Statement – IFRS

Unit: NT$ thousands; %

Item \ Year	2023	2024	Increase/Decrease	
			Amount	Variation %
Operating revenues	5,105,615	9,734,814	4,629,199	90.67
Net Operating Revenue	5,105,615	9,734,814	4,629,199	90.67
Operating costs	(610,544)	(1,177,225)	(566,681)	92.82
Gross profit from operations	4,495,071	8,557,589	4,062,518	90.38
Operating expenses	(6,408,465)	(6,821,512)	(413,047)	6.45
Income from Operations	(1,913,394)	1,736,077	3,649,471	(190.73)
Non-operating Income and Expenses	926,460	1,258,575	332,115	35.85
Net (loss) profit before tax	(986,934)	2,994,652	3,981,586	(403.43)
Income Tax Expenses (Income)	363,099	(29,149)	(392,248)	(108.03)
Other Comprehensive Income for the Period	119,374	297,086	177,712	148.87
Total Comprehensive Income for the Period	(504,461)	3,262,589	3,767,050	(746.75)

Significant changes: (Changes in amount of 10% or more and representing at least 1% of the total assets for the fiscal year)

1. The increases in revenue, operating costs, gross profit, income from operations, and net profit before tax were mainly driven by a rise in the number of patients taking medicines in markets worldwide. The continuous expansion of operations also contributed to these increases. As revenue and gross profit grew, income from operations, net profit before tax, and comprehensive income for the period increased accordingly.
2. The increase in non-operating income in 2024 was due to higher interest income during the year.
3. The increase in income tax expense in 2024 was due to higher net profit before tax during the year.

(2) Analysis of Operating Results in the Parent-only Financial Statement – IFRS

Unit: NT$ thousands; %

Item \ Year	2023	2024	Increase/Decrease	
			Amount	Variation %
Operating revenues	1,545,209	3,501,966	1,956,757	126.63
Net Operating Revenue	1,545,209	3,501,966	1,956,757	126.63
Operating costs	(416,312)	(755,605)	(339,293)	81.50
Gross Profit	1,128,897	2,746,361	1,617,464	143.28
Operating expenses	(2,758,584)	(3,093,194)	(334,610)	12.13
Income from Operations	(1,480,783)	(212,636)	1,268,147	(85.64)
Non-operating Income and Expenses	862,893	2,537,799	1,674,906	194.10
Net profit (loss) before tax	(617,890)	2,325,163	2,943,053	(476.31)
Income Tax Expenses (Income)	(5,945)	640,340	646,285	(10,871.07)
Other Comprehensive Income for the Period	119,374	297,086	177,712	148.87
Total Comprehensive Income for the Period	(504,461)	3,262,589	3,767,050	(746.75)

Significant changes: (Changes in amount of 10% or more and representing at least 1% of the total assets for the fiscal year)

1. The increase in revenue, cost, and gross profit in 2024 was mainly driven by the growth in revenue generated from global sales.
2. The increase in operating expenses in 2024 was mainly due to continued investment in research and development.
3. The reduction in operating losses in 2024 was mainly due to the significant increase in revenue, coupled with control of operating expenses.
4. The increase in non-operating income, net profit before tax, and comprehensive income for the period was mainly driven by higher investment income recognized in subsidiaries, as the global sales market expanded year by year with improved penetration rates among patients using our medicines.
5. The increase in income tax expense in 2024 resulted from the rise in net profit before tax during the year.

(3) Expected sales volume and its basis, the possible impact on the company's future financial business and the response plan

The estimation of a new drug's expected revenue involves several assumptions, including the estimated number of patients, the number of syringes required for treatment, and the drug prices in the areas where the drug is to be sold. The estimation of the number of patients is based on various factors, including the population growth rate according to published official statistics, disease prevalence rate according to the statistics reported by professional hematological disease research institutions, diagnostic rate or cure rate according to the statistics compiled by professional cancer research institutions, and the conservative market share (market penetration rate) estimated by international market research agencies commissioned by PharmaEssentia. The number of syringes required for treatment is estimated on the basis of the administration rate or medical compliance of patients in a country. The drug prices in the areas where the drug is to be sold are estimated by referencing the price range of similar drugs in the market and the drug pricing models and annual drug price variation patterns of the areas in question.

The markets and distribution channels for P1101 are planned based on its indications. P1101, primarily designed to treat rare hematological diseases, is mainly marketed in advanced countries, such as those in Europe and Northern America. The reason for targeting these regions for marketing is because the United States is the largest consumer of new drugs and solely accounts for the consumption of 42% of new drugs worldwide. Moreover, the United States, in combination with advanced countries in Europe, accounts for the consumption of 80% of new drugs in the market. Compared with other countries, European and Northern American countries exhibit greater willingness to adopt expensive new drugs. Moreover, these advanced countries offer attention and benefits to orphan drugs, thereby allowing P1101 of PharmaEssentia to enjoy a strategic advantage in sales. In Asia, Japan's market accounts for nearly 20% of the global new drug market. Given the massive business opportunities presented by orphan drugs, we are striving to expand the clinical trials and sales of P1101 for the treatment of PV and ET in Japan and South Korea, in addition to the European and U.S. markets.

3. Cash Flow

(1) Analysis of Cash Flow Changes During the Most Recent Year

A. Consolidated Financial Statement

Unit: NT$ thousands; %

Item \ Year	2023	2024	Amount of change	Percentage of change (%)
Operating Activities	(709,513)	2,546,905	3,256,418	(458.97)
Investment Activities	(486,653)	(1,334,900)	(848,247)	174.30
Financing Activities	10,454,426	(185,213)	(10,639,639)	(101.77)

Analysis of changes:

1. The increase in cash inflows from operating activities in 2024 was mainly driven by the net profit after tax for the year.
2. The increase in cash outflows from investment activities in 2024 was mainly due to new financial investments and the construction plan for the expansion of the Zhubei plant during the year.
3. The increase in cash outflows from financing activities was primarily due to the issuance of common stock through a follow-on offering and participation in the issuance of global depositary receipts in 2023, with no similar transactions occurring in 2024.

B. Parent-Only Financial Statement

Unit: NT$ thousands; %

Item \ Year	2023	2024	Amount of change	Percentage of change (%)
Operating Activities	1,669,858	505,809	(1,164,049)	(69.71)
Investment Activities	(8,766,188)	(1,999,558)	6,766,630	(77.19)
Financing Activities	11,512,169	(82,083)	(11,594,252)	(100.71)

Analysis of changes:

1. The decrease in cash inflows from operating activities in 2024 was mainly due to an increase in accounts receivable, which resulted from higher revenue during the year.
2. The increase in cash outflows from investment activities in 2024 was mainly due to higher capital injections into subsidiaries compared to the previous period, new reinvestments, and the construction plan for the expansion of the Zhubei plant during the year.
3. The increase in cash outflows from financing activities was mainly due to the issuance of common stock for a follow-on offering in 2023, participation in the issuance of global depositary receipts, and the buyback of treasury stock.

(2) Cash liquidity analysis and liquidity improvement plan for the coming year (2025)

Unit: NT$ thousands

Cash - beginning balance (1)	Projected cash inflow for the year (2)	Projected cash outflow for the year (3)	Projected cash surplus (deficit) amount (1)+(2)-(3)	Remedies for projected case deficit	
				Investment plan	Financing plan
21,051,091	4,256,285	5,099,490	20,007,886	-	-

1. Analysis of cash liquidity for the coming year
   (1) Net inflows from operating activities: Mainly expected to result from revenue growth and profits generated.
   (2) Net outflows from investment activities: Expected to increase due to the acquisition of property, plant, and equipment.
   (3) Net inflows from financing activities: Mainly expected to result from the distribution of cash dividends.
2. Expected remedies for cash shortages and liquidity analysis: N/A.
3. The future cash liquidity analysis is based on the company management's best estimates, considering current planning and the most likely future scenarios. However, it should be noted that planned events and the economic environment may not unfold exactly as projected, and actual results may differ from these projections.

4. Impact of Major Capital Expenditures on Financial Operations During the Most Recent Fiscal Year

None.

5. Reinvestment Policy in the Most Recent Fiscal Year, Main Reasons for Profits/Losses, Improvement Plan, and Investment Plans for the Coming Year

(1) PharmaEssentia's Reinvestment Policy

Re-investments made by PharmaEssentia take into consideration factors such as clinical promotion, drug marketing, and market deployment, among others, and are handled by respective departments in accordance with the internal control system after they are submitted to the Board, where they are discussed and approved.

(2) Main Reasons for Profits or Losses from Reinvestments in the Most Recent Fiscal Year

A. PharmaEssentia Biotechnology (Beijing) Co., Ltd.

To expand its market share in Mainland China, PharmaEssentia established a wholly-owned subsidiary, PharmaEssentia (Hong Kong) Co., Ltd., in October 2013 to manage related patents of PharmaEssentia. To date, the subsidiary has only completed the incorporation process. PharmaEssentia has not yet issued shares. Additionally, to conduct human clinical trials for new products in Mainland China, PharmaEssentia established PharmaEssentia Asia (Hong Kong) Limited, a wholly owned subsidiary, in February 2014. PharmaEssentia Asia (Hong Kong) Limited served as the parent company for a sub-subsidiary, PharmaEssentia Biotechnology (Beijing) Co., Ltd., which was established in December 2014. In the 2024 fiscal year, PharmaEssentia invested in PharmaEssentia Biotechnology (Beijing) Co., Ltd. through PharmaEssentia Asia (Hong Kong) Limited and incurred an investment loss of NT$65,971 thousand, as reported under the equity method. The company holds regular management meetings to review sales revenue and related expenses, aiming to continuously

improve its financial and operational performance and enhance operational efficiency. With steady business growth, the company expects to begin generating profits.

B. PharmaEssentia Japan KK

To expand its market share in Japan, facilitate subsequent drug R&D, and manage licensing approvals in Japan, PharmaEssentia established a subsidiary, PharmaEssentia Japan KK, in Tokyo, Japan, in February 2017. In the 2024 fiscal year, PharmaEssentia incurred an investment loss of NT$436,882 thousand for PharmaEssentia Japan KK, as reported under the equity method. The company holds regular management meetings to review sales revenue and related expenses, aiming to continuously improve its financial and operational performance and enhance operational efficiency. With steady business growth, the company expects to begin generating profits.

C. PharmaEssentia USA Corporation

To expand its market share in the United States, PharmaEssentia established a subsidiary, PharmaEssentia USA LLC, in Massachusetts, United States, in June 2017. This subsidiary was later renamed PharmaEssentia USA Corporation. In the 2024 fiscal year, PharmaEssentia recorded an investment gain of NT$2,045,393 thousand for this subsidiary, as reported under the equity method.

D. PharmaEssentia Korea Corporation

To expand its market share in South Korea, conduct clinical trials, apply for licensing approvals, and plan future marketing strategies, PharmaEssentia established a subsidiary, PharmaEssentia Korea Corporation, in Seoul, South Korea, in May 2020. In the 2024 fiscal year, PharmaEssentia incurred an investment loss of NT$55,466 thousand for this subsidiary, as reported under the equity method. The company holds regular management meetings to review sales revenue and related expenses, aiming to continuously improve its financial and operational performance and enhance operational efficiency. With steady business growth, the company expects to begin generating profits.

E. Panco Healthcare Co., Ltd.

To manage sales after the commercialization of new drugs in Taiwan and expedite the integration of its warehouse and logistics systems, PharmaEssentia acquired Panco Healthcare Co., Ltd. in May 2020 for a cash consideration of NT$102,500 thousand. In the 2024 fiscal year, PharmaEssentia incurred an investment gain of NT$17,360 for this subsidiary, as reported under the equity method.

F. PharmaEssentia Singapore Pte Ltd.

To meet its operational planning requirements, PharmaEssentia established a subsidiary, PharmaEssentia Singapore Pte Ltd., in Singapore in September 2021. In the 2024 fiscal year, PharmaEssentia incurred an investment loss of NT$10,525 thousand for this subsidiary, as reported under the equity method. The company holds regular management meetings to review sales revenue and related expenses, aiming to continuously improve its financial and operational performance and enhance operational efficiency. With steady business growth, the company expects to begin generating profits.

G. PharmaEssentia Innovation Research Center, Inc.

To meet its operational planning requirements, PharmaEssentia established a subsidiary, PharmaEssentia Innovation Research Center, Inc., in the United States in December 2022. In the 2024 fiscal year, PharmaEssentia incurred an investment gain of NT$24,591 thousand for this subsidiary, as reported under the equity method.

(3) Investment Plans for the Coming Year

PharmaEssentia will continue its investment in PharmaEssentia Japan KK to secure a strong foothold in the Japanese market ahead of competitors and support the generation of stable cash flow.

6. Risk Management

(1) Impact of Recent Interest Rates, Exchange Rate Fluctuations, and Inflation on the Company's Profit and Loss and Future Response Measures

A. Impact of changes in interest rates on the company's profit and loss and future response measures

In 2014, the Company purchased its Nangang office by taking out a collateral loan of approximately NT$116,000 thousand from a bank. The non-operating consolidated interest expenses for 2022, 2023, and 2024 were NT$1,768 thousand, NT$34,555 thousand, and NT$2,206 thousand, respectively. Overall, changes in interest rates have not had a material impact on the Company. The Company remains an active participant in forging and maintaining a strong relationship with its bank, which will guarantee favorable interest rates and efficient fund acquisition in the future should the Company need to apply for loans.

B. Impact of exchange rate fluctuations on the company's profit and loss and future response measures

Given the Company's operating activities denominated in foreign currencies, expenses related to conducting clinical trials abroad could be subject to impacts from exchange rate fluctuations. The Company's non-operating consolidated foreign exchange gains (losses) for 2022, 2023, and 2024 were NT$122,360 thousand NT$375,696 thousand, and NT$376,378 thousand, respectively. To mitigate the impact of exchange rate fluctuations in the future, the Company will continuously collect exchange rate information, monitor trends and changes in major international currencies, and maintain close communication with banks to stay updated on more extensive information on foreign exchange market developments and get favorable exchange rate quotes.

C. Impact of inflation on the company's profit and loss and future response measures

Inflation does not impact the Company's technologies and expenses required for the R&D of new drugs as well as new pharmaceutical products that are still being developed. Therefore, inflation has not imposed direct and material impacts on the Company's previous profits and losses. The Company will remain vigilant for market price variations and maintain a positive interactive relationship with its suppliers and clients. The Company will also take appropriate actions in response to reduce impacts on its profits and losses.

(2) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions, the main reasons for the profits/losses generated thereby, and response measures to be taken in the future.

A. High-risk investments and highly leveraged investments: None.

B. Loans to other parties, endorsements, and guarantees: The Company has formulated the "Procedures for Lending Funds to Other Parties" and "Procedures for Endorsement and Guarantee," which it follows when lending funds to other parties and providing endorsement and guarantees.

C. Derivatives transactions: None.

(3) R&D work to be conducted in the future, and further expenditures expected for such work:

Period	R&D Plans
Short-to-Mid Term	• Clinical trials of P1101 in other indications. • Completed the Phase III global clinical trial of P1101 for the treatment of ET in multiple countries, including the United States, Taiwan, Japan, South Korea, and China; plan to begin applying for regulatory approvals in these countries.
Mid-to-Long Term	• Continue to develop new protein drugs based on the PEGylation platform. • Develop new BiC/FiC protein drugs for cancer immunotherapy. • Continue to develop cell therapy and new indications. • Continue to cooperate with industry experts to develop next generation innovative drugs using AI and the biological platforms.

The Company's total research and development expenses in 2024 was approximately NT$2.6 billion. The research and development expenses of each plan will be adjusted year by year according to the actual progress and the targeted goals.

(4) Effect of important policies adopted and changes in the legal environment at home and abroad on the company's financial operations and measures to be taken in response.

Amendments to policies and laws did not have any material impact on the Company in the most recent fiscal years and up to the publication date of the Annual Report.

(5) Impact of changes in technology and industry on the company's finances and future response measures

The Company specializes in new protein drugs. Its latest development was a new generation long-acting interferon drug called P1101. Interferons can be used to treat Myeloproliferative Neoplasms, chronic hepatitis, skin cancer, and T cell lymphoma among other indications. This new drug has unlimited market potential. The Company's R&D team regularly adjusts its development strategies according to industry R&D trends and discusses possible factors that influence the Company's resource allocation. The team takes immediate actions in response to any progress in biotechnologies that may impact the entire biotech industry and the Company. Hence, recent developments in technology as well as industrial changes have not exerted any immediate material impacts on the Company's operations.

(6) Effect of changes in corporate image on crisis management and measures to be taken in response.

The Company upholds the value of ethical and robust management. Since its inception, the Company has actively reinforced its internal management, improved quality and efficiency, and made plans to penetrate the capital market to recruit high-caliber talents, hone the capabilities of management teams, and contribute business achievements to shareholders and members of society, thereby fulfilling its corporate social responsibility. Thanks to the Company's positive image, no corporate crisis has occurred in the Company as a result of changes to corporate image.

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

The Company has had no merger and acquisition plans in the most recent fiscal years and up to the publication date of the annual report.

(8) Expected benefits and possible risks associated with any plant expansion and mitigation measures being or to be taken.

The Company's Taichung Biological Pharmaceutical Plant was completed in October 2012 and received Good Manufacturing Practice (GMP) certification from the European Medicines Agency (EMA), as well as GMP approval from the Taiwan Ministry of Health and Welfare in January 2018. The plant's production capacity is now sufficient to meet the requirements of the Phase III clinical trial for P1101 and the initial mass production demand once the regulatory approval is obtained and the product enters the market. In addition, the Company also plans to build a new plant in Hsinchu. Construction of the new plant has already commenced. The new plant is expected to be put into production in 2026.

(9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

The revenue from customers contributing at least 10% of the Company's total revenue accounted for 62.57% and 66.19% of the total revenue in 2023 and 2024, respectively. The Company primarily focuses on developing new drugs and selling them after obtaining the necessary approvals. BESREMi®, one of our main products, has to date been approved for the treatment of PV in approximately 40 countries worldwide, including major new drug markets such as the United States, Japan, China, and the European Union. We will continue to pursue regulatory approvals in more countries to further expand our market presence. In addition, PharmaEssentia is conducting a global Phase III clinical trial of BESREMi® for the treatment of ET, as well as clinical trials of P1101 for other indications, such as PMF. With the successive approvals of BESREMi® for new drug authorizations in additional markets and the expansion of its indications, we are well-positioned to effectively diversify our customer base as we move forward. This diversification is expected to reduce the risks associated with sales concentration.

Regarding the Company's supplier performance in 2023 and 2024, the top two suppliers by purchase amount in these years were both subsidiaries involved in the purchase of finished drug products for treating hemophilia. Looking ahead, as the patient penetration rate for P1101-PV increases, regulatory approvals are obtained in other countries, and products for other indications are developed, the procurement amounts from major suppliers are expected to become more distributed. In summary, PharmaEssentia is a biotech and pharmaceutical company that emphasizes R&D and has obtained drug licenses of the developed products in various countries for sale in recent years. The Company is dedicated to discovering new drugs, conducting clinical trials, developing new drugs, and helping researchers select the raw materials with the highest quality and purity during the drug development process based on expert judgment from the literature and R&D results. The Company maintains good cooperative relations with all suppliers, and coordinates various departments to understand the schedule of raw materials required for production and procurement to reduce purchase risks. The Company has not experienced any shortages or shortages of materials up to date. Therefore, the source of supply of the Company is stable and risk of concentration of supply remains limited.

(10) Impacts, Risks, and Mitigation Measures Arising from Major Exchange or Transfer of Shares by Directors, Supervisors, or Shareholders with Over 10 Percent of Stake in the Company and Countermeasures

The Company did not transfer or change a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a ten percent stake in the Company in the most recent fiscal years and up to the publication date of the annual report.

(11) Effect upon and risk to the company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.

The Company has made no changes to top management in the most recent fiscal years and up to the publication date of the annual report.

(12) Litigation or non-litigation matters in which the Company's directors, supervisors, presidents, substantial persons-in-charge, major shareholders holding more than 10% of shares, or subordinate companies are involved that have been determined by verdict of the court or are still pending in a major litigation, non-litigation, or administrative litigation, the outcome of which may have a significant impact on shareholder equity or securities prices should be listed:
The Company's major litigious cases that have been concluded by means of a final judgment or are still under litigation:

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company's response as of the prospectus publication date
PharmaEssentia Corporation	Black Gold Global Sdn. Bhd (BGG)	The Company authorized BGG to use the Q10 manufacturing technology in 2008, but BGG failed to pay the Company the licensing fee imposed in accordance with the agreement.	2012.4.18	The payment amounted to 1,108,130 RM (including the last installment of the licensing fee, 990,000 RM) and US$5,500. The noncompliance of BGG despite repeated requests prompted PharmaEssentia to appeal to the Malaysian court for the forced dissolution of BGG on April 18, 2012. The Malaysian court issued a winding-up order on October 18, 2012, authorizing the dissolution of BGG. In July 2013, PharmaEssentia submitted a claim for the estimated amount realized, which is awaiting the decision of a creditors' meeting under the Malaysian court. The account receivable has been listed as full loss in the 2013 and 2014 fiscal years, and it has no material impact to PharmaEssentia.
PharmaEssentia Corporation	AOP	AOP's late delivery of clinical trial data, which was a violation of the license agreement between AOP and PharmaEssentia, resulted in serious delays in obtaining BLA approval in the United States.	2020.11.18	Following the decision of the Board of Directors made on November 13, 2020, PharmaEssentia filed a request for arbitration to the ICC against AOP on November 18, 2020, demanding compensation of no less than USD 1.78 billion for the loss associated with delayed BLA approval attributable to AOP's late delivery of clinical trial data, and the ICC secretariat accepted the request.
PharmaEssentia Corporation	AOP	AOP's noncompliance of clinical trials for three indications, which was a violation of the license agreement between AOP and PharmaEssentia, resulted in losses associated with the delays in completing clinical trials and obtaining MAA approval for P1101, a product of PharmaEssentia, in the agent territory of AOP.	2020.12.22	Following the decision of the Board of Directors on November 13, 2020, PharmaEssentia filed a request for arbitration to the ICC against AOP on December 22, 2020, demanding the compensation of no less than EUR 500 million, and the ICC secretariat accepted the request. On January 27, 2021, AOP requested the International Chamber of Commerce (ICC) to consolidate the case filed on December 22, 2020 (Case No. 25925 PTA) and the case filed

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company's response as of the prospectus publication date
				on November 18, 2020 (Case No. 25808 PTA). On February 18, 2021, the arbitration tribunal ruled to consolidate the later case (Case No. 25925 PTA) with the earlier case (Case No. 25808 PTA) into a single arbitration case (Case No. 25808 PTA) for joint proceedings. In addition, the Statement of Claim filed by the Company in October 2021 requested 24.27 million as the compensation and the Company retain the right to claim additional damages. The Company, on March 26, 2022, was notified by its retained counsel, that AOP, on March 25, 2022, filed with the ICC Court a Statement of Defence and Counterclaim. In AOP's responsive brief, in addition to its responses, AOP made counterclaims against PEC as follows: (1) Alleged the Company violated the original License Agreement and caused damages; (2) Alleged the Company illegally used AOP's clinical trial data; and (3) Alleged the Company should pay AOP for services and repay overpaid amounts. AOP's counterclaims total approximately EUR 6 billion. In this regard, the Company has filed the Statement of Reply and Defense to Counterclaim on October 21, 2022 in response to its claims, including the damages that resulted from the delay caused by the reasons attributable to AOP during the EU Marketing Approval review and AOP's failure to fully realize Besremi's commercial value in its licensed territories. Accordingly, the claim amount of the damages has also been adjusted. Responding to the Company's Statement of Reply and Defense to Counterclaim mentioned above, AOP submitted the Statement of Rejoinder and Reply to counterclaim on March 28, 2023 to the ICC, and after reviewing its contents, AOP simply provided supplementary evidence and replies to the

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company's response as of the prospectus publication date
				claims of both parties under the original claims of both parties. The Company submitted the Statement of Rejoinder to Counterclaim on May 23, 2023 to the ICC and provided supplementary evidence specifically for the counterclaims. The arbitration court for this new arbitration case has conducted the hearing in Frankfurt, Germany from July 10, 2023 to July 20, 2023 to hear the claims of both parties and related witnesses and experts attended the hearing to give statements. Both parties have exchanged the written statements after the hearing on November 15, 2023 and December 13, 2023 under the directions of the arbitration court. On February 17, 2025, the Company was notified by its appointed attorney-at-law regarding the partial final award from the ICC as follows: "(1) The arbitration tribunal dismissed AOP's main claims, including allegations that we used its clinical data to apply for license approval in the United States as well as counterclaims regarding our alleged unstable supply in Europe and refusal to supply. (2) Regarding the Company's claim that AOP caused delays in applying for regulatory approval in the United States, the arbitration tribunal determined that AOP's delay of more than six months and its failure to keep the Company updated on the progress of clinical trials constituted a breach. However, the arbitration tribunal dismissed our request for damages on the grounds that a causal relationship could not be established. (3) The arbitration tribunal deferred its decision on the respective claims of both the Company and AOP concerning the payment of the price difference upon adjustment of product prices. (4) The arbitration tribunal ascertained the Company's liability for the five-month delay in obtaining regulatory approval in Europe and the four-and-a-half-month delay in supply. However, it deferred its decision on the amount of damages. Therefore, the arbitration tribunal also deferred its decision on

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company's response as of the prospectus publication date
				the Company's claim that AOP should cover our loans and royalties. (5) The arbitration tribunal agreed on AOP's request regarding the adjustment of previous clinical drug prices. It determined that the Company should pay AOP 209,036.48 euros, along with annual interest calculated based on the base rate plus 5%, with a maximum annual interest rate capped at 6%. The commencement date for the interest calculation is February 16, 2021. (6) Regarding the expenses incurred in the previous arbitration, the arbitration tribunal determined that, after offsetting the respective expenses payable by both parties, the Company should pay AOP 1,353,976.63 euros, along with annual interest calculated based on the base rate plus 5%, with a maximum annual interest rate capped at 6%. The commencement date for the interest calculation is October 20, 2020. (7) The arbitration tribunal has not yet made a decision on the expenses and interest (if any) associated with this arbitration. (8) The arbitration tribunal dismissed all other claims made by both parties." Based on the arbitration results mentioned above, the Company may need to pay approximately NT$50 million, plus interest. The Company has addressed this matter in a manner it deems appropriate and will re-evaluate the reasonableness of the relevant handling of this matter in each subsequent financial reporting period. We will discuss with our appointed attorney-at-law regarding follow-up actions to safeguard the equity of the Company and its shareholders. We have determined that the aforementioned arbitration amount has not had any material impact on the Company's finances or business operations.
PharmaEssentia Corporation	AOP	The Company was notified on October 18, 2022 that AOP filed a civil action against the Company and its US subsidiary in the Superior Court of Commonwealth of Massachusetts, claiming the following: (1)	2022.10.18	The Company has retained counsel to submitted the Statement of Reply to the court: The licensing agreement signed between AOP and the Company has expressly stipulated that any disputes related to or arising out of the licensing agreement shall be submitted to arbitration, and therefore this dispute

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company's response as of the prospectus publication date
		the transactions between the Company and its US subsidiary affected AOP's rights; and (2) the Company and its US subsidiary's request against AOP to amend the License Agreement constitutes unfair competition. However, AOP has not specified the claim amount.		related to the licensing agreement shall be subjected to arbitration. Hence, the litigation has obviously violated the provision of this agreement. On August 7, 2023, United States District Court for the District of Massachusetts decided that whether the claims made by AOP in the case in dispute are arbitrable shall be determined by the ICC arbitration tribunal. The Company has dealt with this matter in a manner that it deems appropriate and has retained US lawyers to evaluate to respond to the legal action and will re-evaluate the reasonableness of the relevant approaches in each subsequent financial reporting period.

(13) Other important risks and mitigation measures taken

Item	Possible Risks	Response Measures
R&D	• R&D and biocompatibility test results are not as expected. • Competitors overtake the Company in terms of R&D progress. • R&D professionals are difficult to cultivate and retain. • Clinical trial progress or results are not as expected.	• Perform a thorough assessment based on animal testing and human-use experience; implement strict trial quality control through rigorous inspection mechanisms; adjust R&D plans promptly to adapt to changes. • Simultaneously develop new drugs for different indications to disperse the risk of developing only a single drug. • Recruit professionals with a background in the biotech industry; create and maintain a positive R&D environment in which benefits and opportunities for further education are offered to retain talented employees. • Actively cooperate with relevant academic and educational institutions to establish cooperative education projects and foster high-caliber professionals for the biopharmaceutical industry.
External Cooperation	• The progress or results of sponsored studies are not as expected.	• Select the most cooperative study institutions for long-term cooperation to avoid delays caused by communication problems and technical differences. • Strictly adhere to international standards (e.g., GCP) when conducting clinical trials and employ professional managers with international experience to ensure the quality of trials and fully comply with clinical trial laws and regulations.
Manufacturing	• To export new drug products, manufacturing plants must be inspected by the EMA (European Medicines Agency) and US FDA. The inspection standards and progress may change at any time.	• Utilize the Taichung Biological Pharmaceutical Plant for vertical integration, ensuring that the entire process—from R&D to manufacturing—meets international standard, mitigating the impact of external factors. • The Company has obtained GMP certifications from multiple countries' regulatory authorities, including the EMA, FDA, and PMDA. With a robust risk control mechanism in place, the Company ensures the stability of its global supply chain.
Marketing	• Competitors are all major international manufacturers, making access to market difficult.	• Medicine and pharmacy in the United States are clearly distinguished. One of the key strategies for gaining a share of the market is to improve physicians' and patients' acceptance based on the superior effect on PV patients indicated by the long-term P1101 clinical data, so as to increase market share. • Further expand cooperation with medical institutions and incorporate P1101 into treatment guidelines and clinical use recommendations to increase market share.

Item	Possible Risks	Response Measures
Laws	• It is difficult to keep track of the status of drug permit applications in different countries. • Amendments to health insurance and payment policies.	• Strengthen communication with competent authorities and actively promote the adoption of International Council for Harmonization of Pharmaceutical Regulation (ICH) standards, ensuring that all review documents are consistent and compliant with applicable laws and regulations. • Stay well-informed of changes in health insurance policies across various countries, predict potential impacts, and adjust market entry strategies accordingly to ensure the smooth roll-out and sales of our products in diverse policy environments.
Finance	• New drugs take a long time and are expensive to develop.	• Keep a well-replenished supply of funds and adhere to a strict budget plan. • Comply with the government's industry policies and apply for project funding. • With P1101 being launched in markets worldwide, it will generate stable revenue, strengthening the company's financial position. • In addition to increasing capital, utilize bank loans as supplemental funding; implement prudent financial planning to effectively meet funding requirements.

7. Other Important Matters

None.

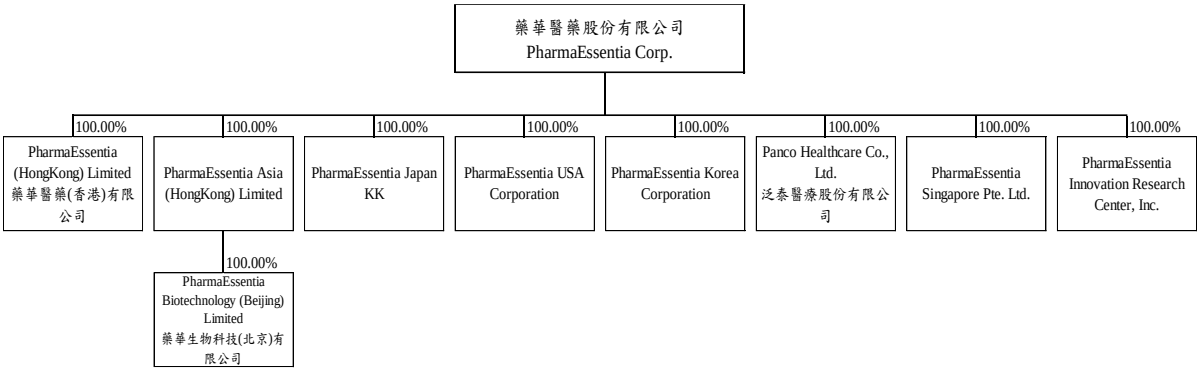
VI. Special Notes

1. Information on Affiliated Companies

(1) Consolidated Business Report of Affiliated Companies

A. Affiliated Company Chart

As of December 31, 2024



B. Affiliated Company Profile

As of December 31, 2024; Unit: NT$ thousands

Company Name	Date of Establishment	Address	Paid-in Capital	Business or Production Scope
PharmaEssentia (Hong Kong) Ltd. (Note)	2013/10/02	-	-	Biotechnology services, etc.
PharmaEssentia Asia (Hong Kong) Limited	2014/02/27	16F, The Hong Kong Club Building, No. 3A Chater Road, Central, Hong Kong	374,182	Biotechnology services, etc.
PharmaEssentia Biotechnology (Beijing) Co., Ltd.	2014/12/05	Room 1423, 14F, Jiatai International Building, 41 Middle Road of East Fourth Ring, Chaoyang District, Beijing 10025, China	260,040	Biotechnology services, etc.
PharmaEssentia Japan KK	2017/02/01	Akasaka Center Building 12th FI, 1-3-13 Motoakasaka, Minato-ku, Tokyo, Japan	2,670,945	Biotechnology services, etc.
PharmaEssentia USA Corporation	2017/06/19	35 Corporate Drive, Suite 325, Burlington, MA, USA	9,917,091	Biotechnology services, etc.
PharmaEssentia Korea Corporation	2020/04/10	Unit 2022, 20F Gwanghwamun Building, 149 Sejong-daero, Jongno-gu, Seoul	280,465	Biotechnology services, etc.
Panco Healthcare Co., Ltd.	2005/01/18	13F.-5, No. 3, Yuanqu Street, Nangang District, Taipei City	102,500	Biotechnology services, etc.
PharmaEssentia Singapore Pte Ltd.	2021/09/07	160 Robinson Road, #14-04, Singapore	17,531	Biotechnology services, etc.
PharmaEssentia Innovation Research Center, Inc	2022/12/07	36 Crosby Dr Bedford, MA, USA	523,833	Biotechnology services, etc.

Note: To expand into the Mainland China market, the Company established a wholly-owned company, PharmaEssentia (Hong Kong) Co., Ltd., in October 2013. As of December 31, 2024, PharmaEssentia (Hong Kong) has only completed the incorporation process. The Company has not yet issued shares.

C. Information on Personnel Who Are Presumed to Have a Controlling and Subordinate Relationship with the Company and the Reasons Behind the Presumption: None.

D. Business Scope of Affiliated Companies: Biotechnology services and clinical trials.

E. Directors, Supervisors, and General Managers of Affiliated Companies

As of December 31, 2024; Unit: thousand shares

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
PharmaEssentia (Hong Kong) Ltd.	Director	PharmaEssentia Corporation (Representative: Teng, Ching-Leou), Hwang, Chan-Kou	-	-
PharmaEssentia Asia (Hong Kong) Limited	Director	PharmaEssentia Corporation (Representative: Teng, Ching-Leou) Hwang, Chan-Kou, Warren Shen	24,200 - -	100% - -
PharmaEssentia Biotechnology (Beijing) Co., Ltd.	Executive Director Supervisor General Manager	Lin, Ko-Chung Hwang, Chan-Kou Warren Shen	-	-
PharmaEssentia Japan KK	Director Supervisor General Manager	Lin, Ko-Chung, Teng, Ching-Leou, Snow Chang, Katsuya Yonezu, Norio Komatsu, Toshiaki Sato, Hwang, Chan-Kou Chen, Hsin-Yi Katsuya Yonezu	-	-
PharmaEssentia USA Corporation	Director General Manager	Teng, Ching-Leou, Lin, Ko-Chung, Lin, Lih-Ling Robert Geller	-	-
PharmaEssentia Korea Corporation	Director Supervisor General Manager	Lin, Ko-Chung, Teng, Ching-Leou, Haksun Moon Snow Chang Haksun Moon	-	-
Panco Healthcare Co., Ltd.	Director Supervisor General Manager	Teng, Ching-Leou, Lin, Ko-Chung, Hwang, Chan-Kou Lin, Chia-Li Chen, HUI-I	-	-
PharmaEssentia Singapore Pte Ltd	Director General Manager	Lin, Ko-Chung, Lin, Chia-Li, Peggy Loh Peggy Loh	-	-
PharmaEssentia Innovation Research Center, Inc.	Director General Manager	Teng, Ching-Leou, Lin, Ko-Chung, Lin, Lih-Ling Lin, Lih-Ling	-	-

F. Operational Highlights of Affiliated Companies (Unconsolidated Financial Information)

As of December 31, 2024; Unit: NT$ thousands

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating revenues	Income from Operations	Income for the Period	Earnings per Share (NT$)
PharmaEssentia Asia (Hong Kong) Limited	374,182	115,036	4,758	110,278	-	(17,344)	(65,971)	(3.58)
PharmaEssentia Biotechnology (Beijing) Co., Ltd.	260,040	80,734	13,403	67,331	-	(50,970)	(48,689)	N/A
PharmaEssentia Japan KK	2,670,945	1,697,558	650,945	1,046,613	660,103	(404,339)	(436,882)	(1.91)
PharmaEssentia USA Corporation	9,917,091	12,349,549	1,505,044	10,844,505	9,669,010	2,408,056	2,045,393	62.55
PharmaEssentia Korea Corporation	280,465	84,396	14,937	69,459	19,967	(53,323)	(55,466)	(29.00)
Panco Healthcare Co., Ltd.	102,500	223,647	145,872	77,775	321,132	16,587	17,360	1.74
PharmaEssentia Singapore Pte Ltd	17,531	5,541	1,676	3,865	1,153	(10,627)	(10,525)	(13.97)
PharmaEssentia Innovation Research Center, Inc.	523,833	759,201	241,950	517,251	353,287	26,381	24,591	21.98

(2) Consolidated Financial Statements of Affiliated Companies

Please refer to the announcement published on MOPS for details.

(3) Affiliation Report

The Company is not a subsidiary company prescribed under the Affiliated Enterprise section of the Company Act; therefore, the Company is not required to produce a report regarding the relationship between itself and its controlling companies.

2. Private Placement Securities in the Most Recent Year and Up to the Publication Date of This Annual Report

Item	First private placement in 2019 Date issued: December 30, 2019				
Date and quantity/value approved through the shareholder's meeting	As resolved through the first special shareholders' meeting of the Company on October 1, 2019, for common stock within the limit of 35,000 thousand shares, global depository receipt, and/or private placement of common stock through capital increase in cash, and/or private placement of global or domestic convertible corporate bonds may be adopted once or in separate efforts (no more than 3) within one year since the date when the decision was made through the shareholders' meeting.				
Basis for and reasonableness of pricing	1. As required by the Directions for Public Companies Conducting Private Placements of Securities, the reference price shall be the higher of the simple average closing price of the common stocks for either the 1, 3, or 5 business days or for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. 2. Based on the foregoing pricing price determination principle, the price of NT$ 106.8 obtained with the simple average closing price of the common stocks for the 30 business days before the price determination date, that is, December 24, 2019, and after adjustment for any distribution of stock dividends, cash dividends or capital reduction, is the reference price. The current private placement price is set at NT$86, which is 80.5% of the reference price and no below the 80% reference price as decided through the special shareholders' meeting.				
Method chosen for specific people	Targets of the current private placement of securities are limited to specific people defined in Article 43-6 of the Securities and Exchange Act and the original (91) Tai-Cai-Zheng-(I)-Tzi No. 0910003455 letter dated June 13, 2002 from the Securities and Futures Bureau, Ministry of Finance.				
Rationale for organizing private placements	In light of the relative timeliness and convenience associated with private placement and the fact that privately placed securities may not be freely reassigned within three years, private placement will better ensure the long-term relationship between the Company and its subscribers. In addition, private placement organized by authorizing the Board of Directors reflective of the actual operating demand of the Company helps effectively enhance the mobility and flexibility in fund-raising for the Company. As such, private placement needs to be organized.				
Date of payment	Date of payment: December 30, 2019				
Information of subscribers	Target of private placement	Eligibility	Quantity subscribed	Relationship with the Company	Involvement in corporate operations
	Teng, Ching-Leou	Article 43-6, Paragraph 1, Subparagraph 3 of the Securities and Exchange Act	116,280	Chairman	Insider or related party of the Company
	Chen, Chao-Ho		581,396	Director	Insider or related party of the Company
	Chen, Ben-Yuan		174,419	Director	Insider or related party of the Company
	Hwang, Chan-Kou		23,256	Director	Insider or related party of the Company
	Xu Shi-Ying		186,047	Director	Insider or related party of the Company
	Lin, Ko-Chung		116,280	CEO	Insider or related party of the Company
	Luan, Yen-Tung		34,884	Taichung Branch Chief Operating Officer	Insider or related party of the Company
	Snow Chang		11,629	Financial and Accounting Supervisor	Insider or related party of the Company
	Zeng, Ming-Kun	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	40,698	Shareholder	None
	Yu, Rui-Yu		1,279,070	Shareholder	None
	Huang, Ma-Li		174,419	Shareholder	None
	Chen, Li-Jin		290,698	Shareholder	None
	Zheng, Shu-Yun		174,419	Shareholder	None
	Zheng, Xian-Zhi		174,419	Shareholder	None
	Wang, Jian-Ming		174,419	Shareholder	None
	Lin, Yu-Zhen		93,024	Shareholder	None

	Zhan, Yi-Ren		58,140	Shareholder	None
	You, Guei-Zhi		290,698	Shareholder	None
	Wu, Fu-Yu		23,256	Shareholder	None
	SuChiang Chemical & Pharmaceutical Co., Ltd.		174,419	Shareholder	None
	KGI Bank Fiduciary Investment Account of HONGKONG JOYRICH INVESTMENTS LIMITED		174,000	Shareholder	None
	Hunya Foods Co., Ltd.		465,117	Shareholder	None
	Fan, Gang-Ting		23,256	Employee	None
	Hsu Zhe		29,070	Employee	None
	Su, Jing-Xing		17,442	Employee	None
	Lin, Hui-Hua		34,884	Employee	None
	Xu, Ming-Bin		34,884	Employee	None
	Lu, Ming-Shan		17,442	Employee	None
	Wu, Shi-Guan		23,256	Employee	None
	Cai, You-Kui		17,442	Employee	None
	Li, Wei-De		11,628	Employee	None
	Lin, Da-Ran		11,628	Employee	None
	Xie Yue		23,256	None	None
	Huang, Fan-Xiu		11,628	None	None
	I&K Engineering Co., Ltd.		581,395	None	None
Actual subscription price	NT$86 per share				
Difference between the actual subscription price and the reference price	The actual subscription price is NT$86 per share, which is 80.5% of the reference price of NT$106.8 per share.				
The impact of the private placement of common stock on shareholders' equity	Fund-raising by means of private placement of common stock for capital increase in cash does not involve expenditure on the interest associated with liabilities, reduces the financial risk for the Company, and helps immediately improve the Company's financial structure and increase the flexibility for the Company over financial allocation. It is expected to reinforce the competitive advantages of the Company, improve the operating efficacy, and strengthen the financial structure and hence helps with the shareholders' equity positively.				
Utilization of privately raised funds and status of implementation of the plan	1. The actual private placement stock shares with paid-in capital totaling NT$487,465 thousand was used for a capital increase in the Japan subsidiary, PharmaEssentia Japan KK, and for indirect investment in sub-subsidiary PharmaEssentia Biotechnology (Beijing) Ltd. (hereinafter referred to as "PharmaEssentia Beijing") by means of a capital increase in the Hong Kong subsidiary, PharmaEssentia Asia (Hong Kong) Ltd. (hereinafter referred to as "PharmaEssentia Hong Kong"). 2. By the end of the first quarter of 2025, all the planned actions have been implemented.				
Expressed benefits of private placement	(1) Reinvestment in PharmaEssentia Japan KK PharmaEssentia reinvested in the subsidiary in Japan with the private placement of common shares in 2019, the second private placement of common shares in 2021, and the issuance of global depositary receipt in 2023 in the amount of NT$297,885 thousand, NT$208,830 thousand, and NT$2,439,600 thousand, respectively, totaled NT$2,946,315 thousand. Upon review, the revenue of PharmaEssentia Japan KK for the years 2022, 2023, and 2024 was NT$0 thousand, NT$96,449 thousand, and NT$648,584 thousand, respectively, showing a year-over-year growth trend. (2) Reinvestment in PharmaEssentia Biotechnology (Beijing) Co., Ltd. The Company's P1101 has obtained regulatory approval in 2024.				

Item	First private placement in 2020 Date issued: June 24, 2020				
Date and quantity/value approved through the shareholder's meeting	As resolved through the first special shareholders' meeting of the Company on May 27, 2020, for common stock within the limit of 35,000 thousand shares, global depository receipt, and/or private placement of common stock through capital increase in cash, and/or private placement of global or domestic convertible corporate bonds may be adopted once or in separate efforts (no more than 5) within one year since the date when the decision was made through the shareholders' meeting.				
Basis for and reasonableness of pricing	1. As required by the Directions for Public Companies Conducting Private Placements of Securities, the reference price shall be the higher of the simple average closing price of the common stocks for either the 1, 3, or 5 business days or for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. 2. Based on the foregoing pricing price determination principle, the price of NT$117 obtained with the simple average closing price of the common stocks for the 30 business days before the price determination date, that is, June 11, 2020, and after adjustment for any distribution of stock dividends, cash dividends or capital reduction, is the reference price. The current private placement price is set at NT$93.8, which is 80.17% of the reference price and no below the 80% reference price as decided through the special shareholders' meeting.				
Method chosen for specific people	Targets of the current private placement of securities are limited to specific people defined in Article 43-6 of the Securities and Exchange Act and the original (91) Tai-Cai-Zheng-(I)-Tzi No. 0910003455 letter dated June 13, 2002 from the Securities and Futures Bureau, Ministry of Finance.				
Rationale for organizing private placements	In light of the relative timeliness and convenience associated with private placement and the fact that privately placed securities may not be freely reassigned within three years, private placement will better ensure the long-term relationship between the Company and its subscribers. In addition, private placement organized by authorizing the Board of Directors reflective of the actual operating demand of the Company helps effectively enhance the mobility and flexibility in fund-raising for the Company. As such, private placement needs to be organized.				
Date of payment	Date of payment: June 24, 2020				
Information of subscribers	Target of private placement	Eligibility	Quantity subscribed	Relationship with the Company	Involvement in corporate operations
	Eon Capital investment account, entrusted to Yuanta Commercial Bank	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	6,210,022	None	None
	Taiwania Capital Buffalo II Bioventures, LP.		2,132,196	None	None
	Mega International Commercial Bank Co., Ltd.		530,000	None	None
	Hunya Foods Co., Ltd.		426,440	Shareholders	None
	Fruitful Orchard Properties Limited Taiwan Branch (B.V.I.)		319,830	Shareholders	None
	Hongtai Investment Co., Ltd.		213,220	Companies in which the directors of the Company exercise controlling rights	Insider or related party of the Company
	Chen, Chao-Ho	Article 43-6, Paragraph 1, Subparagraph 3 of the Securities and Exchange Act	213,220	Director	Insider or related party of the Company
	Xu Shi-Ying		181,237	Director	Insider or related party of the Company
	Chen, Ben-Yuan		127,932	Director	Insider or related party of the Company

	Chang, Jinn-Der		85,288	Director	Insider or related party of the Company
	Yu, Rui-Yu	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	2,345,416	Shareholders	None
	Chen, Li-Qing		1,599,147	None	None
	You, Guei-Zhi		370,239	Shareholders	None
	Chen, Li-Jin		213,220	Shareholders	None
	Luo, Jian-Ming		181,237	Shareholders	None
	Liu, Ching-Tsun		159,9	Shareholders	None
	Lee, Shen-Yi		159,915	Shareholders	None
	Cai, Wen-Xian		159,915	Shareholders	None
	Lai, Min-Yang		159,915	Shareholders	None
	Liao, Ping-Nan		165,000	Shareholders	None
	Chen, Ying-Ru		106,610	None	None
	Lin, Xiu-Qing		106,610	Shareholders	None
	Chen, Mao-Tang		106,610	Shareholders	None
	Xu, Jing-Ran		106,610	Shareholders	None
	Guo, Lai-Fu		106,610	Shareholders	None
	Su, Li-Hua		100,000	Shareholders	None
	Lin, Shi-Ming		53,305	Shareholders	None
	Wang, Zhen-Shan		53,305	Shareholders	None
	Chen, Li-Hong		21,322	None	None
	Zheng, Zhao-Sheng		10,661	Employee	None
Actual subscription price	NT$93.8 per share				
Difference between the actual subscription price and the reference price	The actual subscription price is NT$93.8 per share, which is 80.17% of the reference price of NT$117 per share.				
The impact of the private placement of common stock on shareholders' equity	Fund-raising by means of private placement of common stock for capital increase in cash does not involve expenditure on the interest associated with liabilities, reduces the financial risk for the Company, and helps immediately improve the Company’s financial structure and increase the flexibility for the Company over financial allocation. It is expected to reinforce the competitive advantages of the Company, improve the operating efficacy, and strengthen the financial structure and hence helps with the shareholders’ equity positively.				
Utilization of privately raised funds and status of implementation of the plan	1. The funds raised hereby shall reserve for either increasing working capital, strengthening the financial structure, and/or doing research and developing new drug, and/or conducting reinvestment and/or, and/or supporting the Company’s long-term development funding needs (one or several of these purposes). The Company has collected full payment of NT$1,568,800 thousand and the funds are reserved for increasing working capital and purchasing fixed assets. 2. By the end of 2022, all of the funds had been used as scheduled.				
Expressed benefits of private placement	After the capital increase at the end of June 2020, the company's consolidated and parent company only debt-to-asset ratios decreased to 24.46% and 15.52%, respectively, showing a significant improvement compared to the 25.23% and 23.02% before the capital increase at the end of March 2020. In addition, the ratios of long-term capital to fixed assets, current ratio, and quick ratio all improved notably. Therefore, the company has indeed strengthened its financial structure following the capital raise. Furthermore, the development of various new drug projects continues to progress, with clinical trial results remaining positive, indicating that the private placement of common shares in 2020 effectively enhanced the financial structure. The ongoing progress and positive clinical results of the new drug projects further demonstrate the effectiveness of the fundraising initiative. The acquisition of fixed assets was mainly for purchasing office equipment and replacing outdated equipment to support daily operations and professional development. In summary, this is expected to have a positive long-term impact on shareholders' equity.				

Item	First private placement in 2021 Date issued: December 10, 2021				
Date and quantity/value approved through the shareholder's meeting	As resolved through the first special shareholders' meeting of the Company on August 5, 2021, for common stock within the limit of 50,000 thousand shares, global depository receipt, and/or private placement of common stock through capital increase in cash, and/or private placement of global or domestic convertible corporate bonds may be adopted once or in separate efforts (no more than 5) within one year since the date when the decision was made through the shareholders' meeting.				
Basis for and reasonableness of pricing	1. As required by the Directions for Public Companies Conducting Private Placements of Securities, the reference price shall be the higher of the simple average closing price of the common stocks for either the 1, 3, or 5 business days or for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. 2. Based on the foregoing pricing price determination principle, the price of NT$220.4 obtained with the simple average closing price of the common stocks for the 30 business days before the price determination date, that is, December 3, 2021, and after adjustment for any distribution of stock dividends, cash dividends or capital reduction, is the reference price. The current private placement price is set at NT$177, which is 80.31% of the reference price and no below the 80% reference price as decided through the special shareholders' meeting.				
Method chosen for specific people	Targets of the current private placement of securities are limited to specific people defined in Article 43-6 of the Securities and Exchange Act and the original (91) Tai-Cai-Zheng-(I)-Tzi No. 0910003455 letter dated June 13, 2002 from the Securities and Futures Bureau, Ministry of Finance.				
Rationale for organizing private placements	In light of the relative timeliness and convenience associated with private placement and the fact that privately placed securities may not be freely reassigned within three years, private placement will better ensure the long-term relationship between the Company and its subscribers. In addition, private placement organized by authorizing the Board of Directors reflective of the actual operating demand of the Company helps effectively enhance the mobility and flexibility in fund-raising for the Company. As such, private placement needs to be organized.				
Date of payment	Date of payment: December 13, 2021				
Information of subscribers	Target of private placement	Eligibility (Note 5)	Quantity subscribed	Relationship with the Company	Involvement in corporate operations
	Chen, Ben-Yuan	Article 43-6, Paragraph 1, Subparagraph 3 of the Securities and Exchange Act	170,000	Director	Insider or related party of the Company
	Liao, Ping-Nan	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	170,000	Shareholders	None
	Chen, Chao-Ho		170,000	Shareholders	None
	Zeng, Ming-Kun		4,000	Shareholders	None
	Su, Li-Hua		100,000	Shareholders	None
	Chen, Mao-Tang		57,000	Shareholders	None
	Chen, Li-Jin		74,000	Shareholders	None
	Liu, Ching-Tsun		113,000	Shareholders	None
	Guo, Lai-Fu		170,000	Shareholders	None
	Lee, Shen-Yi	Article 43-6, Paragraph 1, Subparagraph 3 of the Securities and Exchange Act	100,000	Director	Insider or related party of the Company
	Lai, Mei-Zhi	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	339,000	Shareholders	None
	Lai, Qiu-Mei		339,000	Shareholders	None
	Jiang, Yu-Ying		339,000	Shareholders	None
	You, Heng-Zhi		1,130,000	Shareholders	None
	Huang, Huan-Wen		198,000	Shareholders	None
	Yu Xi Investment Limited Company		198,000	Shareholders	None
	Huang, Meng-Yong		1,130,000	Shareholders	None

	Li, Zeng-Tian		198,000	Shareholders	None
	Huang, Jin-Cai		100,000	Shareholders	None
	Cai, Wen-Xian		170,000	Shareholders	None
	Taiwan Oasis Technology Co., Ltd.		170,000	Shareholders	None
	Li, Xu-Feng		200,000	Shareholders	None
	Tian, Mei-Li		200,000	Shareholders	None
	Zheng, Jun-Zhong		311,000	Shareholders	None
	Qiu, Yi-Jie		339,000	Shareholders	None
	Long Deed Corporation		113,000	Shareholders	None
Actual subscription price	NT$177 per share				
Difference between the actual subscription price and the reference price	The actual subscription price is NT$177 per share, which is 80.31% of the reference price of NT$220.4 per share.				
The impact of the private placement of common stock on shareholders' equity	Fund-raising by means of private placement of common stock for capital increase in cash does not involve expenditure on the interest associated with liabilities, reduces the financial risk for the Company, and helps immediately improve the Company's financial structure and increase the flexibility for the Company over financial allocation. It is expected to reinforce the competitive advantages of the Company, improve the operating efficacy, and strengthen the financial structure and hence helps with the shareholders' equity positively.				
Utilization of privately raised funds and status of implementation of the plan	1. The funds raised at this time will be used for addition of working capital. 2. By the end of 2022, all of the funds had been used as scheduled.				
Expressed benefits of private placement	The private placement of common shares was used for addition of working capital, which has effectively improved the ratio of self-owned capital and strengthened the financial structure of the Company. In addition, the development of various new drug projects continues to progress, with clinical trial results remaining positive, indicating that the benefits of the fundraising initiative are already becoming apparent.				

Item	Second private placement in 2021 Date issued: December 29, 2021				
Date and quantity/value approved through the shareholder's meeting	As resolved through the first special shareholders' meeting of the Company on August 5, 2021, for common stock within the limit of 50,000 thousand shares, global depository receipt, and/or private placement of common stock through capital increase in cash, and/or private placement of global or domestic convertible corporate bonds may be adopted once or in separate efforts (no more than 5) within one year since the date when the decision was made through the shareholders' meeting.				
Basis for and reasonableness of pricing	1. As required by the Directions for Public Companies Conducting Private Placements of Securities, the reference price shall be the higher of the simple average closing price of the common stocks for either the 1, 3, or 5 business days or for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. 2. Based on the foregoing pricing price determination principle, the price of NT$293.7 obtained with the simple average closing price of the common stocks for the 30 business days before the price determination date, that is, December 23, 2021, and after adjustment for any distribution of stock dividends, cash dividends or capital reduction, is the reference price. The current private placement price is set at NT$235, which is 80.01% of the reference price and no below the 80% reference price as decided through the special shareholders' meeting.				
Method chosen for specific people	Targets of the current private placement of securities are limited to specific people defined in Article 43-6 of the Securities and Exchange Act and the original (91) Tai-Cai-Zheng-(I)-Tzi No. 0910003455 letter dated June 13, 2002 from the Securities and Futures Bureau, Ministry of Finance.				
Rationale for organizing private placements	In light of the relative timeliness and convenience associated with private placement and the fact that privately placed securities may not be freely reassigned within three years, private placement will better ensure the long-term relationship between the Company and its subscribers. In addition, private placement organized by authorizing the Board of Directors reflective of the actual operating demand of the Company helps effectively enhance the mobility and flexibility in fund-raising for the Company. As such, private placement needs to be organized.				
Date of payment	Date of payment: December 29, 2021				
Information of subscribers	Target of private placement	Eligibility (Note 5)	Quantity subscribed	Relationship with the Company	Involvement in corporate operations
	China First Steel Cable Factory Co., Ltd.	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	256,000	Shareholders	None
	King King Energy Service Co., Ltd.		86,000	None	None
	Chung Shan Investment Co., Ltd.		213,000	None	None
	Huang, Xing-Zhu		536,000	Shareholders	None
	Li, Xu-Feng		150,000	Shareholders	None
	Wei, Jian-Quan		149,000	None	None
	Guo, Ying-Zhi		510,000	None	None
	Qiu, Yi-Jie		128,000	Shareholders	None
	Chen, Jun-Xiong		107,000	Shareholders	None
	Qiu, Mei-Lan		128,000	Shareholders	None
	Liao, Ping-Nan		130,000	Shareholders	None
	Huang, Li-Zhen		62,000	Shareholders	None
	Chen, En-Yi		103,000	Shareholders	None
	Wang, Xuan-Huei		57,000	Shareholders	None
	Zhang, Xue-Shun		213,000	None	None
	Chen, Yu-Rong		107,000	None	None
	Wang, Qing-Dong		383,000	None	None
	Chen, Li-Wen		256,000	Shareholders	None
	Luo, Jian-Ming		86,000	Shareholders	None
	Chen, Ying-Ru		43,000	Shareholders	None
	Chen, Yu-Xin		64,000	Shareholders	None
	Hung Zhong		320,000	Shareholders	None
	Yu, Rui-Yu		639,000	Shareholders	None
	Guo, Lai-Fu		100,000	Shareholders	None
	Yang, Yue-Qiu		277,000	Shareholders	None
	Chen, Neng-Sen		86,000	Shareholders	None

	Que, Xiu-Ling		86,000	Shareholders	None
	Xu, Jing-Ran		200,000	Shareholders	None
	Su, Guan-Yu		298,000	Shareholders	None
	Yu Xin Investment Limited Company		192,000	Shareholders	None
	You, Heng-Zhi		213,000	Shareholders	None
	Chen, Mao-Tang		43,000	Shareholders	None
	Zhang, Jun-Ning		256,000	None	None
	Tian, Mei-Li		111,000	Shareholders	None
	Zhuo, Bo-Yuan		43,000	None	None
Actual subscription price	NT$235 per share				
Difference between the actual subscription price and the reference price	The actual subscription price is NT$235 per share, which is 80.01% of the reference price of NT$293.7 per share.				
The impact of the private placement of common stock on shareholders' equity	Fund-raising by means of private placement of common stock for capital increase in cash does not involve expenditure on the interest associated with liabilities, reduces the financial risk for the Company, and helps immediately improve the Company's financial structure and increase the flexibility for the Company over financial allocation. It is expected to reinforce the competitive advantages of the Company, improve the operating efficacy, and strengthen the financial structure and hence helps with the shareholders' equity positively.				
Utilization of privately raised funds and status of implementation of the plan	1. The funds raised from the private placement were used to reinvest in the subsidiaries to maintain the necessary staff, clinical trials and normal operations. 2. By the end of 2022, all of the funds had been used as scheduled.				
Expressed benefits of private placement	(1) Reinvestment in subsidiaries in the U.S. PharmaEssentia reinvested a total of NT$8,932,285 thousand raised from the cash capital raised before listing in 2016, cash capital raise in 2020, issuance of common shares through the second private capital raise in 2021, and issuance of global depositary receipt (GDR) in 2023 in the amount of NT$569,960 thousand, NT$1,047,288 thousand, NT$1,216,037 thousand, and NT$6,099,000 thousand, respectively, in the U.S. Subsidiary. In terms of sales performance, the sales figures of the U.S. subsidiary for the years 2020, 2021, 2022, and 2023 were NT$72,372 thousand, NT$1,931,323 thousand, NT$4,504,511 thousand, and NT$7,579,971 thousand, respectively. The subsidiary's contribution to the group's total revenue increased from 11.02% to 77.86%. Additionally, in terms of profitability, the after-tax net income (or loss) of the U.S. subsidiary for the years 2020, 2021, 2022, and 2023 were NT$(1,092,404) thousand, NT$(389,737) thousand, NT$505,949 thousand, and NT$2,045,393 thousand, respectively, showing a trend of year-on-year growth in after-tax net income. (2) Reinvestment in PharmaEssentia Japan KK PharmaEssentia reinvested in the subsidiary in Japan with the private placement of common shares in 2019, the second private placement of common shares in 2021, and the issuance of global depositary receipt in 2023 in the amount of NT$297,885 thousand, NT$208,830 thousand, and NT$2,439,600 thousand, respectively, totaled NT$2,946,315 thousand. Upon review, the revenues of PharmaEssentia Japan KK for the years 2021, 2022, and 2023 were NT$0 thousand, NT$96,449 thousand, and NT$648,584 thousand, respectively, showing a trend of year-on-year growth in revenue. (3) Reinvestment in subsidiaries in Hong Kong The Company invested in the subsidiary in Beijing through its 100% holding subsidiary in Hong Kong and hence the proceeds of investment are recognized as the income of PharmaEssentia Beijing. The company obtained its drug license and was launched in July 2024, generating revenue of NT$64,922 thousand. This demonstrates the effectiveness of investing in PharmaEssentia Hong Kong, which in turn invested in PharmaEssentia Biotechnology (Beijing) Co., Ltd. to expand the group's revenue scale. (4)Reinvestment in subsidiaries in South Korea P1101, indicated for the PV treatment, has been approved in South Korea in the third quarter of 2020. The revenues of PharmaEssentia Korea Corporation for the years 2021, 2022, and 2023 were NT$2,204 thousand, NT$9,538 thousand, and NT$19,967 thousand, respectively, showing a trend of year-on-year growth in revenue.				

Item	Third private placement in 2021 Date issued: May 03, 2022				
Date and quantity/value approved through the shareholder's meeting	As resolved through the first special shareholders' meeting of the Company on August 5, 2021, for common stock within the limit of 50,000 thousand shares, global depository receipt, and/or private placement of common stock through capital increase in cash, and/or private placement of global or domestic convertible corporate bonds may be adopted once or in separate efforts (no more than 5) within one year since the date when the decision was made through the shareholders' meeting.				
Basis for and reasonableness of pricing	1. As required by the Directions for Public Companies Conducting Private Placements of Securities, the reference price shall be the higher of the simple average closing price of the common stocks for either the 1, 3, or 5 business days or for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. 2. Based on the foregoing pricing price determination principle, the price of NT$ 310.4 obtained with the simple average closing price of the common stocks for the 30 business days before the price determination date, that is, April 19, 2022, and after adjustment for any distribution of stock dividends, cash dividends or capital reduction, is the reference price. The current private placement price is set at NT$250, which is 80.54% of the reference price and no below the 80% reference price as decided through the special shareholders' meeting.				
Method chosen for specific people	Targets of the current private placement of securities are limited to specific people defined in Article 43-6 of the Securities and Exchange Act and the original (91) Tai-Cai-Zheng-(I)-Tzi No. 0910003455 letter dated June 13, 2002 from the Securities and Futures Bureau, Ministry of Finance.				
Rationale for organizing private placements	In light of the relative timeliness and convenience associated with private placement and the fact that privately placed securities may not be freely reassigned within three years, private placement will better ensure the long-term relationship between the Company and its subscribers. In addition, private placement organized by authorizing the Board of Directors reflective of the actual operating demand of the Company helps effectively enhance the mobility and flexibility in fund-raising for the Company. As such, private placement needs to be organized.				
Date of payment	Date of payment: May 03, 2022				
Date of delivery	May 26, 2022				
Information of subscribers	Target of private placement	Eligibility (Note 5)	Quantity subscribed	Relationship with the Company	Involvement in corporate operations
	China First Steel Cable Factory Co., Ltd.	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	120,000	Shareholders	None
	SinoPac Venture Capital Co., Ltd.		300,000	None	None
	Hunya Foods Co., Ltd.		380,000	Shareholders	None
	Chan Chao International Co., Ltd.		200,000	None	None
	Infomedia Inc.		100,000	None	None
	SL Link Co., Ltd.		400,000	None	None
	CSC Venture Capital Corp.		40,000	None	None
	Wang, Shu-Jun		580,000	Shareholders	None
	Wang, Xiao-Yuan		70,000	Shareholders	None
	Tian, Mei-Li		100,000	Shareholders	None
	Yu, Rui-Yu		640,000	Shareholders	None
	Li, Zheng-Wei		20,000	Shareholders	None
	Lin, Xing-Jin		500,000	Shareholders	None
	Lin, Zong-Tan		100,000	Shareholders	None
	Lin, Qiu-Fang		80,000	Shareholders	None
	Tang, Qing-Sheng		140,000	Shareholders	None
	Juang, Yu-Min		100,000	None	None
	Chen, Ben-Yuan	Article 43-6, Paragraph 1, Subparagraph 3 of the Securities and Exchange	120,000	Director	None

		Act			
	Chen, Mei-Fang	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	100,000	None	None
	Chen, Mao-Tang		40,000	Shareholders	None
	Chen, Chao-Ho		400,000	Shareholders	None
	Chen, Han-Cheng		400,000	Shareholders	None
	Peng, Shu-Zhu		250,000	Shareholders	None
	You, Guei-Zhi		500,000	Shareholders	None
	Huang, Huan-Wen		160,000	Shareholders	None
	Ye, Yong-Jie		250,000	Shareholders	None
	Liao, Ping-Nan		120,000	Shareholders	None
	Xiong, Wen-Jun		300,000	Shareholders	None
	Liu, Liang-Yin		100,000	Shareholders	None
	Tsai, Pei-Yu		120,000	Shareholders	None
	Tsai, Yue-Hua		120,000	Shareholders	None
	Lu, Shu-Jing		134,000	Shareholders	None
	Xie, Kai-Wen		150,000	None	None
	Jian, Yu-Zhen		100,000	Shareholders	None
	Luo, Tai-Song		100,000	None	None
Actual subscription price	NT$250 per share				
Difference between the actual subscription price and the reference price	The actual subscription price is NT$250 per share, which is 80.54% of the reference price of NT$310.4 per share.				
The impact of the private placement of common stock on shareholders' equity (e.g. Increase of the accumulated losses...)	Fund-raising by means of private placement of common stock for capital increase in cash does not involve expenditure on the interest associated with liabilities, reduces the financial risk for the Company, and helps immediately improve the Company’s financial structure and increase the flexibility for the Company over financial allocation. It is expected to reinforce the competitive advantages of the Company, improve the operating efficacy, and strengthen the financial structure and hence helps with the shareholders’ equity positively.				
Utilization of privately raised funds and status of implementation of the plan	1. The funds raised hereby shall reserve for either increasing working capital, strengthening the financial structure, and/or doing research and developing new drug, and/or conducting reinvestment and/or, and/or supporting the Company’s long-term development funding needs (one or several of these purposes). The Company has collected full payment of NT$1,833,500 thousand and the funds are reserved for increasing working capital and purchasing fixed assets. 2. By the end of the first quarter of 2025, all the planned actions have been implemented.				
Expressed benefits of private placement	The Company's private placement of common shares at this time is used to enrich working capital and purchase machinery and equipment. The Company's total individual current assets at the end of March 2022 (after fundraising) increased by NT$1,658,726 thousand compared with that of the end of June 2022 (before fundraising). The debt ratio decreases and the ratio of long-term funds to fixed assets, current and quick ratios increased significantly. The Company has indeed strengthened its financial structure after fundraising. As for enriching working capital and purchasing machinery and equipment, the funds were used for daily operation and purchase of machinery and equipment. The Company continues to implement the plans as scheduled. In summary, the funds should have a positive impact on shareholders’ equity in the long term.				

3. Other necessary supplemental information
None.

4. Any Matters in the Most Recent Fiscal Year and as of the Publication Date of this Annual Report that Had Material Impacts on Shareholders' Equity or the Company's Securities Prices
None.

PharmaEssentia Corporation

Chairman: ChingLeou Teng