永信國際投資控股股份有限公司
YUNGSHIN GLOBAL HOLDING CORPORATION

Stock Code
3705

2025
Annual Report

Printed on March 31, 2026

Company Website : http://www.yungshingroup.com
Market Observation Post System Website :http://mops.twse.com.tw

I. Corporation Spokesperson, Deputy Spokesperson Name, Title, Contact Number and Email Address

Spokesperson:	Chih-Wei Chien
Title:	President
Tel:	(02)2545-0185 ext. 228
Email:	investor@yungshingroup.com
Deputy Spokesperson:	Yi-Yun Wang
Title:	Department Manager
Tel:	(02)2545-0185 ext. 128
Email:	investor@yungshingroup.com

II. Addresses and Phone Numbers of Headquarters, Branch Offices, and Factories

Headquarters:	YungShin Global Holding Corporation
Contact Address:	11F, No. 181, Section 3, MinquanEast Road, Songshan Dist., Taipei City
Tel:	(02)2545-0185 Main Number

III. Name, Address, Website and Telephone Number of the Share Registrar:

Stock agency:	Yuanta Securities Co., Ltd.
Address:	B1, No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City
Website:	http://www.yuanta.com.tw
Tel:	(02)2586-5859

IV. Names, Accounting Firm, Address, Website and Telephone Number of CPAs for the Latest Financial Report

CPAs:	Min-ju Chao, Chia-Han Wu
Firm Name:	KPMG in Taiwan
Address:	68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City
Website:	http://kpmg.com/tw
Tel:	(02)8101-6666

V. Name of the Overseas Securities Exchange and Method to Inquire about Overseas Securities Information:

Not applicable

VI. Corporate Website: http://www.yungshingroup.com

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Chapter 1 Letter to Shareholders

Dear Shareholders,

YungShin Group has focused on pharmaceutical and health-related industries since its establishment, and gradually expanded its global presence and development in the 1980s. In pursuit of sustainable corporate development and to respond to increasingly fierce global competition, YungShin Group established this Corporation- YungShin Global Holding Corporation in 2011 through a share exchange method according to the Business Mergers and Acquisitions Act, with Yung Shin Pharm. Ind. Co. Ltd. leading the Group's global deployment and development. Through the vertical integration and horizontal regional expansion strategies of the Group's companies in health-related fields including human pharmaceuticals, human health supplements, veterinary medicines, feed additives, and pharmaceutical raw materials, the Group aims to become one of the leading manufacturers in health-related industries.

YungShin Group's current role in the health industry is extensive. Its businesses cover upstream active pharmaceutical ingredients and intermediates, midstream production of drugs for human beings and animals, and healthcare supplements, and related product sales downstream in regional expansion.

I. Business Performance in 2025

(I) Implementation of Business Plan

In the consolidated composite income statement for 2025 of the Corporation, the operating income was NT$8,375,854 thousand, the gross profit was NT$3,645,434 thousand, with a gross margin of 44%; the operating expense was NT$2,326,019 thousand, the consolidated net profit after tax was NT$948,406 thousand, the net profit after tax attributable to the parent Corporation was NT$880,815 thousand, with earnings per share of NT$3.31.

(II) Budget Implementation

The Corporation did not make a financial forecast for 2025, and hence a comparison with budget achievements is not feasible.

(III) Analysis of Financial Revenue/Expenditure and Profitability

Financial Revenue/Expenditure Unit: NT$1,000

Item	2024	2025
Revenue	8,031,903	8,375,854
Gross profit	3,518,945	3,645,434
Operating profit or loss	1,291,400	1,319,415
Net profit before tax	1,623,868	1,304,099
Net profit after tax	1,269,444	948,406

Profitability analysis

Item	2024	2025
Return on assets (ROA)(%)	10.21%	7.30%
Return on equity (ROE) (%)	14.19%	10.01%
Ratio of income before tax to paid-up capital(%)	60.95%	48.95%
Net profit margin(%)	15.81%	11.32%
Earnings per share (NT$)	4.39	3.31

(IV) Research and Development Status

The Group's R&D investments in 2025:

Unit: NT$1,000; %

Item / Year	2024	2025
R&D expenditure (NT$1,000)	387,454	392,407
Percentage of revenue（%）	4.82%	4.68%

II. Summary of 2026 Business Plan

(I) Operating Policies and Future Development Strategies

YungShin Group's current development in the health industry is extensive. YungShin Group's businesses cover the R&D of upstream active pharmaceutical ingredients (APIs) and intermediates, midstream production of agents, and downstream sales of related products. We also aim to become one of the world's leading generic drug producers. Important strategies that will be continuously developed in 2026 are as follows:

1. Investment and efficiency both internally and externally within the medical and health industries.

   YungShin Group has developed generic drugs for more than 60 years with years of experience in the upstream and downstream sectors of generic drug. As an investment holding corporation, the Corporation will increase or decrease investments in businesses as appropriate to strengthen resources and form alliances, make alliances, get into mergers and acquire other pharmaceutical companies to improve the Group's competitiveness and increase market share, internally initiating cooperation and integration among various factory sites to continuously strengthen internal resources.

2. Continuous development and promotion of the Group's Active Pharmaceutical Ingredients (API)

   In a highly cost-competitive generic drug market environment, controlling the research, development, manufacturing and supply of active pharmaceutical ingredients (APIs) is a crucial element for the survival and development of generic drug manufacturers. YungShin Group invested in API research, development and production in its early development stages. Currently, there are multiple API research, development and production units among the Group's companies. The Group will reorganize resources and consolidate or segregate through a focused approach to increase the Group's market competitiveness in API product lines.

3. Establishment and training of new generation talent and successors implementation

   In response to new generation changes and competition, significant changes have occurred in clinical treatments, R&D technologies, production methods, and internal/external company management environments. Unlike the past when the Corporation focused on R&D and production technology advancement, the Group has begun planning expansion into the greater healthcare industry. To address competition and expansion needs, establishing and training high-level talent pools is the cornerstone of the Group's expansion. We have already initiated recruitment of production, sales, R&D, and finance talents for training, rotation, and succession-related training, aiming to introduce new generation concepts, tools, and management approaches. With existing pharmaceutical products as the core foundation, we will expand into greater healthcare, biotechnology, and related industries.

4. Promote the Group's tangible and intangible assets activation

   After more than six decades of operation, the Group has continuously invested in R&D, production, and sales, accumulating substantial tangible and intangible assets. We will now actively promote utilization of various assets, not only pushing mature companies toward the capital market but also examining internal intangible assets to activate their applications. This will create new benefits for the Group and continue to deeply develop diversified operations related to healthcare, strengthening the Group's competitiveness.

5. Continue to promote the sustainable investment and development of ESG

   YungShin Group is one of Taiwan's leading generic pharmaceutical manufacturers. For many years, the Group has adhered to its core pharmaceutical business with the corporate spirit of service, integrity, and innovation. Today, it has developed into a comprehensive multinational healthcare technology group. While continuing to uphold the philosophy of manufacturing high-quality medicines, health supplements, and veterinary drugs, the Group consistently invests in the research and development of high-quality, economical medications for various treatments, and supports and rewards medical research. The Group is also actively involved in elderly care, health and leisure, wellness, and medical aesthetics, demonstrating a holistic approach to health care and realizing its brand vision of "safeguarding health, creating beauty, and delivering happiness.”

   In addition to focusing on sustainable development, the YungShin Group also uses its platforms including the "Yung Shin Social Welfare Foundation", "TienTe Lee Biomedical Foundation", "Yung Shin Elderly Nursing Home", and "YungShin Cup National Volleyball Championship" to fulfill its corporate social responsibilities.

(II) Expected Sales Volume and Basis

The Corporation is structured as an industrial investment holding company, specializing in investments. The business operation is general investment business, with no forecast for sales volume.

(III) Important Production and Sales Policies

The Corporation is structured as an industrial investment holding company, specializing in investments. The business operation is general investment business, with no production and sales policies established.

(IV) Impact of External Competitive Environment

The biotechnology industry currently faces external competitive threats including:

1. Both advanced and developing countries take the biotech industry as their main development direction and use national resources to support the research, development, plant setup, and even mergers and acquisitions. For example, in the largest pharmaceutical companies in both China, France, Malaysia, etc., the governments are the largest shareholders, which support and develop large pharmaceutical companies with national resources to raise the threshold of comprehensive competition.
2. Individual countries have been continuously enhancing the rigor of their regulatory supervision, requirement for raw materials, and specifications of finished products, as also inspections. This has resulted in an increase in the cost of pharmaceutical research, development, and production. It also has increased product marketing and entry barriers.
3. Countries around the world actively compete for biotech talents, while both Taiwan and the Corporation have failed to attract foreign biotech talent or competitive advantages have been inadequate.
4. Most of our biotechnology and pharmaceutical raw materials are sourced from overseas. Due to the small domestic market, it is difficult to produce cost-competitive raw materials locally, resulting in low self-sufficiency, challenges in supply quantity management, frequent price fluctuations, and increased operational risks for the Corporation.
5. Under government support or financial operations by large biotech companies, cross-border pharmaceutical mergers and acquisitions are increasing in both frequency and scale, making market positioning more challenging.

Facing these external business environment threats, the YungShin Group will continue to strengthen its internal capabilities and enhance competitiveness, while externally seeking opportunities to integrate upstream and downstream operations, expand the group's scale, and develop a healthy upstream-downstream value chain.

(V) Regulatory Environment Impact

1. Healthcare spending constraints in various countries leading to price adjustments will compress profit margins for generic drug manufacturers.
2. Increasingly stringent drug registration and patent linkage regulations across countries delay new product launches, increasing investment and sales risks for new products.
3. In recent years, the full implementation of PICs GMP standards and inspections domestically has aligned with EU-led international pharmaceutical regulations, facilitating international market expansion.

(VI) Overall Business Environment Impact

Fiscal constraints have forced many countries to exercise control over medical expenditure. Governments of the United States, Japan and emerging countries in Asia have vigorously promoted the use of generic drugs. However, rapidly aging population in many countries and the distorted population structure will gradually increase the demand for prescription drugs to treat chronic diseases as also for anti-cancer drugs. Drugs to treat or prevent physical and mental illnesses and anti-aging will have demand. YungShin Group has expanded its operations into Southeast Asia, United States, China, and Japan over many years which will help increase the global presence of YungShin Group's generic drugs.

I wish to thank the shareholders for support and encouragement to the Corporation, and look forward to continued guidance and advice. The Corporation will share the benefits of business operations with shareholders through sustainable growth and a consistent dividend policy.

Chairman： Fang-Hsin Lee

Chapter 2 Corporate Governance Report

I. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches

(I) Information on Directors (including independent directors) Part 1:

Information on Directors (including independent directors) Part 1

March 31, 2026

Title	Nationality or place of registration	Name	Gender/ Age	Date of Election (Appointment) (Note 2)	Term	Initial Date of Appointment (Note 1) (Note 1)	Shares Held at Time of Appointment		Current Shareholding		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Major Experience and Education	Current Positions in the Corporation and Other Companies	Other Managers, Directors or Supervisors who are Spouses or within Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Republic of China	Yen Xu Co., Ltd.	-	2025.05.28	3 years	2025.05.28	5,528,865	2.08%	5,678,865	2.13%	-	-	-	-	-	-	-	-	-	
		Representative Fang-Hsin Lee	Male 66 years old	2025.05.28		2011.01.03	5,731,967	2.15%	5,731,967	2.15%	44,483	0.02%	5,678,865	2.13%	Doctor of Business Administration, University of Western Pacific	(Note 4)	Vice Chairman Director Director	Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee	Sister and younger brother Brothers Brothers	
Director	Republic of China	Ling-Chin Lee (Note 3)	Female 77 years old	2025.05.28	3 years	2011.01.03	10,401,368	3.90%	5,401,368	2.03%	-	-	5,000,000	1.88%	Shih Chien University	(Note 4)	Chairman Director Director	Fang-Hsin Lee Fang-Yu Lee Fang-Chen Lee	Sister and younger brother Sister and younger brother Sister and younger brother	
Director	Republic of China	Bio-X Alliance Holding Co., Ltd.	-	2025.05.28	3 years	2025.05.28	2,712,000	1.02%	2,712,000	1.02%	-	-	-	-	-	-	-	-	-	
		Representative Fang-Yu Lee	Male 74 years old	2025.05.28		2012.07.01	4,814,918	1.81%	4,714,918	1.77%	2,758,682	1.04%	2,712,000	1.02%	PhD, College of Pharmacy, China Medical University	(Note 4)	Chairman Vice Chairman Director	Fang-Hsin Lee Ling-Chin Lee Fang-Chen Lee	Brothers Sister and younger brother Brothers	

Title	Nationality or place of registration	Name	Gender/ Age	Date of Election (Appointment) (Note 2)	Term	Initial Date of Appointment (Note 1) (Note 1)	Shares Held at Time of Appointment		Current Shareholding		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Major Experience and Education	Current Positions in the Corporation and Other Companies	Other Managers, Directors or Supervisors who are Spouses or within Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Director	Republic of China	Fuentes Investment Corporation	-	2025.05.28	3 years	2025.05.28	6,122,000	2.30%	6,122,000	2.30%	-	-	-	-	-	-	-	-	-	
		Representative Fang-Chen Lee	Male 70 years old	2011.01.03		2011.01.03	5,543,344	2.08%	5,549,344	2.08%	369,322	0.14%	6,122,000	2.30%	1. Ph. D., Institute of Medicinal Chemistry, University of Minnesota 2. Ph. D., Intellectual Property Law Institute, China University of Political Science and Law	(Note 4)	Chairman Vice Chairman Director	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee	Brothers Sister and younger brother Brothers	
Director	Republic of China	Meng-Be Lin	Male 69 years old	2025.05.28	3 years	2013.06.11	6,015,076	2.26%	10,918,076	4.10%	2,400,000	0.90%	16,353,000	6.14%	Department of Accounting, Soochou University	(Note 4)	None	None	None	
Director	Republic of China	Chi-Li Lee	Male 53 years old	2025.05.28	3 years	2019.06.20	828,650	0.31%	828,650	0.31%	1,050	0.00%	-	-	Master of Business Administration, Oxford Brookes University (United Kingdom)	(Note 4)	None	None	None	
Independent Director	Republic of China	Shih-Kuang Tsai	Male 61 years old	2025.05.28	3 years	2019.06.20	-	-	-	-	-	-	-	-	Master's in accounting, Taiwan University	(Note 4)	None	None	None	
Independent Director	Republic of China	Kun-Xian Lin	Male 68 years old	2025.05.28	3 years	2016.06.22	-	-	-	-	-	-	-	-	Master, Graduate Institute of Financial and Economic Law, Feng Chia University	(Note 4)	None	None	None	

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Nationality or place of registration</th><th rowspan="2">Name</th><th rowspan="2">Gender/ Age</th><th rowspan="2">Date of Election (Appointment) (Note 2)</th><th rowspan="2">Term</th><th rowspan="2">Initial Date of Appointment (Note 1) (Note 1)</th><th colspan="2">Shares Held at Time of Appointment</th><th colspan="2">Current Shareholding</th><th colspan="2">Shares Held by Spouse and Minor Children</th><th colspan="2">Shares Held in the Name of Others</th><th rowspan="2">Major Experience and Education</th><th rowspan="2">Current Positions in the Corporation and Other Companies</th><th colspan="3">Other Managers, Directors or Supervisors who are Spouses or within Second Degree of Kinship</th><th rowspan="2">Remarks</th></tr>
<tr><th>Number of Shares</th><th>Shareholding Ratio</th><th>Number of Shares</th><th>Shareholding Ratio</th><th>Number of Shares</th><th>Shareholding Ratio</th><th>Number of Shares</th><th>Shareholding Ratio</th><th>Title</th><th>Name</th><th>Relationship</th></tr>
<tr><td>Independent Director</td><td>Republic of China</td><td>Hong-I Chen</td><td>Male 77 years old</td><td>2025.05.28</td><td>3 years</td><td>2019.06.20</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>1. National Defense Medical Center Medicine
2. Doctor of Pharmacology, University of Oxford, UK
3. Master of Medical Administration, Tulane University, USA
4. Master, College of Management, National Taiwan University</td><td>(Note 4)</td><td>None</td><td>None</td><td>None</td><td></td></tr>
</table>

Note1: The Corporation was established through a share swap from Yung Shin Pharm. Ind. Co. Ltd. on January 3, 2011.

Note2: The sixth term of directors (including independent directors) of the Corporation was elected on May 28, 2025, and the term of office is from May 28, 2025 to May 27, 2028.

Note3: Add 4,000,000 shares under trust with discretion reserved, with a total of 9,401,368 shares (a shareholding ratio of 3.53%).

Note4: Position(s) Held Concurrently in the Corporation and/or in Any Other Company

Name	Current Positions in the Corporation and Other Companies
Fang-Hsin Lee	1. Chairman of the Corporation (YungShin Global Holding Corporation), Yen Xu Co., Ltd., Yung Shin Formosa Holding Co., Ltd., and YSP International Co., Ltd. 2. President and Group Managing Director of Y.S.P. Southeast Asia Holding Bhd. 3. Legal representative of Director of Carlsbad Technology, Inc. 4. Director of Taiwan Private Yong Shin Social Welfare Foundation, Alpha Active Industries Sdn Bhd. 5. Supervisor, Medical Excellence Taiwan. 6. President of Y.S.P. Industries(M) Sdn. Bhd., Kumpulan Y.S.P (Malaysia) Sdn. Bhd., Yung Shin (Philippines) Inc., Y.S.P. (Cambodia) Pte Ltd., PT. Yung Shin Pharmaceutical Indonesia, PT. YSP Industries Indonesia, Y.S.P. Industries Vietnam Co., Ltd., Sun Ten Pharmaceutical Mfg (M) Sdn Bhd. 7. Managing Director of Yung Shin Pharmaceutical (Singapore) Pte Ltd., Sun Ten (Singapore) Pte Ltd., Sun Ten Southeast Asia Holding Pte Ltd., Y.S.P. SAH Investment Pte Ltd.
Ling-Chin Lee	1. Vice Chairman of the Corporation (YungShin Global Holding Corporation). 2. Chairman of Shante Assets Management Co., Ltd. and Lien Kai Investment Corporation. 3. Legal Representative of Director of Yung Shin Phar. Ind. Co., Ltd., YSP International Co., Ltd., Y.S.P. Southeast Asia Holding Bhd., Kumpulan Y.S.P (MALAYSIA) Sdn. Bhd., Y.S.P. Industries (M) Sdn. Bhd. 4. Director of Tien Te Lee Biomedical Foundation. 5. Special Adviser of Yung Shin Social Welfare Foundation.
Fang-Yu Lee	1. Chairman of TienTe Lee Biomedical Foundation, Taiwan Private Yong Shin Social Welfare Foundation, Yung Shin Amusement Co., Ltd., Bio-X Alliance Holding Co., Ltd., Bio-X Scientific Co., Ltd., and Pharma Alliance Vietnam Company Limited. 2. Legal Representative of Director of Yung Shin Phar. Ind. Co., Ltd., YSP International Co., Ltd., Chemix Inc. 3. Director of Shuz Tung Machinery Industrial Co. 4. Supervisor, Hsing Yuan Foundation. 5. Director of Taichung Private Xinmin Senior High School.
Fang-Chen Lee	1. Chairman of LTC Holding Company Limited, TC Pharmaceuticals (Jiangsu) Co., Ltd. and Fuentes Investment Corporation. 2. Legal Representative of Director of Vetnostrum Animal Health Co., Ltd. 3. Director of Yung Zip Chemical Ind. Co., Ltd., Taiwan Way Chein Industrial Co., Ltd., Yung Shin Social Welfare Foundation, Fuentes Holding Company Limited, Iaso Holding Company Limited, Aegirbio Biotechnology Co., Ltd., and Dezhen Pharma (Jiangsu) Co., Ltd. 4. President of Chinese Chemical Society, Taiwan Pharmaceutical Manufacture and Development Association, Adjunct Associate Professor of Department of Accounting, Tunghai University.
Meng-Be Lin	1. Chairman of Wen Shan Resort Corporation. 2. Legal Representative of Director of Yung Shin Phar. Ind. Co., Ltd., Yung Hong International Biotech Co., Ltd., YSP International Co., Ltd. 3. Director of Lih Dar Steel Co., Ltd. 4. Supervisor of Linky Brothers Corporation
Chi-Li Lee	1. Chairman of Yung Shin Phar. Indu. Co., Ltd. and Taiwan Waychein Industrial Co., Ltd. 2. Legal Representative of Director of YSP International Co., Ltd., Chemix Inc., Yung Shin Formosa Holding Co., Ltd. 3. Director of Tien Te Lee Biomedical Foundation.

Name	Current Positions in the Corporation and Other Companies
Shih-Kuang Tsai	1. Legal representative of Independent Director of Yung Shin Pharm. Ind. Co. Ltd. 2. President of T.K. Tsai & Co., CPAs. 3. Independent Director of AIC Inc., Syncmold Enterprise Corp., Taiwan Asia Semiconductor Corporation, etc. 4. Supervisor of Zhi-Hang Technology Co., Ltd.
Kun-Xian Lin	1. Independent Director of United Integrated Services Co., Ltd.
Hong-I Chen	1. Legal representative of Independent Director of Yung Shin Pharm. Ind. Co. Ltd. 2. Director of Country Hospital. 3. Honorary Professor/Honorary President of Chang Jung Christian University 4. Director of Healer New Clinic. 5. Consultant of Tri-Service General Hospital. 6. Director of Liming Culture Foundation and Da-Guang Healthcare Consulting Co. Ltd. and Yida International Hospital Management & Consultant Co., Ltd., etc

Major Shareholders of Corporate Shareholders

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders
Yen Xu Co., Ltd.	Fang-Hsin Lee (99.86%), Hui-Lun Lee (0.14%)
Bio-X Alliance Holding Co., Ltd.	Fang-Yu Lee (99.94%), Zhu-Zhi Zheng (0.06%)
Fuentes Investment Corporation	Fang-Chen Lee (81.46%), Ming-Ming Zhao (16.98%), Chi-Feng Lee (1.56%)

Note: The data source is the Taiwan Corporation Network and the Department of Commerce's Business Registration Public Inquiry System.

(II) Information on Directors (including Independent Directors) Part 2:

1. Disclosure of professional qualifications of directors and their independence:

Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Concurrently Serving as Independent Director
Legal representative of Director Yen Xu Co., Ltd. Representative Fang-Hsin Lee	Established Y.S.P. Southeast Asia Holding, focusing on southeast Asia market for more than 30 years. Act as the Chairman and concurrently as the President of the Corporation, serve as a manager on the board of directors for strategic communication and advice on business management, and put forward the relevant management advice. Has the practical skills in marketing, finance, mergers and acquisitions, industry-related business planning, operation and management. Not under any of the circumstances stated in Article 30 of the Company Act.	–	–
Director Ling-Chin Lee	Vice Chairman of the Corporation. Specialize in the pharmaceutical industry for more than 30 years, and develop nutrition and health food and maintenance products market, with the practical skills in finance, business, marketing, operation and management. Not under any of the circumstances stated in Article 30 of the Company Act.	–	–
Legal representative of Director Bio-X Alliance Holding Co., Ltd. Representative Fang-Yu Lee	Currently the Chairman of Bio-X Alliance Holding Co., Ltd. Dedicated to the pharmaceutical industry for over 30 years. Focus on intelligent production line and other future trends, with the practical skills in finance, business, marketing, operation and management. Not under any of the circumstances stated in Article 30 of the Company Act.	–	–
Legal representative of Director of Fuentes Investment Corporation Representative Fang-Chen Lee	Established the first biotechnology industry holding company - the Corporation, and transformed into a global pharmaceutical company through joint venture or merger and acquisition models. In addition to pharmaceutical educational background, also pursued cross-industry learning with in-depth studies in corporate management and law. Have the relevant practical skills in finance, business, marketing, operation and management. Not under any of the circumstances stated in Article 30 of the Company Act.	–	–
Director Meng-Be Lin	Currently serve as the Chairman of Wen Shan Resort Corporation. Have the relevant practical skills in finance, business, operation and management. Not under any of the circumstances stated in Article 30 of the Company Act.	–	–
Director Chi-Li Lee	Currently serve as the Chairman of YUNG SHIN PHARM. IND. CO., LTD., with more than 25 years of experience in sales management in the pharmaceutical industry, and practical skills in marketing, finance, mergers and acquisitions, industry-related business planning, operation and management. Not under any of the circumstances stated in Article 30 of the Company Act.	–	–

Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Concurrently Serving as Independent Director
Independent Director Shih-Kuang Tsai	Have experience in accounting and crisis management, and have passed the national examination required for CPAs with the Certificate of Professional and Technician. Currently serve as the President of T.K. Tsai & Co., CPAs. In performing the functions of the independent director, remuneration committee and audit committee, his expertise in finance and accounting facilitates to enhance the quality of corporate governance of the board and oversight functions of functional committees. Not under any of the circumstances stated in Article 30 of the Company Act.	Serve as an independent director, conforming to the conditions of independence, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Corporation or its affiliated enterprises; Does not hold shares of the Corporation; Not being a director, supervisor or employee of a company having a particular relationship with the Corporation; No remuneration obtained from providing business, legal, financial, accounting and other services to the Corporation or its affiliated enterprises in the recent 2 years.	3
Independent Director Kun-Xian Lin	Have experience in legal and crisis management, and have passed the national examination required for the practice of law with the Certificate of Professional and Technician. Currently serve as the President of BN Law Firm. He is able to provide advice on risk management, legal strategy, compliance and management decisions with his expertise in law. Not under any of the circumstances stated in Article 30 of the Company Act.	Serve as an independent director, conforming to the conditions of independence, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Corporation or its affiliated enterprises; Does not hold shares of the Corporation; Not being a director, supervisor or employee of a company having a particular relationship with the Corporation; No remuneration obtained from providing business, legal, financial, accounting and other services to the Corporation or its affiliated enterprises in the recent 2 years.	1
Independent Director Hong-I Chen	Have experience in medical and crisis management, and have passed the national examination required for the medical practitioners with the Certificate of Professional and Technician. Currently serve as a consultant of the Tri-Service General Hospital and Honorary Professor/Honorary President of Chang Jung Christian University. He is able to provide advice on pharmaceutical development, quality management and risk management decisions with his expertise in medicine. Not under any of the circumstances stated in Article 30 of the Company Act.	Serve as an independent director, conforming to the conditions of independence, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Corporation or its affiliated enterprises; Does not hold shares of the Corporation; Not being a director, supervisor or employee of a company having a particular relationship with the Corporation; No remuneration obtained from providing business, legal, financial, accounting and other services to the Corporation or its affiliated enterprises in the recent 2 years.	–

2. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

The Corporation upholds a policy of director diversity to enhance the overall performance of the Corporation so as to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors. The selection of board members shall be based on the following two principles:

A. Basic requirements and values: gender, nationality, age, etc.

B. Professional Knowledge and Skills: Professional experience (e.g., banking, insurance, securities, asset management, etc.), professional skills and industry experience (e.g., accounting, legal, information technology, risk management, etc.).

To enhance the functions of the Board of Directors and achieve the ideal corporate governance objectives, according to Article 20 of the "Corporate Governance Best Practice Principles," the Board as a whole should possess the following capabilities:

A. Operational judgment ability.
B. Accounting and financial analysis ability.
C. Business management ability (including management of subsidiaries).
D. Crisis management ability.
E. Industry knowledge.
F. International market perspective.
G. Leadership ability.
H. Decision-making ability.

The Board of Directors of the Corporation is currently composed of 9 directors, including 6 general directors and 3 independent directors, who have rich experience and expertise in finance, business, and management, etc. Currently, the majority of the Corporation's board members are re-elected directors with relatively low turnover, and continuous progress is needed to achieve the goal of having at least one-third of board seats represented by either gender. To this end, the Corporation commits to achieving the ratio of at least one-third of directors of any single gender within 3 years, and will regularly review the board composition thereafter to maintain gender diversity results.

The current implementation status is as follows:

Core Diversity Item	Basic Composition									Industry Experience				Professional Skills			
	Nationality	Gender	Also Serves as An Employee of the Corporation	Age			Independent Director Term Seniority			Medicine and Pharmaceutical	Finance and Accounting	Business Management	Legal Practices	Medicine	Law	Accounting	Business Management
				41 to 50	51 to 60	61 above	3 years below	3 to 9 years	9 years above								
Institutional Director Yen Xu Co., Ltd. Representative: Fang-Hsin Lee	Republic of China	Male				V				V		V					V
Director Ling-Chin Lee	Republic of China	Female				V				V		V					V
Institutional Director Bio-X Alliance Holding Co., Ltd. Representative: Fang-Yu Lee	Republic of China	Male				V				V		V		V			
Institutional Director Fuentes Investment Corporation Representative: Fang-Chen Lee	Republic of China	Male				V				V		V		V	V		
Director Meng-Be Lin	Republic of China	Male				V					V	V				V	
Director Chi-Li Lee	Republic of China	Male			V					V	V	V					V
Independent Director Shih-Kuang Tsai	Republic of China	Male				V		V			V	V				V	
Independent Director Kun-Xian Lin	Republic of China	Male				V			V			V	V		V		
Independent Director Hong-I Chen	Republic of China	Male				V		V		V		V		V			

(2) Independence of the Board of Directors:

The Corporation's sixth Board of Directors consists of 9 members, including 3 independent directors. Independent Directors must be no less than three people and not less than 1/5 of the director seats (inclusive). By 2025, there are already three Independent Directors, accounting for 1/3 of the director seats. It is aimed that directors concurrently serving as company employees should not exceed 1/2 of the director seats (inclusive); currently, none of the directors concurrently serve as employees. Additionally, more than half of the director seats should not have spousal or second-degree kinship relationships. Currently, there are four directors with second-degree kinship relationships. Based on the given information, all independence objectives have been achieved.

(III) President, Vice Presidents, Assistant Vice Presidents, Heads of Departments and Branches:

Information on President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches

March 31, 2026

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Major Experience and Education	Current Positions in Other Companies	Managers with Spousal or Second-degree Kinship Relations			Remarks
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
President	Republic of China	Chih-Wei Chien	Male	2023.08.09	-	-	-	-	-	-	1. Executive Master of Business Administration (EMBA), College of Management, National Taiwan University 2. Master of Pharmacology, National Yang-Ming University	1. Legal Representative of Director of Vetnostrum Animal Health Co., Ltd. 2. Chairman and CEO of Carlsbad Technology, Inc.	None	None	None	

II. Compensation Paid to Directors and President in the Most Recent Year

(I) Remuneration Paid to Directors and Independent Directors:

2025; Unit: NT$1,000

Title	Name	Directors' Remuneration								A, B, C and D Total Amount and Ratio to Net Income After Tax		Remuneration Received by Directors Who are Also Employees								A, B, C, D, E, F and G Total Amount and Ratio to Net Income After Tax		Compensation Received from Investee Companies Other Than Subsidiaries or from the Parent Company
		Remuneration (A)		Severance Pay and Pensions (B)		Directors' Compensation (C) (Note 1)		Allowances (D) (Note 2)				Salary, Bonuses, and Special Disbursements (E)		Severance Pay and Pensions (F)		Employee Compensation (G) (Note 3)						
		The Corporation	All Companies Listed in this Financial Report	The Corporation	Financial Report In the report There are companies.	The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation: Cash Amount	The Corporation: Stock Amount	All Companies Listed in this Financial Report: Cash Amount	All Companies Listed in this Financial Report: Stock Amount	The Corporation	All Companies Listed in this Financial Report	
Chairman	Fang-Hsin Lee	-	-	-	-	1,133	1,133	120	170	1,253 0.1422%	1,303 0.1479%	-	-	-	-	-	-	-	-	1,253 0.1422%	1,303 0.1479%	11,776
	Yen Xu Co., Ltd. Representative Fang-Hsin Lee	-	-	-	-	1,680	1,680	0	0	1,680 0.1908%	1,680 0.1908%	-	-	-	-	-	-	-	-	1,680 0.1908%	1,680 0.1908%	-
Vice Chairman	Ling-Chin Lee	-	-	-	-	2,813	2,813	2,712	2,766	5,525 0.6273%	5,579 0.6334%	-	-	-	-	-	-	-	-	5,525 0.6273%	5,579 0.6334%	800
Director	Fang-Yu Lee	-	-	-	-	1,133	1,133	1,984	2,050	3,117 0.3539%	3,183 0.3614%	-	-	-	-	-	-	-	-	3,117 0.3539%	3,183 0.3614%	30
	Bio-X Alliance Holding Co., Ltd. Representative Fang-Yu Lee	-	-	-	-	1,680	1,680	0	0	1,680 0.1908%	1,680 0.1908%	-	-	-	-	-	-	-	-	1,680 0.1908%	1,680 0.1908%	-
Director	Fang-Chen Lee	-	-	-	-	1,133	1,133	80	92	1,213 0.1377%	1,225 0.1391%	-	-	-	-	-	-	-	-	1,213 0.1377%	1,225 0.1391%	30
	Fuentes Investment Corporation Representative Fang-Chen Lee	-	-	-	-	1,680	1,680	0	0	1,680 0.1908%	1,680 0.1908%	-	-	-	-	-	-	-	-	1,680 0.1908%	1,680 0.1908%	50
Director	Meng-Be Lin	-	-	-	-	2,813	2,813	90	168	2,903 0.3296%	2,981 0.3385%	-	-	-	-	-	-	-	-	2,903 0.3296%	2,981 0.3385%	-
Director	Chi-Li Lee	-	7,630	-	-	2,813	2,813	90	893	2,903 0.3296%	11.336 1.2869%	-	-	-	-	-	-	-	-	2,903 0.3296%	11.336 1.2869%	30

Title	Name	Directors' Remuneration								A, B, C and D Total Amount and Ratio to Net Income After Tax		Remuneration Received by Directors Who are Also Employees								A, B, C, D, E, F and G Total Amount and Ratio to Net Income After Tax		Compensation Received from Investee Companies Other Than Subsidiaries or from the Parent Company
		Remuneration (A)		Severance Pay and Pensions (B)		Directors' Compensation (C) (Note 1)		Allowances (D) (Note 2)				Salary, Bonuses, and Special Disbursements (E)		Severance Pay and Pensions (F)		Employee Compensation (G) (Note 3)						
		The Corporation	All Companies Listed in this Financial Report	The Corporation	Financial Report In the report There are companies.	The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation		All Companies Listed in this Financial Report		The Corporation	All Companies Listed in this Financial Report	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Independent Director	Shih-Kuang Tsai	-	-	-	-	690	1,140	200	300	890 0.1010%	1,440 0.1635%	-	-	-	-	-	-	-	-	890 0.1010%	1,440 0.1635%	-
Independent Director	Kun-Xian Lin	-	-	-	-	690	690	110	110	800 0.0908%	800 0.0908%	-	-	-	-	-	-	-	-	800 0.0908%	800 0.0908%	-
Independent Director	Hong-I Chen	-	-	-	-	690	1,140	110	160	800 0.0908%	1,300 0.1476%	-	-	-	-	-	-	-	-	800 0.0908%	1,300 0.1476%	-

1. Please describe the compensation policy, system, standards, and structure for independent directors, and explain how the compensation amount relates to factors such as responsibilities, risks, and time investment: In order to emphasize the supervisory role and independent external perspective of independent directors, the Corporation has established a compensation system for independent directors based on fixed monthly payments without variable bonus items. This approach strengthens the connection between independent directors and the Corporation's long-term value creation while avoiding any compromise to the independence of their functional positioning.
2. Apart from the disclosure in the above table, the amount of compensation received by the Corporation's directors for providing services (such as serving as non-employee consultants to the parent company/all companies in the financial report/investee businesses) in the most recent year: 0

Note1: Director compensation amount is the proposed figure.

Note2: Executive expenses include company car, housing rental expenses, meeting attendance fees, and chairing fees.

Note3: Employee compensation amount is the proposed figure.

(II) Compensation of the President and Vice Presidents:

2025; Unit: NT$1,000

Title	Name	Pay (A)		Severance Pay and Pensions (B)		Bonus and Special Allowances (C)		Employees' Remuneration (D) (Note 1) (Note 1)				Proportion of Total Amount of A, B, C, and D to the Net Income After Tax (%)		Compensation Received from Investee Companies Other Than Subsidiaries or from the Parent Company
		The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation	All Companies Listed in this Financial Report	The Corporation		All Companies Listed in this Financial Report		The Corporation	All Companies Listed in this Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Chih-Wei Chien	3,420	3,420	108	108	1,140	2,857	775	-	775	-	5,443 0.6180%	7,160 0.8128%	-

Note1: Employee compensation amount is the proposed figure.

(III) Managerial Officer's Name and the Distribution of Employee Bonus:

2025; Unit: NT$1,000

	Title	Name	Stock Amount	Cash Amount (Note 1)	Total	Percentage of Total Compensations to Net Income After Tax (%)
Executive	President	Chih-Wei Chien	-	1,713	1,713	0.19%
	Chief Corporate Governance Officer	Yi-Yun Wang				
	Accounting Manager	Yu-Yi Lee				

Note1: Employee compensation amount is the proposed figure.

(IV) Please separately compare and explain the ratio of the total amount of remuneration paid to the Corporation's directors, President, and Vice Presidents to net profit after tax for the Corporation and all companies in the consolidated statements for the last two years, and explain the policies, standards, and composition of the remuneration, the procedures for determining remuneration, and the correlation with operating performance and future risks:

1. The ratio of total remuneration paid to the Corporation's directors, President, and Vice Presidents to net profit after tax for the last two years:

Remuneration category	Percentage of Total Compensations to Net Income After Tax (%) (%)			
	The Corporation		All Companies Listed in this Financial Report	
	2025 (Note 1)	2024	2025 (Note 1)	2024
Directors' Remuneration	2.78%	2.40%	3.88%	4.58%
Remuneration for the President and Vice Presidents	0.62 %	0.46%	0.62 %	0.58%

Note1: The remuneration for directors, President, and Vice Presidents in 2025 is the proposed amount, which shall be subject to the actual paid amount.

2. The policy, standards, and composition for granting remuneration: The Corporation's directors' remuneration includes compensation, directors' remuneration, business execution expenses, and retirement pension. According to Article 31 of the Articles of Incorporation, directors' remuneration shall not exceed 3% of the current year's profit as remuneration for directors in that year. This considers the Corporation's operating results and takes into account their contribution to company performance, providing reasonable compensation subject to review by the Remuneration Committee and the Board of Directors. However, for independent directors, the Corporation implements a remuneration system with fixed monthly payments, without variable bonus items and without participating in the distribution of directors' remuneration, strengthening the connection between independent directors and the Corporation's long-term value creation, avoiding the positioning of independent directors' functions losing their independence.

   According to Article 31 of the Corporation's Articles of Incorporation, if there are profits in the Year, no less than 0.3% should be appropriated as employee compensation. The President's remuneration includes salary and compensation (including cash compensation, stock options, profit sharing, retirement benefits or severance payments, various allowances, and other tangible incentive measures). The salary is referenced against industry standards, as well as Title, academic (and work) experience, Professional Skills, and responsibilities. The compensation is evaluated based on the President's annual operational performance indicators (trust and result orientation, integrity and teamwork, proactiveness and ambition, future industry operational risks, and development trends) and sustainable development performance indicators. The President, based on the aforementioned performance targets and contribution to the overall operations of the Corporation, has recommendations reviewed and proposed by the Remuneration Committee, which are then submitted to the Board of Directors for resolution.

3. Procedures for Determining Remuneration: The performance evaluation and reasonableness of remuneration for the Corporation's Directors and Executives are regularly assessed and reviewed annually by the Remuneration Committee and the Board of Directors. In addition to referencing individual performance achievement rates and contributions to the Corporation, the overall operational performance of the Corporation, future industry risks, and development trends are also considered. The remuneration system is reviewed timely based on actual operational conditions and relevant regulations, granting reasonable remuneration after comprehensive consideration. The actual paid amount of remuneration for directors and executives in 2025 is reviewed by the Remuneration Committee and then submitted to the Board of Directors for resolution.

4. Correlation with Operating Performance and Future Risks: The review of the Corporation's remuneration policy, including related payment standards and systems, primarily considers the overall operational status of the Corporation. The payment standards are determined based on performance achievement rates and contributions to enhance the organizational efficiency of the board of directors and the management team. Additionally, by referring to industry standards, ensure that the compensation for the Corporation's management remains competitive within the industry to retain outstanding management talent. The Corporation's performance targets encompass risk control, and are managed and prevented by the management according to the risks within their respective managerial responsibilities. The actual performance evaluation results are linked to the salary remuneration policy. The significant decisions made by the Corporation's management are balanced with consideration of various risk factors, and consequently, the management's remuneration is related to the performance of risk control.

III. Corporate Governance Operations

(I) Information on Board of Directors Operations:

1. Directors' attendance:

In 2025, the Board of Directors met 8 times (A), and directors' attendance was as follows:

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Attendance Rate in Person (%) [B/A] (Note 1)	Remarks
Chairman	Fang-Hsin Lee	3	-	100%	May 28, 2025, resigned.
	Yen Xu Co., Ltd. Representative Fang-Hsin Lee	5	-	100%	Newly appointed on May 28, 2025
Director	Ling-Chin Lee	8	-	100%	Reappointed on May 28, 2025
Director	Fang-Yu Lee	3	-	100%	May 28, 2025, resigned.
	Bio-X Alliance Holding Co., Ltd. Representative Fang-Yu Lee	5	-	100%	Newly appointed on May 28, 2025
Director	Fang-Chen Lee	3	-	100%	May 28, 2025, resigned.
	Fuentes Investment Corporation Representative Fang-Chen Lee	5	-	100%	Newly appointed on May 28, 2025
Director	Meng-Be Lin	8	-	100%	Reappointed on May 28, 2025
Director	Chi-Li Lee	8	-	100%	Reappointed on May 28, 2025
Independent Director	Shih-Kuang Tsai	8	-	100%	Reappointed on May 28, 2025
Independent Director	Kun-Xian Lin	8	-	100%	Reappointed on May 28, 2025
Independent Director	Hong-I Chen	8	-	100%	Reappointed on May 28, 2025

Note1: The actual attendance rate (%) is calculated based on the number of Board meetings held and the Director's actual attendance during the Director's term of office.

2. Other matters to be recorded:

(1) If any of the following circumstances occurs in the operation of the Board of Directors, the date and session of the Board meeting, the content of the proposals, all independent directors' opinions, and the Corporation's handling of such opinions shall be specified:

A. Matters listed in Article 14-3 of the Securities and Exchange Act:

Meeting Session	Content of the Proposal and Resolution	Independent Directors' Objection or Reservation	The Corporation's Handling of Independent Directors' Opinions
24th Meeting of the 5th Board of Directors 2025.03.11	Approval of the Corporation's 2024 preliminary individual and consolidated financial statements. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
25th Meeting of the 5th Board of Directors 2025.03.28	Approval of the Corporation's individual and consolidated financial statements for fiscal year 2024. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the Corporation's 2024 annual earnings distribution. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the Corporation's 2024 Employee and Director Compensation Distribution Plan. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the Corporation's 2024 Statement of Internal Control. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the change of CPAs for the Corporation and its subsidiaries starting from the first quarter of 2025. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the evaluation of the Corporation's 2025 CPAs' independence and audit quality (AQI). Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the amendment to the Corporation's "Financial Statement Preparation Regulations." Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
26th Meeting of the 5th Board of Directors 2025.04.25	Approval of The Corporation to acquire the Taipei office planning project of the subsidiary Yung Shin Pharm. Ind. Co., Ltd. (YSP). Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of The Corporation to acquire the equity planning case of the subsidiary Angel Associates (Taiwan), Inc. (AAT). Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
3rd Meeting of the 6th Board of Directors 2025.08.06	Approval of the amendment to certain provisions of the Corporation's "Internal Control System - Payroll Cycle." Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the donation matters from the subsidiary Yung Shin Pharm. Ind. Co. Ltd. (YSP) to related parties for 2026. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None

Meeting Session	Content of the Proposal and Resolution	Independent Directors' Objection or Reservation	The Corporation's Handling of Independent Directors' Opinions
5th Meeting of the 6th Board of Directors 2025.11.12	Approval for the Corporation to act as the guarantor for the bank loan requested by the subsidiary for the year 2026. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
6th Meeting of the 6th Board of Directors 2026.03.04	Approval of the amendment to certain provisions of the Corporation's "Internal Control System - Payroll Cycle." Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the evaluation of the Corporation's 2026 CPAs' independence and audit quality (AQI). Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
7th Meeting of the 6th Board of Directors 2026.03.25	Approval of the Corporation's individual and consolidated financial statements for fiscal year 2025. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the Corporation's 2025 annual earnings distribution. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the Corporation's 2025 Statement of Internal Control. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None

B. Other than the aforementioned matters, there were no board meeting resolutions opposed or reserved by the independent directors and recorded or stated in writing.

(2) Implementation of recusal by directors from voting on conflict of interest agenda items, specifying the names of directors, contents of the agenda items, reasons for recusal due to conflict of interest, and their participation in voting:

Meeting Session	Name of Director Required to Recuse	Content of Agenda Item	Reason for Conflict of Interest Recusal	Participation in Voting
24th Meeting of the 5th Board of Directors 2025.03.11	Ling-Chin Lee	Proposal for investments in the subsidiary Vetnostrum Animal Health Co., Ltd. (YHA) and Protect Animal Health Inc.	Director Ling-Chin Lee is a relative within the second degree of kinship to the party involved in this case.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
25th Meeting of the 5th Board of Directors 2025.03.28	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee Meng-Be Lin Chi-Li Lee	The Corporation's 2024 employee and director compensation distribution plan.	Discussion on general director compensation case.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee Meng-Be Lin Chi-Li Lee	Proposal for the removal of the non-competition restrictions for new Directors.	Discussion of the lifting of non-competition restrictions of Director Fang-Hsin Lee, Director Ling-Chin Lee, Director Fang-Yu Lee, Director Fang-Chen Lee, Director Meng-Be Lin, and Director Chi-Li Lee.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal

Meeting Session	Name of Director Required to Recuse	Content of Agenda Item	Reason for Conflict of Interest Recusal	Participation in Voting
3rd Meeting of the 6th Board of Directors 2025.08.06	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee Meng-Be Lin Chi-Li Lee Shih-Kuang Tsai Kun-Xian Lin Hong-I Chen	The Corporation and its subsidiaries' Board of Directors and functional committee attendance fee amount and remuneration principles.	Discuss the amount of attendance fees received by Directors for attending the Board of Directors and functional committee meetings.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee	The Corporation's Honorary Chairman and Honorary Vice Chairman titles and related matters	Director Ling-Chin Lee and Director Fang-Yu Lee are the parties involved in this case. Directors Fang-Hsin Lee and Fang-Chen Lee are relatives within the second degree of kinship to the party involved in this case.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
	Ling-Chin Lee Chi-Li Lee	Proposal for the salary structure and amount of fixed salary and performance bonus calculation adjustment for the Group's subsidiary senior executives for 2025.	Director Chi-Lee is the party involved in this case. Director Ling-Chin Lee is a relative within the second degree of kinship to the party involved in this case.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
	Ling-Chin Lee Chi-Li Lee	Proposal for the 2026 full-time performance bonus system for the Group's senior managers.	Director Chi-Lee is the party involved in this case. Director Ling-Chin Lee is a relative within the second degree of kinship to the party involved in this case.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee Chi-Li Lee	The proposal for donation to related person by the subsidiary of Yung Shin Pharm. Ind. Co. Ltd.. in 2025.	Director Fang-Hsin Lee, Director Ling-Chin Lee, Director Fang-Yu Lee, Director Fang-Chen Lee, and Director Chi-Li Lee are the parties involved in this case.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
6th Meeting of the 6th Board of Directors 2026.03.04	Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee	Proposal for the removal of the non-competition restrictions for Directors.	Discussion of the lifting of non-competition restrictions of Director Ling-Chin Lee, Director Fang-Yu Lee, and Director Fang-Chen Lee.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal

Meeting Session	Name of Director Required to Recuse	Content of Agenda Item	Reason for Conflict of Interest Recusal	Participation in Voting
7th Meeting of the 6th Board of Directors 2026.03.25	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee Meng-Be Lin Chi-Li Lee	The Corporation's 2025 employee compensation (including grassroots employee compensation) and director compensation distribution plan.	Discussion on general director compensation case.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
	Fang-Chen Lee	Proposal for the removal of the non-competition restrictions for Directors.	Discussion of the lifting of non-competition restrictions of Director Fang-Chen Lee.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee	Matters related to the company's honorary chairman and honorary vice chairman.	Director Ling-Chin Lee and Director Fang-Yu Lee are the parties involved in this case. Directors Fang-Hsin Lee and Fang-Chen Lee are relatives within the second degree of kinship to the party involved in this case.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
	Ling-Chin Lee Chi-Li Lee	The performance bonus for the Group's subsidiary senior executives for 2025.	Director Chi-Lee is the party involved in this case. Director Ling-Chin Lee is a relative within the second degree of kinship to the party involved in this case.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal

3. The state of implementation of the Board performance evaluation:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
I. The internal evaluation is conducted once a year.	2025.01.01~ 2025.12.31	I. It includes performance assessments of the Board of Directors, individual board members, and functional committees.	I. Internal evaluation methods include self-evaluation of the entire Board of Directors, self-evaluation of individual board members, and self-evaluation of functional committees.	I. Internal Evaluation: (I) Board of Directors Performance Evaluation: Participation in the Corporation's operations, enhancement of board decision-making quality, board composition and structure, selection and continuing education of directors, and internal control. (II) Individual Director Performance Evaluation: Understanding of the Corporation's goals and missions, awareness of director responsibilities, participation in the Corporation's operations, management of internal relationships and communication, director's expertise and continuing education, and internal control. (III) Functional Committee Performance Evaluation 1. Audit Committee Performance Evaluation: Participation in the Corporation's operations, awareness of Audit Committee responsibilities, enhancement of Audit Committee decision-making quality, Audit Committee composition and member selection, and internal control. 2. Remuneration Committee Performance Evaluation: Level of participation in company operations, understanding of Remuneration Committee responsibilities, improvement of Remuneration Committee decision-making quality, composition and selection of Remuneration Committee members, internal control.
II. An evaluation by an external professional independent institution is conducted at least once every three years.		II. The scope of the external evaluation is the performance assessment of the entire Board of Directors.	II. The external evaluation commissioned the Taiwan Corporate Governance Association to conduct the performance assessment of the entire Board of Directors.	II. External evaluation: Based on the seven major aspects of board composition and structure, selection and continuing education of directors, board participation in the Corporation's operations, enhancement of board decision-making quality, internal control, sustainable development, and value creation.

4. Goals and implementation assessment for strengthening the Board of Directors' functions for the current and most recent years (such as establishing an Audit Committee, enhancing information transparency, etc.):

   (1) Goals for strengthening the Board of Directors' functions:

      A. The Corporation has appointed independent directors and established an Audit Committee.

      B. To implement corporate governance, the Corporation has established Corporate Governance Principles, Ethical Corporate Management Principles, and Code of Ethical Conduct, and has amended the Directors Election Regulations and Rules of Procedure for Board Meetings in accordance with legal requirements. Functional committees have been established with clearly defined responsibilities to strengthen the functions of the Board of Directors.

      C. The Corporation established the "Board Performance Evaluation Regulations" at the 8th meeting of the 4th Board of Directors on March 27, 2020, which stipulates that performance evaluation must be conducted by an external professional independent institution or a team of external experts and scholars at least once every three years. The evaluation for the current year is conducted at the end of the year, and the evaluation results are reported to the Board of Directors in the first quarter of the following year.

   (2) Implementation assessment:

      A. In accordance with the "Articles of Incorporation," liability insurance is purchased for Directors during their tenure to cover the scope of their business execution, in order to reduce and diversify the risk of significant damage to the Corporation and its shareholders due to errors or negligence by Directors.

      B. Invite CPAs to attend the Board of Directors meetings to assist directors in strengthening their knowledge of international markets, industry expertise, accounting and financial analysis capabilities, in order to better understand the company's operational management status.

      C. Provide monthly director training courses for reference, or hold annual director training courses to enhance directors' professional competencies.

      D. Uphold the principle of operational transparency by immediately disclosing important resolutions on the Market Observation Post System following Board meetings.

5. Succession planning

   Board Members

   The Corporation's director election follows the candidate nomination system pursuant to the "Articles of Incorporation," and the "Corporate Governance Best Practice Principles" and "Director Election Procedures" clearly stipulate that Board composition should consider diversity, and formulate diversity guidelines based on the Corporation's operations, business model and development needs, including but not limited to two major dimensions: basic qualifications and values, and professional knowledge and skills. Currently, there are 9 directors (including 3 independent directors) with rich experience and professional capabilities in finance, business, and management.

The structure of the Corporation's Board of Directors should be determined based on the Corporation's operating scale and the shareholding status of its major shareholders, taking into account practical operational needs.

The Corporation continues its succession planning for directors based on the following criteria:

(1) Integrity, accountability, innovation, and decision-making ability, consistent with the Corporation's core values, and possessing professional knowledge and skills conducive to the Corporation's management.

(2) Relevant industry experience related to the Corporation's business operations.

(3) The addition of members is expected to provide the Corporation with an effective, collaborative, diverse, and demand-aligned Board of Directors.

(4) The overall expertise of the Board of Directors should include corporate strategy and management, accounting and taxation, finance, and law.

(5) The selection process for director candidates must comply with qualification reviews and relevant regulations to ensure the effective identification and selection of suitable new director candidates when director seats become vacant or planned to be increased.

The Corporation also specifies the "Board Performance Evaluation Method" to confirm the effectiveness of the Board's operations and evaluate the performance of directors based on performance evaluation criteria, including mastery of Corporation goals and tasks, cognition of directors' responsibilities, board participation, internal relationship management and communication, professional competence and continuous education, internal control, and specific opinion expressions. This serves as a reference for future director selection.

Senior Management

Regarding succession planning for senior management, the Corporation cultivates high-level managers to familiarize them with the operations of various units within the Group to deepen their industry experience. Currently, the Group has several high-level management talents, considering diversity and emphasizing gender equality, possessing the knowledge, skills, and qualities necessary for executing duties.

Starting from 2023, the Corporation established training courses for talent cultivation. For each trainee, the Corporation develops a training program. In the future, external professionals will also be hired for relevant professional guidance. The training content includes conveying core values, strategic thinking, and excellence in accountability, among others. Leveraging the expertise of various departments, including production, quality, marketing, human resources, finance, research and development, and information management, the Corporation provides comprehensive educational training to talent. Quarterly progress reports on the training program will be presented at the Board of Directors' meetings.

(II) Operations of the Audit Committee:

1. Information regarding the members of the Audit Committee:

March 31, 2026

Identity	Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as an Audit Committee Member
Independent Director	Shih-Kuang Tsai (Convener)	Have experience in accounting and crisis management, and have passed the national examination required for CPAs with the Certificate of Professional and Technician. Currently serve as the President of T.K. Tsai & Co., CPAs. In performing the functions of the independent director, remuneration committee and audit committee, his expertise in finance and accounting facilitates to enhance the quality of corporate governance of the board and oversight functions of functional committees. Not under any of the circumstances stated in Article 30 of the Company Act.	Serve as an independent director, conforming to the conditions of independence, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Corporation or its affiliated enterprises; Does not hold shares of the Corporation; Not being a director, supervisor or employee of a company having a particular relationship with the Corporation; No remuneration obtained from providing business, legal, financial, accounting and other services to the Corporation or its affiliated enterprises in the recent 2 years.	3
Independent Director	Kun-Xian Lin	Have experience in legal and crisis management, and have passed the national examination required for the practice of law with the Certificate of Professional and Technician. Currently serve as the President of BN Law Firm. He is able to provide advice on risk management, legal strategy, compliance and management decisions with his expertise in law. Not under any of the circumstances stated in Article 30 of the Company Act.	Serve as an independent director, conforming to the conditions of independence, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Corporation or its affiliated enterprises; Does not hold shares of the Corporation; Not being a director, supervisor or employee of a company having a particular relationship with the Corporation; No remuneration obtained from providing business, legal, financial, accounting and other services to the Corporation or its affiliated enterprises in the recent 2 years.	1

Identity	Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as an Audit Committee Member
Independent Director	Hong-I Chen	Have experience in medical and crisis management, and have passed the national examination required for the medical practitioners with the Certificate of Professional and Technician. Currently serve as a consultant of the Tri-Service General Hospital and Honorary Professor/Honorary President of Chang Jung Christian University. He is able to provide advice on pharmaceutical development, quality management and risk management decisions with his expertise in medicine. Not under any of the circumstances stated in Article 30 of the Company Act.	Serve as an independent director, conforming to the conditions of independence, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Corporation or its affiliated enterprises; Does not hold shares of the Corporation; Not being a director, supervisor or employee of a company having a particular relationship with the Corporation; No remuneration obtained from providing business, legal, financial, accounting and other services to the Corporation or its affiliated enterprises in the recent 2 years.	-

2. A total of 5 meetings (A) have been held by the Audit Committee in the most fiscal year, with the attendance of independent directors shown as follows:

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Attendance Rate in Person (%) [B/A]	Remarks
Independent Director	Shih-Kuang Tsai	5	-	100%	
Independent Director	Hong-I Chen	5	-	100%	
Independent Director	Kun-Xian Lin	5	-	100%	

3. In case of one of the following circumstances on the operation of the Audit Committee, the date, session, and proposal content of the Audit Committee meeting, independent directors' dissenting opinions, qualified opinions or major proposals, the resolution result of the Audit Committee meeting, and the handling of the opinions of the Audit Committee by the Corporation shall be stated:

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

Term/Date	Content of Agenda Item	Key Work Items for the Year	Independent Directors' Objection or Reservation	Resolution of the Audit Committee and the handling of the opinions of the Audit Committee by the Corporation
3rd term 15th meeting 2025.03.11	Self-closing individual and consolidated financial report for 2024.	Powers and duties of the Audit Committee: 1. Establish or amend internal control systems in accordance with Article 14-1 of the Securities and Exchange Act. 2. Effectiveness assessment of internal control systems. 3. Establish or amend procedures for handling significant financial transactions such as acquisition or disposition of assets, derivative transactions, lending funds to others, endorsing for others, or providing guarantees in accordance with Article 36-1 of the Securities and Exchange Act. 4. Matters involving the personal interests of directors. 5. Significant	None	Audit Committee Resolution: After consultation with attending committee members, the Chairman passed the proposal unanimously, and it will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
3rd term 16th meeting 2025.03.28	1. The Corporation's 2024 separate financial statements and consolidated financial statements. 2. The Corporation's 2024 internal control statement. 3. Approval of the Corporation's 2024 annual earnings distribution. 4. The Corporation's 2024 Directors' and Employees' Compensation Distribution Proposal. 5. Change of CPAs for the Corporation and its subsidiaries starting from the first quarter of 2025. 6. The Corporation's assessment of CPA Independence and AQI for 2025 7. Amendment to the Corporation's "Financial Statement Preparation Regulations.”		None	Audit Committee Resolution: After consultation with attending committee members, the Chairman passed the proposal unanimously, and it will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
3rd term 17th meeting 2025.04.25	1. The first annual consolidated financial report for the year 2025. 2. Approval of The Corporation to acquire the Taipei office planning project of the subsidiary Yung Shin Pharm. Ind. Co., Ltd. (YSP). 3. Approval of The Corporation to acquire the equity planning case of the subsidiary Angel Associates (Taiwan), Inc. (AAT).		None	Audit Committee Resolution: After consultation with attending committee members, the Chairman passed the proposal unanimously, and it will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
4th term 1st meeting 2025.08.05	1. The first half-year consolidated financial report for the year 2025. 2. Amendment of certain provisions of the Corporation's "Internal Control System - Payroll Cycle." 3. The proposal for donation to related person by the subsidiary of Yung Shin		None	Audit Committee Resolution: After consultation with attending committee members, the Chairman passed the proposal unanimously, and it will be submitted to the Board of Directors for discussion. Board Resolution:

<table>
<tr><th>Term/Date</th><th>Content of Agenda Item</th><th>Key Work Items for the Year</th><th>Independent Directors' Objection or Reservation</th><th>Resolution of the Audit Committee and the handling of the opinions of the Audit Committee by the Corporation</th></tr>
<tr><td></td><td>Pharm. Ind. Co. Ltd. in 2026.</td><td rowspan="4">asset or derivative transactions.
6. Significant fund loans, endorsements, or provision of guarantees.
7. Raising, issuing or private placement of equity securities.
8. Appointment, dismissal or compensation of CPAs.
9. Appointment or dismissal of financial, accounting, or internal audit managers.
10.10. Annual financial reports and semi-annual financial reports.
11.Other material matters required by the Corporation or regulatory authorities.</td><td></td><td>After consultation with attending directors, the directors passed the proposal unanimously.</td></tr>
<tr><td>4th term 2nd meeting 2025.11.11</td><td>1. Third-quarter consolidated financial report for the year 2025.
2. The proposal on the Corporation's 2026 Annual Audit Plan.
3. Request from subsidiary for the Corporation to act as the bank's endorsement guarantor for the year 2026.</td><td>None</td><td>Audit Committee Resolution:
After consultation with attending committee members, the Chairman passed the proposal unanimously, and it will be submitted to the Board of Directors for discussion.
Board Resolution:
After consultation with attending directors, the directors passed the proposal unanimously.</td></tr>
<tr><td>4th term 3rd meeting 2026.03.04</td><td>1. Self-closing individual and consolidated financial report for 2025.
2. The Corporation's assessment of CPA Independence and AQI for 2025
3. Amendment of certain provisions of the Corporation's "Internal Control System - Payroll Cycle."</td><td>None</td><td>Audit Committee Resolution:
After consultation with attending committee members, the Chairman passed the proposal unanimously, and it will be submitted to the Board of Directors for discussion.
Board Resolution:
After consultation with attending directors, the directors passed the proposal unanimously.</td></tr>
<tr><td>4th term 4th meeting 2026.03.25</td><td>1. The Corporation's 2025 separate financial statements and consolidated financial statements.
2. The Corporation's 2025 internal control statement.
3. Approval of the Corporation's 2025 annual earnings distribution.
4. The Corporation's 2025 director and employee compensation (including grassroots employee compensation) distribution plan.</td><td>None</td><td>Audit Committee Resolution:
After consultation with attending committee members, the Chairman passed the proposal unanimously, and it will be submitted to the Board of Directors for discussion.
Board Resolution:
After consultation with attending directors, the directors passed the proposal unanimously.</td></tr>
</table>

(2) Except for the aforementioned matters, any other resolutions passed by more than two-thirds of all Directors but without approval of the Audit Committee: None.

4. Where an independent director recuses himself or herself from a proposal in which he/she has a personal interest, the name of the independent director, the content of proposal, the reason for recusal and the results of the voting should be stated: None.

5. Communication between the independent director and the internal audit manager and the CPAs (contents must include material matters, methods, and results of communication on the finances and state of business of the Corporation):

(1) The internal audit manager may communicate with independent directors regularly and directly based on actual requirements and the communication is good.

(2) The Corporation uses electronic forms to compile monthly reports on the audits and improvement status in the previous month and submit reports to independent directors for review.

(3) The Corporation's internal audit manager reports the key audit tasks to independent directors in the regular meetings of the Audit Committee. The implementation status and results of audit businesses have been fully communicated.

(4) The Corporation has disclosed related information on and CPAs the communication between independent directors and the internal audit manager on the Corporation's website.

(5) The CPAs attend meetings of the Audit Committee to report on the audit and review of the Corporation's financial statements.

* The communication between the independent director and the internal audit manager is as follows:

Date	Meeting	Key Communication Points	Communication Situation and Results
2025.03.11	3rd term 15th meeting of Audit Committee	Audit report of the fourth quarter of 2024	Noted (No opinions)
2025.03.28	3rd term 16th meeting of Audit Committee	Issuance of the 2024 Internal control statement	All attending committee members passed without objection.
2025.04.25	3rd term 17th meeting of Audit Committee	Audit report of the first quarter of 2025	Noted (No opinions)
2025.08.05	4th term 1st meeting of Audit Committee	Audit report of the second quarter of 2025	Noted (No opinions)
2025.11.11	4th term 2nd meeting of Audit Committee	Audit report of the third quarter of 2025 2026 Annual Audit Plan	Noted (No opinions) All attending committee members passed without objection.

* The communication between the independent director and the CPAs is as follows:

Date	Meeting	Key Communication Points	Communication Situation and Results
2025.03.28	3rd term 16th meeting of Audit Committee	CPAs' Communication Report to Those Charged with Governance (2024)	The CPAs and attendees conducted a discussion. All attendees passed without objection.
2025.04.25	3rd term 17th meeting of Audit Committee	Report on Communication between CPAs and Corporate Governance Unit (2025 Q1)	The CPAs and attendees conducted a discussion. All attendees passed without objection.
2025.08.05	4th term 1st meeting of Audit Committee	Report on Communication between CPAs and Corporate Governance Unit (2025 Q2)	The CPAs and attendees conducted a discussion. All attendees passed without objection.
2025.11.11	4th term 2nd meeting of Audit Committee	Report on Communication between CPAs and Corporate Governance Unit (2025 Q3)	The CPAs and attendees conducted a discussion. All attendees passed without objection.

(III) The Status of Continuing Education of Directors (Including Independent Directors):

December 31, 2025

Title	Name	Education Date	Organizer	Course Title	Continuing education Hours
Institutional Director of Yen Xu Co., Ltd. Representative	Fang-Hsin Lee	2025.06.30	Taiwan Institute of Directors	Corporate Governance and Board of Directors Operations	3
		2025.06.30	Taiwan Institute of Directors	How non-finance personnel can read financial reports	3
		2025.08.06	Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3
		2025.11.12	Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3
Director	Ling-Chin Lee	2025.03.25	Taiwan Investor Relations Institute	Facing the Revolution of AI and Cybersecurity Risks: How Businesses Can Move Towards a New Era	3
		2025.08.06	Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3
		2025.11.12	Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3
Institutional Director Bio-X Alliance Holding Co., Ltd. Representative	Fang-Yu Lee	2025.07.24	Securities and Futures Institute	The Big Future of AI and Corporate AI Transformation	3
		2025.08.06	Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3
		2025.08.12	Accounting Research And Development Foundation	Practical Tax and Financial Planning and Case Analysis in International Diversification Operations	3
		2025.08.28	Securities and Futures Institute	The Great Digital Financial Revolution: Principles of Stablecoins and Development Trends of Blockchain Virtual Assets	3
		2025.09.18	Securities and Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3
		2025.11.12	Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3
Institutional Director Fuentes Investment Corporation Representative	Fang-Chen Lee	2025.01.17	Taiwan Corporate Governance Association	The current global economic and financial situation	3
		2025.04.11	Taiwan Corporate Governance Association	Practical Discussion on the Latest Development Trends and Risk Management Framework of Artificial Intelligence	3
		2025.08.06	Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3
		2025.08.07	Securities and Futures Institute	Board of Directors Performance Evaluation	3
		2025.09.19	Taipei Foundation of Finance	Corporate Governance - The First Lesson on Avoiding Virtual Currency Risks: A Strategy Guide for Directors and Supervisors	3
		2025.10.01	Taipei Foundation of Finance	Corporate Governance Forum	3
		2025.11.12	Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3
Director	Meng-Be Lin	2025.08.06	Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3
		2025.11.12	Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3
Director	Chi-Li Lee	2025.03.04	Taiwan Corporate Governance Association	NVIDIA's Three Trillion Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3
		2025.04.18	Taiwan Corporate Governance Association	Corporate Innovation Growth and Angel Investment	3
		2025.05.07	Taiwan Institute of Directors	Business AI. "Intelligent Strategies for the Future"	3

Title	Name	Education Date	Organizer	Course Title	Continuing education Hours
		2025.06.10	Taiwan Corporate Governance Association	Practical Operations of the Sustainability Development Committee (Chief Sustainability Officer and Working Group)	3
		2025.08.06	Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3
		2025.09.03	Taiwan Corporate Governance Association	The 21st (2025) International Corporate Governance Summit Forum - The Role of the Board in Shaping Corporate Strategy Amid Global Environmental Changes	6
		2025.09.23	Taiwan Institute of Directors	150+ Years of Global Food Leader Wisdom: Nestlé Creating Shared Value	3
		2025.11.12	Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3
Independent Director	Shih-Kuang Tsai	2025.07.04	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Analysis of Discrepancies Between the Statements of Financial Accounting Standards and the Latest FSC-Recognized IFRSs	3
		2025.07.24	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	The tax planning for high asset cross-border inheritance	3
		2025.08.06	Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3
		2025.11.12	Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3
Independent Director	Kun-Xian Lin	2025.08.06	Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3
		2025.11.12	Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3
Independent Director	Hong-I Chen	2025.05.20	Securities and Futures Institute	The legality of information security management laws under the threat of ransomware	3
		2025.08.06	Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3
		2025.11.12	Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3

(IV) Operations of the Remuneration Committee:

1. Information regarding the members of the Remuneration Committee:

March 31, 2026

Identity	Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member
Independent Director	Shih-Kuang Tsai (Convener)	Have experience in accounting and crisis management, and have passed the national examination required for CPAs with the Certificate of Professional and Technician. Currently serve as the President of T.K. Tsai & Co., CPAs. In performing the functions of the independent director, remuneration committee and audit committee, his expertise in finance and accounting facilitates to enhance the quality of corporate governance of the board and oversight functions of functional committees. Not under any of the circumstances stated in Article 30 of the Company Act.	Serve as an independent director, conforming to the conditions of independence, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Corporation or its affiliated enterprises; Does not hold shares of the Corporation; Not being a director, supervisor or employee of a company having a particular relationship with the Corporation; No remuneration obtained from providing business, legal, financial, accounting and other services to the Corporation or its affiliated enterprises in the recent 2 years.	3
Independent Director	Kun-Xian Lin	Have experience in legal and crisis management, and have passed the national examination required for the practice of law with the Certificate of Professional and Technician. Currently serve as the President of BN Law Firm. He is able to provide advice on risk management, legal strategy, compliance and management decisions with his expertise in law. Not under any of the circumstances stated in Article 30 of the Company Act.	Serve as an independent director, conforming to the conditions of independence, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Corporation or its affiliated enterprises; Does not hold shares of the Corporation; Not being a director, supervisor or employee of a company having a particular relationship with the Corporation; No remuneration obtained from providing business, legal, financial, accounting and other services to the Corporation or its affiliated enterprises in the recent 2 years.	1

Identity	Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member
Independent Director	Hong-I Chen	Have experience in medical and crisis management, and have passed the national examination required for the medical practitioners with the Certificate of Professional and Technician. Currently serve as a consultant of the Tri-Service General Hospital and Honorary Professor/Honorary President of Chang Jung Christian University. He is able to provide advice on pharmaceutical development, quality management and risk management decisions with his expertise in medicine. Not under any of the circumstances stated in Article 30 of the Company Act.	Serve as an independent director, conforming to the conditions of independence, including but not limited to the fact that he, his spouse or his relatives within the second degree are not directors, supervisors or employees of the Corporation or its affiliated enterprises; Does not hold shares of the Corporation; Not being a director, supervisor or employee of a company having a particular relationship with the Corporation; No remuneration obtained from providing business, legal, financial, accounting and other services to the Corporation or its affiliated enterprises in the recent 2 years.	-

2. Information on operations of the Remuneration Committee:
   (1) The Corporation's Remuneration Committee consists of 3 members.
   (2) Term of members of this committee: July 1, 2025 to May 27, 2028, in the most recent year (2025), the Salary and Remuneration Committee held 2 meetings (A), in which the membership qualifications and attendance situation were as follows:

Title	Name	Attendance Times (B)	Number of Attendance by Proxy	Attendance Rate in Person (%) [B/A]	Remarks
Convener	Shih-Kuang Tsai	2	-	100%	
Committee Member	Kun-Xian Lin	2	-	100%	
Committee Member	Hong-I Chen	2	-	100%	

(3) The date and session of the last year's meeting of the Salary and Remuneration Committee, the content of proposal, the result of resolution, and the Corporation's handling of the opinions of the Salary and Remuneration Committee:

Date/Term	Content of Agenda Item	Resolution Results of the Remuneration Committee and Response of the Corporation
10th Meeting of the 5th Board of Directors 2025.03.28	The Corporation's 2024 employee and director compensation distribution plan.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
1st Meeting of the 6th Board of Directors 2025.08.05	Appointment of the President and removal of restriction on competition clause regarding compensation in the Corporation	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
	Proposal for Adjusting Compensation for General Directors Appointed by the Group Law Who Do Not Hold Other Positions	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
	The Corporation and its subsidiaries' Board of Directors and functional committee attendance fee amount and remuneration principles.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
	The Corporation's Honorary Chairman and Honorary Vice Chairman titles and related matters.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
	Proposal for the salary structure and amount of fixed salary and performance bonus calculation adjustment for the Group's subsidiary senior executives for 2025.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
	Proposal for the 2026 full-time performance bonus system for the Group's senior managers.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.

Date/Term	Content of Agenda Item	Resolution Results of the Remuneration Committee and Response of the Corporation
2nd Meeting of the 6th Board of Directors 2026.03.24	The Corporation's 2025 director and employee compensation (including grassroots employee compensation) distribution plan.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
	The Corporation's Honorary Chairman and Honorary Vice Chairman titles and related matters.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
	The performance bonus for the Group's subsidiary senior executives for 2025.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
	The Corporation plans to implement an employee shareholding trust.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.
	Propose that the subsidiary Vetnostrum Animal Health Co., Ltd. (YHA) establish an employee welfare savings trust.	Compensation Committee Resolution: After the Chairman solicited opinions from all attending committee members, this proposal was unanimously approved and will be submitted to the Board of Directors for discussion. Board Resolution: After consultation with attending directors, the directors passed the proposal unanimously.

Other matters to be recorded:

A. If the Board of Directors does not adopt or modifies the recommendations of the Remuneration Committee, the date of the Board meeting, session, proposal content, Board resolution results, and the Corporation's handling of the Remuneration Committee's opinions shall be specified: None.

B. For resolutions of the Remuneration Committee, if any member has objections or reservations with records or written statements, the date of the Remuneration Committee meeting, session, proposal content, opinions of all members, and the handling of such opinions shall be specified: None.

(V) Implementation of Corporate Governance and Discrepancies with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons:

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Has the Company formulated and disclosed Corporate Governance Principles and Practices based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Corporation has established Corporate Governance Principles and Practices which have been disclosed and announced. All internal control systems are maintained in accordance with legal regulations and are followed accordingly.	No Deviation
II. Company's Capital Structure and Shareholders' Rights				
(I) Has the Company established internal operating procedures to handle shareholders' suggestions, doubts, disputes and litigation matters, and implemented them according to the procedures?	✓		(I) The Corporation has established spokesperson and stock affairs agent systems that jointly handle shareholders' suggestions and respond to related questions regarding shareholders' doubts. In case of disputes, they are handled by the Corporation's legal counsel and relevant experts.	No Deviation
(II) Does the Company maintain a list of its major shareholders who actually control the Company and the ultimate controllers of these major shareholders?	✓		(II) Monthly reporting of changes in shareholdings of directors, managers, major shareholders with more than 10% ownership, and insiders in accordance with relevant laws and regulations. After the annual shareholders' meeting and ex-rights (dividends) book closure, the Corporation obtains a list of major shareholders and ultimate controllers from the shareholder services agent.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(III) Does the Company establish and implement risk management and firewall mechanisms with affiliated enterprises?	✓		(III) The Corporation's Board of Directors appoints legal representatives to serve as directors and supervisors of affiliated enterprises, and regularly visits these enterprises to understand local operating conditions. Through relevant regulations and procedures, the Corporation implements effective risk control. Relevant regulations and key points are as follows: 1. Investment Evaluation Management Guidelines: Effectively manage investment project planning, execution, progress control, data management, and performance review. 2. Investment Business Management Rules: Exercise proper supervision over investees where the Corporation has control and comply with relevant regulations. 3. Procedures for Lending Funds to Others and Making Endorsements/Guarantees in compliance with relevant regulations: (1) The Corporation's external lending is limited to affiliated enterprises in which the Corporation directly or indirectly holds 40% or more equity; for affiliated enterprises in which the Corporation directly or indirectly holds less than 40% equity, lending is limited to those with business transaction needs or those requiring short-term financing for operational capital. (2) The Corporation's external endorsement and guarantee object is only limited to the enterprise with business relations or the enterprise in which the Corporation directly or indirectly holds more than 50% of the voting shares.	No Deviation

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>(IV) Has the Company established internal regulations prohibiting insiders from trading securities using unpublished information available in the market?</td><td>✓</td><td></td><td>(IV) The Corporation has established "Management Procedures for Prevention of Inside Trading" to prevent and prohibit the Corporation's insiders from using information that has not been disclosed on the market to purchase and sell securities that may damage the interests of investors or the corporation.</td><td>No Deviation</td></tr>
<tr><td>III. Composition and Responsibilities of the Board of Directors
(I) Has the Corporation developed a diversity policies of the Board of Directors, specific management objectives and implement them?</td><td>✓</td><td></td><td>(I) The Corporation selects its members of the Board of Directors regardless of gender, age, nationality, and cultural background, and will choose diverse professional backgrounds and capabilities to achieve the company's operational needs and corporate governance effectiveness. All Directors of the Corporation possess different areas of expertise, which provides significant benefit to the company's operational development.</td><td>No Deviation</td></tr>
<tr><td>(II) Has the Corporation voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?</td><td>✓</td><td></td><td>(II) In addition to establishing the Remuneration Committee and Audit Committee as required by law, the Corporation has established functional committees for operational development including the Sustainability Committee, Technology Committee and Strategy Committee.</td><td>No Deviation</td></tr>
<tr><td>(III) Has the Corporation established regulations for evaluating Board performance and its evaluation methods, conducts performance evaluations regularly each year, and reports the evaluation results to the Board of Directors, using them as reference for individual director remuneration and nomination for reappointment?</td><td>✓</td><td></td><td>(III) The Corporation resolved to approve the regulations for Board of Directors performance evaluation on March 27, 2020. The Corporation conducts regular annual evaluations of the Board and individual directors, and reports the performance evaluation results to the Board of Directors. The 2025 Board of Directors performance evaluation has been completed and reported to the Board on March 4, 2026.</td><td>No Deviation</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>(IV) Does the Corporation regularly evaluate the independence of its certified public CPAs?</td><td>✓</td><td></td><td>(IV) The Corporation's Audit Committee evaluates the independence and competence of its CPAs annually. In addition to requiring the CPAs to provide an independence statement and Audit Quality Indicators (AQIs), the evaluation is conducted based on the standards in Note 1 and 12 AQI indicators. It has been confirmed that the CPAs have no financial interests or business relationships with the Corporation other than certification and tax case fees, and that the CPAs' family members do not violate independence requirements. Based on the AQI indicator information, it has been confirmed that the CPAs and the firm have audit experience superior to the industry average. Additionally, they have implemented digital audit platforms, digitized confirmations, and file exchange platforms to improve audit quality. The recent annual evaluation results were discussed and approved by the Audit Committee on March 28, 2025, and subsequently reported to and approved by the Board of Directors on March 28, 2025, regarding the assessment of the independence and competence of the certified public CPAs.
Note 1. The evaluation items are listed as follows:
1. The CPA or their spouse or minor children do not have any investment relationship with the Corporation or share financial interests with the Corporation.
2. The CPA or their spouse or minor children do not have any lending of funds with the Corporation, except where the client is a financial institution and the transaction is conducted in the normal course of business. The accounting firm has not issued any assurance report on the effective operation of financial information systems that they designed or helped implement.
3. The accounting firm has not issued any assurance report on the effective operation of financial information systems that they designed or helped implement.
4. The CPA or members of the audit service team are not currently serving, and have not served in the past two years, as directors, managers, or in positions with significant influence over audit cases of the Corporation.
5. Non-audit services provided to the Corporation do not directly affect important items of the audit case</td><td>No Deviation</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			6. The CPA or members of the audit service team have not promoted or brokered stocks or other securities issued by the Corporation. 7. The CPA or audit service team members have not represented the Corporation in legal cases or other disputes with third parties, except for services permitted by law. 8. The CPA or audit service team members do not have relationships with the Corporation's directors, officers, or personnel with significant influence on the audit case as spouses, direct blood relatives, direct relatives by marriage, or collateral relatives within the second degree of kinship. 9. CPAs who left the firm within the past year have not served as directors, officers, or in positions with significant influence on the audit of the Corporation. 10. The CPA or audit service team members have not received gifts or special favors of significant value from the Corporation, its directors, officers, or major shareholders. 11. The CPA is not currently employed by the client or audited entity in a regular position, receiving fixed salary, or serving as a director or supervisor. 12. The CPA has not provided audit services to the Corporation for seven consecutive years.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
IV. Does the TWSE/TPEx listed company have a dedicated an eligible and appropriate number of personnel for corporate governance and appointed an officer in charge of the company's corporate governance affairs (including but not limited to providing information required for Director/Supervisor's operations, assisting Directors and Supervisors to comply with laws and regulations, convening board/shareholder's meetings in compliance with the law, and producing meeting minutes of board/shareholder's meetings)?	✓		The Corporation has formulated the Corporate Governance Best Practice Principles, and on February 12, 2020, the Board of Directors approved the establishment of a corporate governance director, who is currently served by I-Yun Wang, the Director of the Chairman Office. The scope of authority and key business execution points of the Corporate Governance Officer in 2025 are as follows: 1. Handling board and shareholders' meeting-related matters according to law: notifying directors seven days in advance of the agenda, convening meetings and providing meeting materials, reminding of conflict of interest recusals in advance; 2. Preparing minutes of board and shareholders' meetings: completing minutes within twenty days after meetings; 3. Assisting directors with continuing education: arranging courses based on the company's industry characteristics and directors' experience and background; 4. Providing materials necessary for directors to perform their duties. Continuing education status: Completed 12 hours of continuing education in 2025.	No Deviation
V. Has the Corporation established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the company website, and appropriately responded to important corporate social responsibility issues of concern to stakeholders?	✓		(I) The Corporation has appointed designated spokespersons and deputy spokespersons as communication channels for stakeholders. The relevant contact information is disclosed on the Market Observation Post System in accordance with regulations. (II) The corporate website also features a dedicated section for investors and stakeholders, providing information on finance, shareholder services, corporate governance, and event announcements. A contact mailbox is available to handle and respond to inquiries promptly.	No Deviation
VI. Has the Corporation appointed a professional shareholder services agent to handle shareholders' meeting affairs?	✓		The Corporation has appointed a professional shareholder services agent - Yuanta Securities Co., Ltd. Transfer Agency Department to handle various shareholder services and shareholders' meeting related affairs.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
VII. Information Disclosure				
(I) Does the Corporation have a website that discloses financial operations and corporate governance information?	✓		(I) The Corporation's website address is www.yungshingroup.com, with both Chinese and English versions available. Each specialized department is responsible for regularly updating financial information, business operations, and material information on the website for shareholders and investors' reference.	No Deviation
(II) Does the Corporation adopt other methods of information disclosure (such as establishing an English website, designating specific personnel responsible for collecting and disclosing corporate information, implementing spokesperson systems, placing institutional investor conference proceedings on the corporate website, etc.)?	✓		(II) The Corporation discloses financial and business conditions and material information in a timely manner on the Market Observation Post System in accordance with relevant laws and regulations, and simultaneously discloses such information on the corporate website.	No Deviation
(III) Does the Corporation announce and report annual financial reports within two months after the end of the accounting year, and announce and report quarterly financial reports for the first, second, and third quarters and monthly operational status before the specified deadlines?		✓	(III) The Corporation's annual financial reports cannot be announced and filed within two months after the end of the fiscal year due to factors such as local regulatory requirements and board meeting schedules of overseas listed affiliated companies. However, the Corporation will announce and file its financial reports 1-5 days ahead of the required deadline.	Continuous Improvement

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
VIII. Does the Corporation have other important information that helps understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, implementation of risk management policies and risk measurement standards, implementation of customer policies, and liability insurance purchased for directors and supervisors, etc.)?	✓		(I) Employee Rights and Employee Care: Since its establishment, the Corporation has implemented humanistic management, providing employees with adequate care and respect. All Group companies across different regions strictly comply with local labor regulations, continuously enhancing employee benefits and rights, including meal allowances, group insurance, education scholarships for employees' children, general health examinations, employee trips, performance bonuses, labor-management meetings, etc. (II) Investor Relations: The Corporation is committed to enhancing shareholder rights and treating all shareholders fairly. Financial and business information is disclosed on the "Market Observation Post System" and the company website. Dedicated personnel manage contact phone numbers and consultation mailboxes for investors' use, providing prompt handling and responses. Through the Annual Shareholders' Meeting, we report to shareholders on operational results, next year's business plans, future development strategies, and the impact of the industry environment. To date, interactions with investors have been positive, with no disputes occurring. (III) Rights of Suppliers and Stakeholders: The Corporation adheres to a permanent commitment to ethical management, establishing long-term cooperative relationships with suppliers to create win-win outcomes. We value and treat fairly the rights of various stakeholders, and provide transparent financial information to protect the interests of suppliers and stakeholders. (IV) Status of Continuing Education for Directors and Supervisors: In accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Implementation Rules of Continuing Education for Directors of TWSE/TPEx Listed Companies, we send course notifications or arrange continuing education for directors to obtain required training hours. Annual reports of their continuing education status are filed on the Market Observation Post System for investor reference.	No Deviation

<table>
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<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>(V) Risk Management Policy and State of Implementing Risk Impact Standards:
Major resolutions of the Corporation regarding major business policies, investments, banking facilities, endorsements, guarantees, and loans are reviewed and analyzed by the responsible units in accordance with the relevant regulations of the Corporation. They are then submitted to the Board of Directors and the Audit Committee for resolution and the implementation of supervision and risk management mechanisms.
(VI) Implementation of Customer Relations Policies:
The Group's companies aim to "provide the best pharmaceutical products to improve human health" and realize the corporate vision of "protecting health, creating beauty, and delivering happiness.” Our companies have been certified by the U.S. Food and Drug Administration (FDA), Japan's Pharmaceuticals and Medical Devices Agency (PMDA), and our nation's PIC/S GMP and cGMP three-stage validation certifications, among others. Our product quality has consistently led the industry and earned our customers' trust. We have established response mechanisms to promptly address customer and consumer feedback.
(VII) Status of Purchase of Liability Insurance by the Corporation for Directors:
The Corporation has purchased liability insurance for Directors to protect Directors from personal liability and financial losses arising from third party lawsuits due to the performance of their duties.</td><td></td></tr>
<tr><td colspan="5">IX. Please provide information on the status of improvement regarding the results of Corporate Governance evaluation published by the TWSE Corporate Governance Center in the most recent year. For improvements that are yet to be implemented, state the areas and policies the Corporation has set as priority for improvement.
The evaluation results of the Corporation still need to be improved in terms of strengthening the structure and operation of the Board of Directors and promoting sustainable development.
In the future, it is planned to actively and continuously evaluate the feasibility of future improvements for other parts so as to improve all aspects of the operation to enhance the effective mechanism of corporate governance and continue to implement equal treatment of shareholders and safeguard the rights and interests of shareholders.</td></tr>
</table>

(VI) State of Sustainable Development and Deviations from the Corporate: Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof:

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Does the Corporation set up a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is in charge by senior management authorized by the Board of Directors, and the supervision state of the Board of Directors?	✓		The performance of this table is summarized in the context of the Corporation and its subsidiary (hereinafter referred to as the Consolidated Corporation). (I) The Corporation established a functional committee, "Sustainability Committee," in 2022, with the primary purpose of assisting the Board of Directors in planning and supervising the Corporation's sustainability development strategy. The committee consists of five directors, with the Chairman serving as the chairperson, including three independent directors. A Sustainability Development Team is established under the committee to assist in building a sustainable operation mechanism, formulating plans, and promoting related measures. (II) The Sustainability Committee aims to supervise the sustainable operation strategy of the Corporation and its subsidiaries, taking into account comprehensive performance, corporate social responsibility, and sustainable development goals, as well as aligning with international standards to help promote the United Nations Sustainable Development Goals. Its authorities include: 1. The establishment of the annual plan and strategic direction of sustainable development. 2. The establishment of sustainable development projects and activity plans. 3. The tracking and review of the implementation effectiveness of the annual plan for sustainable development, strategic direction, project, and activity plans. 4. Decisions on other sustainability-related matters.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			(III) The Sustainability Development Team is responsible for identifying sustainability issues relevant to the company's operations and stakeholders' concerns, formulating corresponding strategies and work guidelines, planning and implementing annual programs, while tracking implementation effectiveness to ensure sustainability development strategies are fully implemented. The "Sustainability Development Committee" reports to the Board of Directors annually on sustainability implementation results and future work plans. In 2025, one meeting was convened, with agenda items including the 2024 Sustainability Report and the YungShin Group's ESG implementation progress report, covering (1) enhancement of sustainability report implementation process and progress; (2) greenhouse gas inventory implementation process and progress; and (3) sharing of recent sustainability-related regulations. The Corporation's board of directors annually receives progress reports, reviews the progress of strategies, and urges adjustments by the Sustainable Development Group when necessary.	
II. Does the Corporation assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		(I) The risk assessment boundaries cover the Consolidated Corporation, engaging with internal and external stakeholders through diverse channels, and identifying and analyzing material issues in accordance with the 2021 GRI Standards to implement corresponding management measures. (II) The Consolidated Corporation values the rights and interests of stakeholders, and pays attention to environmental, social, and corporate governance (ESG) issues, incorporating them into the Corporation's management policies. It evaluates various risk aspects that may affect the Consolidated Corporation, and regularly tracks and integrates them into the daily operations of each unit. 1. Environment: (1) Established environment management policies for each plant. (2) Set up sewage pre-treatment equipment, with its sewage treatment in accordance with the standard.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			(3) Reduced air pollution emissions and converted the fuel of all boilers from heavy fuel oil to natural gas. (4) Contaminant treatment is entrusted to professional manufacturers for scrap and disposal. (5) Green electricity: The Corporation has installed a solar energy supply system on the top floor of subsidiary Yung Shin Pharm.'s factory building, providing green energy generation. 2. Social: (1) Occupational safety: Organize occupational safety education training and fire drill regularly, improve staff's ability of emergency response and self-safety management. (2) Product Safety: Product manufacturing complies with various government-mandated regulations; products are covered by product liability insurance; drug injury relief contributions are made. (3) Social responsibility: Established TienTe Lee Biomedical Foundation and Yung Shin Social Welfare Foundation, engaged in social welfare and public welfare activities. 3. Corporate Governance: (1) Social economy and legal compliance: Based on the principles of corporate governance and integrity management, the Corporation has formulated a code of integrity management and a code of ethical conduct, and trading companies have signed a letter of commitment to integrity. (2) Strengthen the functions of Directors: Arrange continuing education for Directors every year; Take out director's liability insurance.	

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			(3) Employee remuneration and welfare: Formulate employee welfare measures, and set up the salary and reward system in accordance with the Corporation's regulations. Set up the Employee Welfare Committee, allocate welfare fund every year to provide various benefits to colleagues.	
III. Environmental issues (I) Has the Corporation established a proper environmental management system based on the characteristics of the industry?	✓		(I) In response to the new trend of environmental protection, the Consolidated Corporation has successively made planning for relevant environmental management systems, including: 1. Establish environmental management system of the plant and cultivate the concept of environmental protection among colleagues. 2. Formulate and develop a sustainable environmental management plan consistent with the characteristics of the Corporation. 3. In line with the energy-saving and carbon-reduction policy, encourage colleagues to bring tableware for meals. 4. Make planing and design for an environmental protection plant, and promote environmental afforestation and beautification. 5. Regularly conduct water quality inspections and do a good job in water quality management. 6. Promote plant environmental audit to strengthen plant environmental management.	No Deviation
(II) Is the Corporation committed to improving energy efficiency and using recycled materials with low impact on the environment?	✓		(II) The Corporation's implementation results for improving the utilization efficiency of various resources and reduce the impact of environmental impact are as follows: 1. Use bubble bags currently (recyclable and environmentally friendly materials) as the cushioning material of the shipping box. 2. Regularly test the use efficiency of high-energy-consuming equipment, such as boilers, ice water machines, air compressors and other equipment, and use high-efficiency boilers to replace old ones with new ones.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			3. In each plant, major electricity support system equipment (chillers, cooling towers, air compressors) have been supplemented with voltage meters, temperature gauges, and flow meters for real-time monitoring and management. 4. Steam recycling. 5. Reuse the domestic wastewater after treatment for the irrigation of surrounding flowers and trees. 6. Plant trees and shrubs in the factory area to reduce the temperature of the factory buildings. 7. Promote the practice of using used hand towels to wipe the sink to keep it clean. 8. Promote the habit of conserving electricity among colleagues by setting the office temperature to above 26°C and turning off lights when not in use. 9. Implementing waste classification allows for recyclable resources to be reused. 10. In June 2025, the Yongxin Pharmaceutical Dingdian Plant completed the air conditioning replacement project. The benefit analysis accumulated from June 2025 to January 2026: (1) Electricity savings have amounted to 120,800 kWh. (2) It is estimated that the carbon emission can be reduced by 57,259.200 kilograms annually (simulated at the current rate of NT$6 per kWh).	
(III) Does the Corporation assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?	✓		(III) The assessment and response measures related to climate change risks and opportunities for the Consolidated Corporation are listed in the "Climate-Related Information of Listed Companies" section of this annual report and in the Corporation's Sustainability Report.	No Deviation

<table>
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<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>(IV) Does the Corporation calculate the amount of greenhouse gas emission, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumptions, carbon and greenhouse gas emissions, and waste production?</td><td>✓</td><td></td><td>(IV) The Consolidated Corporation's greenhouse gas inventory results, verification status, and reduction policies are listed in the "Climate-Related Information of Listed Companies" section of this annual report. The Consolidated Corporation's water consumption and total waste weight for the past two years are summarized below:
<table>
<tr><th></th><th>2024</th><th>2025</th></tr>
<tr><td>Water consumption (million liters) (Note 1)</td><td>261.08</td><td>Note 3</td></tr>
<tr><td>Water intensity (million liters/revenue in NT$ million)</td><td>0.03250</td><td>Note 3</td></tr>
<tr><td>Total waste volume (metric tons) (Note 2)</td><td>438.86</td><td>Note 3</td></tr>
<tr><td>Waste intensity (metric tons/NTD million of revenue)</td><td>0.0546</td><td>Note 3</td></tr>
</table>
Note1: The scope of water resource data in 2024 includes Yung Shin Phar. Dingdian Plant and Yushi Plant (including Plants 2 and 3), Vetnostrum Animal Health (Hsinchu Plant), Carlsbad Technology, Inc. and Chemix Inc.
Note2: The scope of waste data in 2024 includes Yung Shin Phar. Dingdian Plant and Yushi Plant (including Plants 2 and 3), and Vetnostrum Animal Health (Hsinchu Plant).
Note3: As of the printing date of this annual report, the information related to greenhouse gas emissions, water consumption, and total waste volume of the Consolidated Corporation for 2025 is still being compiled. For information related to greenhouse gas emissions, water consumption, and total waste volume of the Consolidated Corporation, please refer to the Corporation's 2025 Sustainability Report.
1. The water conservation measures invested by Yung Shin Pharmaceutical include:
(1) The reuse of RO purification discharge water and bottle rinsing water for cooling tower evaporation replenishment results in injectable drug plant water reuse amounting to 11,147 tons for the year of 2025.
(2) Recycle all the water used for water-sealed vacuum pumps and bottle rinsing water for injectable drug containers (such as glass bottles).</td><td>No Deviation</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			(3) Manage the process cleaning water by installing water flow controllers at the end of cleaning pipelines. (4) Reuse the domestic wastewater after treatment for the irrigation of surrounding flowers and trees. (5) Using a 600RT absorption chiller evaporator, all the wastewater discharged from this equipment will be fully collected and stored for boiler use. (6) In 2024, the Dingdian plant conducted leak repair on internal pipelines and installed rain sensors on sprinklers to enhance water efficiency. 2. Due to the nature of the biotechnology pharmaceutical industry, considering safety and hygiene factors, most hazardous waste is disinfected or cleaned before being incinerated by qualified waste disposal contractors. For "mixtures of other aforementioned chemicals or waste containers," Yung Shin Phar.'s Yushi Plant, Yushi Plant 2, and Yushi Plant 3 effectively clean these items to convert them into non-hazardous waste glass, scrap iron, or waste plastic containers, which are then recycled by qualified vendors.	

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
IV. Social Issues (I) Does the Company formulate relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		(I) The Consolidated Corporation complies with international human rights standards, including the "United Nations Global Compact," the "United Nations Universal Declaration of Human Rights," and the "International Labor Organization Declaration on Fundamental Principles and Rights at Work" and other international human rights conventions, has adopted a "Human Rights Policy" and published it on the company's website. The Corporation prohibits discrimination, forced labor, and sexual harassment incidents, develops a healthy and safe workplace, and values employees' families to establish a diverse and inclusive work environment, treating all different individuals with dignity and respect. Formulates relevant management systems in accordance with labor laws and regulations, and formulates employee work rules to guide employees' behavior and development direction, respect internationally recognized principles of basic human rights in labor, regardless of gender, Age, religion, sexual orientation, and other unequal employment conditions, with no discriminatory treatment in employment, to rationally and legally protect the rights and interests of employees. 1. The Corporation has a code of ethical conduct and have designed our systems and vetting authority to prevent conflicts of interest. 2. The Corporation has established rules for the appointment of new employees and the handling of gifts, and all employees have signed a letter of consent to the Code of Conduct for Employees, which requires employees to comply with confidentiality obligations and intellectual property rights, integrity, and prohibits sexual harassment and workplace violence. 3. The Corporation promoted the "a letter of commitment to integrity" mechanism in line with the "ESG" corporate sustainability concept.	No Deviation

Evaluation Item	Implementation Status: Yes	Implementation Status: No	Implementation Status: Description	Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
			4. Periodically conduct preventive measures against workplace violence and sexual harassment, as well as "Workplace Illegal Infringement Prevention" seminars, to strengthen employees' self-protection awareness and encourage whistleblowing mechanisms. 5. The Corporation had a barrier-free and non-hierarchical communication channel for employees to raise suggestions that can help the company move toward a friendly workplace or to obtain relief for personal injury. 6. The Corporation has established a new partner care system to help new partners know the corporate environment and speed up their adaptation to the workplace. From before, during and after the newcomers come, there are newcomer care and other related measures to reduce the time for newcomers to find their way around, reduce their frustration, and at the same time, enhance the centripetal force of newcomers through continuous motivation and encouragement. 7. The Corporation has established the "Exit Management Regulations" to manage the transfer of employees or their departure in accordance with the labor laws and regulations, so that employees' personal rights are fully protected.	
(II) Has the Company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflected operating performance or results in employee compensation?	✓		(II) The Corporation has established regulations related to salary, attendance management, on-the-job education, and other relevant policies to comprehensively manage employee compensation, attendance, and related issues. The Corporation encourages employees to participate more actively in operational management. Based on the principle of profit-sharing and to recognize employees' hard work, the Corporation distributes employee compensation annually in accordance with the Articles of Incorporation and resolutions passed at the Annual Shareholders' Meeting, and implements performance-based salary adjustments. 1. The Corporation has formulated the "Performance Evaluation Method" to implement performance appraisals and performance interviews twice a	No Deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			year. In addition to rewarding outstanding performance, supervisors also conduct performance interviews with underperforming employees to assist them in understanding areas for improvement or adjustment, developing improvement plans and schedules, and providing daily performance guidance to help employees improve their job performance. 2. Individual performance is integrated with career planning to formulate a talent development system, aimed at recommending promotions and rotations for outstanding performers to accumulate achievements and work experience. 3. The innovative proposal improvement reward system encourages employees at all levels, to propose innovative ideas and optimize resources for existing operations, meanwhile linking the performance system to recognize and reward employees who propose improvement operations and use them as a reference for employee promotion. 4. Family care and infant & mom protection measures: To take care of employees' hard work and work safety with pregnant women, the Company implements flexible commuting measures, holds relevant doctor lectures from time to time, and builds comfortable and safe Nursing Rooms and Parking Spaces for pregnant women to use at ease. At the same time, the right of employees to apply for leave without pay is protected in accordance with the law, so that employees can combine work and life balance.	

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			5. Diverse employee benefits: In addition to the basic leave required by the Labor Standards Act, the Corporation has also established paid parental leave, children's marriage leave, and birthday leave to create a happy workplace atmosphere. Among them, the subsidiary Yung Shin Phar. provides free meals, factory area shuttle buses, uniforms, group insurance, and general health examinations every three years, giving employees comprehensive safety protection. The Corporation distributes education scholarships to employees' children annually, encouraging them to study diligently, and provides subsidies for employees' on-the-job education, travel allowances, subsidies for employees and their family members to stay at Yung Shin Elderly Nursing Home, birthday cash gifts, festival bonuses, wedding and funeral subsidies, and various condolence payments to care for employees' families. Setting up an Employee Welfare Committee to organize various large-scale events (New Year's Day walking, Family Day, club activities, group travel, spring banquet and employee general meeting, etc.) periodically to strengthen relationships among employees and achieve work-life balance.	
(III) Does the Corporation provide a safe and healthy work environment for employees, and regularly implement safety and health education?	✓		(III) The Consolidated Corporation actively promotes "Zero Workplace Accidents" campaigns to raise awareness about workplace safety, transforming passive attitudes into proactive ones. These initiatives heighten alertness regarding personal safety, environment, machinery, products, and construction processes, strengthening attention to facility safety through autonomous management. Adhering to the philosophy that employees are the Corporation's most valuable assets, with employee health as the primary objective, the company provides comprehensive on-the-job health examinations that exceed legal requirements, and monitors various health abnormalities. 1. The company places a high emphasis on workplace safety issues. In addition to implementing necessary access control management, conducting regular occupational	No Deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			safety education and training, enforcing a complete smoking ban, establishing employee cafeterias, and providing work uniform cleaning services, the company also values the physical and mental health of all partner colleagues. The company appoints on-site nursing staff and visiting physicians as required by regulations, and regularly arranges free health examinations for employees, providing colleagues with professional health services, medical assistance, and occupational disease prevention, in order to detect health hazards and potential pathogenic factors at an early stage. 2. The Corporation has set up nursing room and hold a series of health promotion activities, enabling all partners working in the Corporation to receive perfect health care, so as to achieve the goal of "win-win for work and health", and strengthen the overall competitiveness. 3. Emphasizing Employee and Vendor Safety: In 2025, Yung Shin Phar. organized "Fire Evacuation Drills" at various plant sites, totaling 6 sessions; related educational training (traffic safety, laboratory safety, confined space operation safety, fire prevention promotion) totaled 5 sessions, for a combined total of 11 sessions. 4. In 2025, the subsidiary Yung Shin Phar. had 7 occupational accidents involving 7 employees (representing 0.55% of total employees at the end of 2025); the causes of these accidents were 1 traffic incident and 6 plant workplace accidents. Therefore, the Corporation actively implemented educational training methods, strengthened equipment safety controls, and promoted safety concepts to employees through various means such as new employee orientation and periodic training for current employees. Both internal and external expert instructors were invited to conduct these sessions to deeply instill safety awareness in employees. 5. No fire incidents occurred at any of the Corporation's operation sites in 2025.	

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(IV) Does the Corporation establish effective career development and training programs for employees?	✓		(IV) The Consolidated Corporation provides capability development for the professional knowledge and skills required for each position. Comprehensive training programs are planned, including new employee orientation, on-the-job professional training, new manager training, etc., to assist managers and colleagues with continuous learning and growth. Each year, based on training needs submitted by individual departments, external training courses are arranged to enhance professional key competencies. 1. The Corporation has set up the "Education and Training Management Regulations" to establish a complete training system, set up a separate training expense each year as a special budget for employee's training. Based on the operation strategy, the Corporation sets annual education and training goals and plans for the training needs of employees in various fields and levels vertically and parallelly, with external consultants, internal lecturers, participation in external knowledge, sharing of transfer training resources, job promotion, and rotation, etc., EQMS quality management online retraining, labor safety certification and retraining are all fully subsidized by the Corporation to cultivate multi-faceted professionals. 2. New employee training is conducted by the Human Resources Department at the beginning of each month. The curriculum includes company history and culture, management systems, plant tours, and instruction on relevant systems. It also covers important legal requirements such as workplace violence and sexual harassment prevention, and occupational safety and health regulations. The training activities encourage interaction among new colleagues in the same cohort, helping them expand their networks and step outside their comfort zones. 3. The "Internal Instructor Policy" has been established to enhance professional capabilities and experience transfer.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			4. The "Employee On-the-job Training Management Policy" has been established to encourage employees' self-learning, providing paid on-the-job training incentive programs that allow employees to fulfill self-actualization needs while improving work efficiency.	
(V) Regarding product and service issues concerning customer health and safety, customer privacy, marketing, and labeling, has the Corporation established policies and grievance procedures for consumer or customer protection in compliance with relevant regulations and international guidelines?	✓		(V) The Consolidated Corporation complies with relevant laws and regulations announced by the central health authorities regarding export items and product labeling, which are conducted in accordance with both Taiwanese and local regulations. The Corporation formatted the western medicine over-the-counter drug instructions box to make it easier for the public to read and take medicine safely.	No Deviation
(VI) Has the Corporation established supplier management policies requiring suppliers to comply with relevant regulations regarding environmental protection, occupational safety and health, or labor rights, and what is the implementation status?	✓		(VI) The Consolidated Corporation has established a standard procedure for contract work management requiring contractors to sign a "Contractor Environmental Safety and Health Commitment Letter" to ensure compliance with relevant occupational safety and health regulations. Contracts with suppliers include provisions requiring compliance with environmental laws, labor regulations, and occupational safety and health laws. In case of violation, the Corporation reserves the right to terminate or rescind relevant clauses of the contract. The Consolidated Corporation requires contract suppliers to sign a "Vendor Integrity Commitment Letter." If there is any violation of the law or any provision in the commitment letter, the Corporation has the right to immediately suspend, terminate or rescind the transaction and cooperation relationship with the supplier.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
V. Has the Corporation prepared sustainability reports or other reports disclosing non-financial information with reference to internationally accepted reporting guidelines or standards? Have the aforementioned reports obtained assurance or attestation opinions from third-party verification entities?	✓		The Consolidated Corporation follows the 2021 GRI Standards issued by the Global Reporting Initiative (GRI) as the main framework for reporting, and complies with the Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies, the Sustainability Accounting Standards Board (SASB) sustainability indicators, and the Task Force on Climate-related Financial Disclosures (TCFD) for disclosure. The sustainability indicators listed in the Summary Table of Assurance Subjects in the appendix of the Consolidated Corporation's 2025 Sustainability Report will obtain third-party assurance reports before August 2026. The Corporation has commissioned PricewaterhouseCoopers Taiwan to plan and perform limited assurance in accordance with Assurance Standard No. 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China.	No Material Deviation

VI. If the company has established its own code of sustainable development practice in accordance with the "Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe its operation and any differences from the established code: There are no material differences.

VII. Other Key Information Useful for Understanding of the Implementation Status of Sustainable Development:

(I) Yung Shin Social Welfare Foundation

Founded in 1978, it is committed to various social welfare work, and in 2001, Yung Shin Elderly Nursing Home was founded, the welfare and long-term care of the elderly have become the main axis of services, and in accordance with the relevant government policies, the Corporation has invested in home and community long-term care services, and with the business philosophy of "sustainability, happiness, and mutual benefit", the Corporation have been deeply cultivating in the sea line area of Taichung City, the services are described as follows:

1. Yung Shin Elderly Nursing Home: Provided 24-hour continuous care service, implemented the spirit of self-reliance support, and enhanced the quality of life of disabled elders, it has been one of the best elderly care centers in Taiwan since 2001.
2. Community Care Service Centers: Started providing services in 2007, implementing community primary preventive healthcare and delaying disability, increasing community members' social interaction and participation, utilizing local volunteers, demonstrating mutual assistance spirit, allowing centers to operate sustainably and develop while achieving the goals of delaying aging and aging in place. Mainly providing community residents with "health promotion activities," "care visits," and "telephone care" services.
3. Home Care Services: Started providing professional and comprehensive "home care services" in 2010, including physical care services, household services, and assistance with social activities participation, allowing seniors and people with disabilities receiving services to maintain stable, comfortable lives in familiar communities. Service areas: Dajia, Da'an, and Waipu Districts.
4. Day Care Service: Since 2011, day care services for the elderly have been provided in Dajia Dist, Qingshui Dist. and Waipu Dist. To relieve family pressure from work, care and family, to enhance the elderly's ability to continue to enjoy a healthy and happy life, and to achieve a better quality of life for the elderly and their families.
5. Dementia Elderly Group Home: Started providing services in 2016, serving moderate to severe dementia

elderly who maintain mobility capabilities. Emphasizes person-centered care philosophy, adopts unit care model, creates a warm family atmosphere, and is Taichung City's second group home for elderly with dementia.

6. Community Integrated Care Service System: Started providing services in 2016, being Taichung City's first service provider, implementing Long-Term Care 2.0's concept of "visible, findable, usable" to enable community members with long-term care needs to quickly access long-term care services. Service areas: Dajia, Da'an, Waipu, Wuqi, Qingshui, and Shalu districts.
7. Small-scale multifunction (dementia): since 2017, it has provided continuous home-based and community services for elders with dementia in Qingshui District and Dajia District. The single institution can provide flexible home-based services, day-based care services and night accommodation services.
8. Organize the Evergreen Happy School: in 2017, it combined the independent participation of the community, the Corporation focuses on the prevention of early stages through a series of course planning (health promotion, cognitive activities, handmade artworks, music therapy, DIY food... Etc.), and follows the principle of "active aging" and "aging guidelines" to achieve happiness, vitality, and natural aging.
9. Home Bathing Service: Started providing services in 2016, utilizing specialized welfare vehicles and portable combination bathtubs. Three long-term care professionals provide comfortable and dignified full-body bathing services for severely disabled individuals with non-infectious diseases who are bedridden.

(II) YungShin Sports Park

The Corporation has been carrying out park greening and ecological maintenance for a long time, providing free public use.

(III) TienTe Lee Biomedical Foundation

It was established in 2004 to help people gain biomedical knowledge promote relevant academic activities in biomedical research by professionals, and facilitate the development of domestic biomedical science and technology.

The activities held in 2025 are as follows:

1. YungShin TienTe Lee Pharmaceutical Technology Award: To encourage Taiwanese people to engage in pharmaceutical technology R&D and to enhance the domestic R&D standard and international status of pharmaceutical technology, the award has been held since 2005. It accepts applications from researchers in the biomedical field and invites scholars from related fields at home and abroad to serve as judges, forming a review committee to conduct evaluations. It is an important award for domestic biomedical research.
2. The YungShin TienTe Lee Pharmaceutical Technology Award Ceremony: To recognize researchers with significant contributions to pharmaceutical research, a grand and elegant award ceremony is held, accompanied by introductions of the award-winning researchers and the production of a research achievements booklet to highlight the honorees' glory.
3. YungShin TienTe Lee Pharmaceutical Technology Award - Southeast Asia Outstanding Paper Award: To encourage citizens of ASEAN countries to engage in medical and pharmaceutical technology research and development, several outstanding contributors are selected and awarded the Southeast Asia Outstanding Paper Award. The aim is to enhance the R&D standards of pharmaceutical technology within ASEAN countries.
4. YungShin TienTe Lee Pharmaceutical Technology Award Winners Networking Academic Activities: Based on past award winners of the YungShin TienTe Lee Pharmaceutical Technology Award as basic members, academic researchers with special contributions or significant influence in related pharmaceutical technology fields are invited as honorary members and honorary advisors. An annual two-day, one-night academic seminar is held to promote exchanges among domestic biomedical researchers, serving as an important platform for interactions among domestic biomedical scholars.
5. Reward other institutions' pharmaceutical biotechnology-related activities: To encourage and promote domestic activities related to pharmaceutical biotechnology, sponsorship is provided for seminars, pharmaceutical-related service teams, and the organization of poster paper awards to enhance opportunities for interaction and exchange.
6. Organized biotechnology and pharmaceutical camp activities and lectures: Through organizing drug technology workshops, high school students learn about medication-related knowledge through speeches and interactive learning activities. Additionally, drug safety promotion activities were organized at schools, entering elementary school campuses to promote the knowledge of drug safety with interactive teaching materials.
7. YungShin Medical Museum: Through activities such as anthropomorphized educational exhibits, drug safety scenario simulations, introductions to the drug manufacturing process, and displays of the evolution of pharmaceutical equipment, the museum provides the public with knowledge about drug safety.

(IV) YungShin Cup National Volleyball Championship

In order to promote public health, the YungShin Group has been dedicated to advocating volleyball sports. As of 2025, 52 tournaments have been held, with the fifty-second tournament featuring 289 participating teams, making it Taiwan's largest national green energy volleyball competition.

(VII) Climate-Related Information of Listed Companies:

1. Implementation status of climate-related information

<table>
<tr><th>Item</th><th>Status of Execution</th></tr>
<tr><td>I. The Corporation's Board of Directors and management oversee and govern climate-related risks and opportunities.</td><td>The Board of Directors serves as the highest climate governance body of the Consolidated Corporation, responsible for promoting and making decisions on climate-related strategic directions while supervising the overall implementation of climate actions across the Consolidated Corporation. Under the Board, the Sustainability Development Committee assists in reviewing and guiding the formulation of the Group's overall climate change strategies, action plans, and annual goals. The committee consists of 5 directors, of which 3 are independent directors. The committee holds at least one regular meeting annually to discuss sustainability strategies and project implementation effectiveness.
The Sustainability Committee has established a Sustainability Team under it, composed of the heads of each department from the Corporation. This team is responsible for evaluating and monitoring climate change-related risks and opportunities faced by the Consolidated Corporation, discussing and formulating the Corporation's climate strategies, actions, climate indicators and targets, as well as promoting climate change-related plans. The team holds regular annual meetings to report climate-related annual implementation plans and results to the Sustainability Committee and the Board of Directors.</td></tr>
<tr><td>II. The identified climate risks and opportunities are assessed for their impact on the Corporation's operations, strategies, and finances in the short, medium, and long term.</td><td>The Consolidated Corporation uses the Task Force on Climate-related Financial Disclosures (TCFD) framework for management, collecting climate data and conducting cross-departmental discussions to identify significant climate change risks and opportunities. It evaluates the short, medium, and long-term financial impacts of these risks and opportunities, and formulates adjustments to the company's operating model, operational strategies, and response methods. A total of 5 climate-related risks and 3 climate-related opportunities have been identified. Key results are summarized as follows:
<table>
<tr><th>Category</th><th>Item</th><th>Impact Timing</th><th>Business & Strategic Impact</th><th>Financial Impact</th></tr>
<tr><td>Physical Risks</td><td>Increased Severity of Extreme Weather Events</td><td>Long Term</td><td>Extreme weather events (such as typhoons, floods, heavy rainfall, etc.) lead to changes in upstream and downstream supply demands. Interruptions in the supply of raw materials may result in production halts, while road closures may cause delays in shipments, leading to increased transportation costs and consequently higher production costs. Additionally, extreme weather conditions can damage factory equipment, lead to power shortages, or prevent employees from attending work, thus affecting production capacity.</td><td>Decreased revenue
Increased production costs
Increased capital expenditure</td></tr>
<tr><td>Physical Risks</td><td>Extreme changes in rainfall patterns</td><td>Medium Term</td><td>Due to uneven rainfall distribution (wetter wet seasons, drier dry seasons), increased frequency of floods or droughts, and other extreme weather factors, the number of working days decreases, leading to unstable supply of electricity and water resources, interruptions in the supply of raw materials, and thus affecting operations and production capacity.</td><td>Decreased revenue
Increased operating costs</td></tr>
</table></td></tr>
</table>

Item	Status of Execution				
	Category	Item	Impact Timing	Business & Strategic Impact	Financial Impact
	Physical Risks	Rising average temperatures	Medium Term	The increase in average temperatures may lead to an increased demand for electricity or cooling equipment, resulting in higher operating costs.	Increased operating costs
	Transition Risks	Increased carbon pricing	Short term	Due to government caps or NGO pressure, companies need to acquire carbon credits through carbon markets to offset their emissions. The price per ton of carbon emissions may increase year after year, creating cost pressures for organizations.	Increased operating costs Increased capital expenditure
	Transition Risks	Strengthening obligations for emission reporting	Medium Term	Failure to comply with stakeholder expectations (e.g., government, investors, customers) regarding emission reporting (e.g., carbon audits) or disclosure of climate change information (e.g., annual reports, TCFD) may result in increased expenditures on fines or litigation.	Increased production costs Decreased revenue
	Opportunities	Development or expansion of low-carbon products and services	Long Term	Developing new low-carbon solutions through low-carbon technology research and introducing low-carbon products to meet customer demand can increase orders and improve performance.	Increased research and development costs Increased revenue
	Opportunities	Utilization of life cycle analysis to manage the supply chain	Long Term	Application of new technologies (such as IoT, big data analytics, automation, and intelligence) to improve yield, reduce material usage and waste generation, shorten lead times, and enhance employee health and safety can reduce operating costs and increase productivity.	Reduced production costs Reduced operating costs
	Opportunities	Using more efficient transportation methods	Medium Term	Utilizing new technologies (such as IoT, big data analytics, automation and intelligence) and low-carbon energy to reduce logistics transportation trips, shorten delivery times, lower operating costs and increase productivity.	Reduced operating costs

Item	Status of Execution
III. Disclosure of the Financial Impact of Extreme Weather Events and Transition Actions.	Extreme weather events may lead to supply chain disruptions for the Consolidated Corporation, abnormal operations of production lines, or decreased employee and equipment productivity due to high temperatures, affecting the company's shipments and consequently reducing revenue. Additionally, the impact of extreme weather events on the supply chain may cause raw material and transportation costs to rise, increasing procurement costs and resulting in increased production costs. Moreover, despite operational interruptions, the company must continue to pay personnel, research and development, and operational-related fixed expenses, or arrange employee overtime to catch up, leading to associated operational expenditures. Transition actions refer to the Consolidated Corporation's response to future increases in external costs, including carbon fees, electricity rate hikes, etc., to continuously comply with regulations at operational locations. The implementation of various greenhouse gas reduction projects, such as regular maintenance and updates of plant air conditioning equipment or drainage systems, plant renovations, or personnel training, may incur relatively higher operating costs and capital expenditures in the short term. However, if transition actions succeed, they will bring long-term profitability and achieve the goal of corporate sustainability.
IV. Disclosure of the Integration of Climate Risk Identification, Assessment, and Management Processes into the Overall Risk Management System.	The Consolidated Corporation's overall risk management process is executed in accordance with legal requirements and internal management needs, with each responsible unit handling their respective authorities, and the Consolidated Corporation's Audit Department conducting regular audits. The Sustainability Development Team is responsible for identifying climate-related risks. This team collects domestic and international climate change trends and regulatory changes periodically, regularly executes climate-related risk and opportunity identification, and based on the results of climate risk and opportunity assessment, convenes team meetings to develop response plans. The relevant risk information is explained in the Corporation's 2025 Sustainability Report and is regularly reported to the Sustainable Development Committee and the Board of Directors annually.
V. If scenario analysis is used to assess resilience to climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be explained.	The Consolidated Corporation annually selects significant climate risks and opportunities for scenario analysis and management, and fully discloses these in the Consolidated Corporation's Sustainability Report. Taking into account domestic regulatory development trends and international peer disclosure practices, the Corporation has selected to analyze the financial impact of carbon fees imposed by government agencies on specific operational locations of the Consolidated Corporation under different scenarios; for the parameters, assumptions, analysis factors, and main financial impacts used in the aforementioned scenario analysis, please refer to the Corporation's 2025 Sustainability Report.
VI. If there are transformation plans to manage climate-related risks, the content of the plan and the indicators and targets used to identify and manage physical and transition risks should be explained.	The Consolidated Corporation's transition plan for managing climate-related risks is still under consideration.

Item	Status of Execution
VII. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	The Consolidated Corporation has not yet used internal carbon pricing as a planning tool.
VIII. If climate-related goals are set, information should be provided on the activities covered, scope of greenhouse gas emissions, planning timeframe, progress made annually, etc. If carbon offsets or renewable energy certificates (RECs) are used to achieve these goals, information should be provided on the source and quantity of carbon offsets exchanged or the quantity of renewable energy certificates (RECs).	The Consolidated Corporation's approach to setting climate-related targets is still under consideration.
IX. Greenhouse gas inventory, verification status, reduction targets, strategies, and specific action plans (separately listed in (1) and (2)).	Please refer to Tables (1) and (2) for reporting details.

(1) Recent Two-Year Company Greenhouse Gas Inventory and Verification Status

A. Greenhouse Gas Inventory Information:

Describe greenhouse gas emissions for the most recent two years (metric tons CO_2e), emission intensity (metric tons CO_2e/TWD million in revenue), and data coverage scope.
According to the Roadmap for Sustainability Development of Listed Companies, the applicable schedule for inventory is as follows: 1. The parent company shall begin inventory in 2025. 2. Subsidiaries in consolidated financial statements shall begin inventory in 2026. The Consolidated Corporation establishes the greenhouse gas inventory mechanism following the ISO14064-1 greenhouse gas inventory standard issued by the International Organization for Standardization (ISO). Starting from 2022, the Corporation has been conducting regular phased inventory of greenhouse gas emissions for both the parent company and consolidated subsidiaries annually. In addition, the greenhouse gas inventory data for the recent two years are summarized based on the operational control method, including greenhouse gas emissions from the Corporation and subsidiaries in the consolidated financial report, as explained below:

Year		2024		2025	
Emission volume / Scope		Emission volume (metric tons CO_2e)	Intensity (metric tons CO_2e/TWD million in revenue)	Emission volume (metric tons CO_2e)	Intensity (metric tons CO_2e/TWD million in revenue)
The Corporation	Scope 1 Direct greenhouse gas emissions (metric tons CO_2e)	9.5468		16.8787	
	Scope 2 Indirect greenhouse gas emissions (metric tons CO_2e)	6.9093		7.4626	
	Subtotal	16.4561		24.3413	

Year		2024		2025	
Emission volume Scope		Emission volume (metric tons CO_2e)	Intensity (metric tons CO_2e/TWD million in revenue)	Emission volume (metric tons CO_2e)	Intensity (metric tons CO_2e/TWD million in revenue)
Some subsidiaries in consolidated financial statements (Note 1)	Scope 1 Direct greenhouse gas emissions (metric tons CO_2e)	10,035.5750		Note 2	
	Scope 2 Indirect greenhouse gas emissions (metric tons CO_2e)	21,443.1825			
	Subtotal	31,478.7575			
Total		31,495.2136	3.92		Note 2

Note1: The scope of subsidiary data in the 2024 consolidated financial report includes Yung Shin Phar. Dingdian Plant, Yushi Plant, Yushi Second and Third Plants, and Vetnostrum Animal Health.

Note2: As of the printing date of this annual report, the Consolidated Corporation's greenhouse gas emission information for 2025 is still being compiled. For information regarding the Consolidated Corporation's greenhouse gas emissions, please refer to The Corporation's 2025 Sustainability Report.

B. Greenhouse Gas Assurance Information

Describe the assurance status for the most recent two years as of the date of the annual report, including assurance scope, assurance entity, assurance criteria, and assurance opinion.
According to the Sustainability Development Roadmap requirements for listed companies, the assurance application schedule is as follows: 1.The parent company shall implement assurance starting from 2027. 2.Subsidiaries in consolidated financial statements shall implement assurance starting from 2028. The implementation of assurance for the greenhouse gas inventory of the Corporation and some subsidiaries in consolidated financial statements (Note 1) for the past two years is described as follows:

Scope of Execution Assurance		**2024**	**2025**
		Emission volume (metric tons CO_2e)	Emission volume (metric tons CO_2e)
The Corporation	Scope 1 Direct greenhouse gas emissions (metric tons CO_2e)	9.5468	Note 2
	Scope 2 Indirect greenhouse gas emissions (metric tons CO_2e)	6.9093	
	Total	16.4561	
	Percentage of the aforementioned A. disclosed inventory data	100%	
Some subsidiaries in consolidated financial statements	Scope 1 Direct greenhouse gas emissions (metric tons CO_2e)	10,035.5750	
	Scope 2 Indirect greenhouse gas emissions (metric tons CO_2e)	21,443.1825	
	Total	31,478.7575	
	Percentage of the aforementioned A. disclosed inventory data	100%	
Assurance institution (Note 3)		Assurance institution: SGS Taiwan, AFNOR Certification Co., Ltd.	
Assurance Status Description		ISO 14064-3:2019 reasonable assurance level	
Assurance opinion/conclusion (Note 4)		Revised opinion without reservation, without included reservations.	

Note1: The scope of subsidiary data in the 2024 consolidated financial report includes Yung Shin Phar. Dingdian Plant, Yushi Plant, Yushi Second and Third Plants, and Vetnostrum Animal Health.

Note2: Information related to the greenhouse gas emissions of the consolidated subsidiaries is still being compiled. PricewaterhouseCoopers Taiwan has been commissioned to conduct assurance, which is expected to be completed before the end of 2026.

Note3: The Corporation and Yung Shin Phar.'s Ding-Dian Plant, Yu-Shih Plant, Yu-Shih Second and Third Plants are assured by SGS Taiwan; Vetnostrum Animal Health Co., Ltd. is assured by AFNOR Certification Co., Ltd.

Note4: The Corporation and Yung Shin Phar.'s Ding-Dian Plant, Yu-Shih Plant, Yu-Shih Second and Third Plants have a revised opinion without reservation; Vetnostrum Animal Health Co., Ltd. has an opinion without included reservations.

(2) Greenhouse gas reduction targets, strategies, and specific action plans.

Specify the greenhouse gas reduction baseline year and its data, reduction targets, strategies, and specific action plans, as well as the achievement status of reduction targets.
The Consolidated Corporation has gradually completed the greenhouse gas inventory for the Corporation and its consolidated financial statement subsidiaries by 2025, and based on the inventory results, has decided to set no later than 2026 as the baseline year for the Consolidated Corporation's greenhouse gas reduction, and will establish reduction targets, strategies, and specific action plans accordingly.

(VIII) Status of Implementation of Business Integrity and Deviations from the Integrity Code for Listed Companies and Reasons:

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Development of Business Integrity Policies and Programs				
(I) Has the Corporation formulated a business integrity policy approved by the Board of Directors, explicitly stating its integrity policies, practices, and the commitment of the Board and senior management to actively implement such policies in its regulations and external documents?	✓		(I) The Corporation has established Ethical Corporate Management Best Practice Principles and a Code of Ethical Conduct, which stipulate that the Corporation's directors, managers, and employees shall exercise the due care of a good administrator and fulfill their fiduciary duties, conducting business in accordance with the principle of good faith.	No Deviation
(II) Has the Corporation established a risk assessment mechanism for dishonest conduct, regularly analyzing and evaluating business activities within its scope of operations that have a higher risk of dishonest conduct, and accordingly formulated programs to prevent dishonest conduct, which at minimum cover preventive measures for each type of conduct specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		(II) For higher-risk dishonest behaviors, effective internal control and audit systems have been established, and regular and irregular inspections are conducted, with ongoing reviews of the effectiveness of relevant system design and implementation. The mechanisms are as follows: 1. During transactions or procurement, vendors are verified whether they are related parties, and the authenticity of companies is confirmed through the Ministry of Economic Affairs Commercial Affairs Department, and vendor transaction records are checked to confirm the business integrity of transaction counterparties. 2. Through the Joint Credit Information Center, customers' credit records are checked to avoid transactions with dishonest vendors. 3. Each donation requires approval from various management levels according to approval authority limits, complying with relevant laws and internal operating procedures.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(III) Has the Corporation clearly specified operating procedures, conduct guidelines, disciplinary measures for violations, and grievance systems within its program for preventing dishonest conduct, implemented these effectively, and regularly reviewed and revised the aforementioned program?	✓		(III) The Corporation's Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct both clearly prohibit fraudulent profit-seeking and insider trading behaviors, and stipulate disciplinary and grievance channels. Violators will be reported for disciplinary action based on the severity of the violation, and relevant content and handling results will be disclosed. The Corporation continuously monitors developments in domestic and international ethical corporate management regulations, reviews and improves the ethical corporate management policies and promotion measures established by the Corporation accordingly, to enhance the effectiveness of implementing corporate ethical management.	No Deviation
II. Implementation of Integrity Management			The implementation status summarized in this form covers the Corporation and its subsidiary Yung Shin Phar. (hereinafter referred to as "the Corporation").	
(I) Has the Corporation evaluated the integrity records of its business counterparts and specified integrity behavior clauses in contracts signed with its transaction counterparts?	✓		(I) The Corporation conducts business activities in a fair and transparent manner, and checks customers' credit records through the Joint Credit Information Center to avoid dealing with customers lacking integrity. Contracts signed with customers should include provisions for compliance with integrity management policies and clauses stating that the contract may be terminated or rescinded at any time if the transaction counterpart engages in dishonest behavior.	No Deviation
(II) Has the Corporation established a dedicated unit under the Board of Directors to promote corporate integrity management, and regularly (at least once a year) report to the Board regarding its integrity management policies, prevention plans for dishonest behavior, and supervision of implementation status?	✓		(II) The Corporation has established the "Sustainability Committee" under the Board of Directors, and within it, the "Corporate Governance Division of the Sustainability Team" is responsible for promoting integrity management, anti-corruption, anti-bribery, and legal compliance matters of corporate governance. It reports its implementation status to the Board of Directors once a year, with the most recent report on August 6, 2025. The Corporation has established the "Principles of Integrity Management," and any amendments or abolishment should be approved by the Board of Directors. The Board of Directors exercises the due care of a good administrator to supervise the Corporation in preventing dishonest conduct and ensuring the implementation of integrity management policies.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			The 2025 integrity management implementation status is as follows: Supplier Commitment: Suppliers signed integrity commitment letters Commitment: 100% of employees sign the Employee Integrity Pledge upon joining the company. Directors sign the Statement of Compliance with Integrity Management Policy. Advocacy: (1) Integrity and confidentiality responsibilities are communicated to employees. (2) Whistleblowing system: Reporting and grievance email- yshaudit@yungshingroup.com	
(III) Has the Corporation established policies to prevent conflicts of interest, provided appropriate channels for disclosure, and implemented them effectively?	✓		(III) The directors, managers, and employees of the Corporation shall comply with laws, regulations, and internal control standards when performing their duties; all employees are required to sign confidentiality agreements and bear absolute confidentiality obligations for the business, documents, and customer information under their management. The Corporation's Rules of Procedure for Board of Directors Meetings stipulate that directors shall recuse themselves from matters in which they or the legal entities they represent have a conflict of interest.	No Deviation
(IV) Has the Corporation established effective accounting systems and internal control systems to implement ethical business practices, and has the internal audit unit formulated relevant audit plans based on the risk assessment results of dishonest behaviors to verify compliance with the fraud prevention program, or engaged CPAs to conduct audits?	✓		(IV) The Corporation has established and implemented an effective accounting system, internal control system, internal audit system, and various management measures, and the audit personnel may conduct spot audit on the implementation of the system, and may appoint CPAs to carry out the audit, and may request professional assistance if necessary.	No Deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(V) Does the Corporation regularly hold internal and external educational training on ethical business practices?	✓		(V) The Corporation continues to promote its business philosophy - always be honest - through various conferences and conducts educational training from time to time.	No Deviation
III. Implementation of the Corporation's whistleblowing system (I) Does the Corporation have a specific whistle-blowing and reward system, establish convenient whistle-blowing channels, and assign the appropriate personnel to deal with the reported personnel?	✓		(I) The Corporation has a complaint standard and has a special unit to deal with the relevant affairs according to the provisions of the measures.	No Deviation
(II) Has the Corporation established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		(II) For grievance cases, the Corporation adopts confidentiality measures during the handling process to prevent complainants from facing unnecessary interference and influence. After the investigation is completed, subsequent measures will be taken according to the severity of the situation. When necessary, reports will be made to the competent authorities or cases will be transferred to judicial authorities for investigation.	No Deviation
(III) Does the Corporation take measures to protect whistleblowers from improper treatment?	✓		(III) The Corporation maintains the confidentiality of whistleblowers in handling grievance cases, and whistleblowers will not face disciplinary action due to their reporting.	No Deviation
IV. Enhancing information disclosure Does the Corporation disclose its ethical corporate management policies and the results of its implementation on the Corporation's website and MOPS?	✓		The Corporation has disclosed information related to Ethical Corporate Management Best Practice Principles and related implementation status on the Corporation's website and MOPS. Corporate Website: www.yungshingroup.com	No Deviation
V. Where the Corporation has stipulated its own best practices on ethical corporate management according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any gaps between the prescribed best practices and the actual measures taken by the Corporation: No material gap is found: No difference was found.				

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td colspan="5">VI. Other important information that facilitates the understanding of the implementation of ethical corporate management: (such as review and amendment of the Corporation's Ethical Corporate Management Best Practice Principles)
(I) In accordance with the New Corporate Governance Blueprint, the Corporation has amended the Ethical Corporate Management Best Practice Principles of the Corporation at the meeting of the Board of Directors on February 3, 2021 and uploaded it to the Market Observation Post System on the same day.
(II) The Corporation rigorously complies with the Company Act, Securities and Exchange Act, and Business Entity Accounting Act by establishing audit and internal control regulations to stipulate compliance matters as the basis for implementing ethical corporate management.
(III) The Corporation specifies requirements for ethical corporate management in the Rules of Procedure for Board of Directors Meetings and management regulations for preventing insider trading, employees' work rules, related party transactions, accounting system, and internal control system to prevent any conflict of interest or gifts. The rules are provided to facilitate compliance.</td></tr>
</table>

(IX) Other material information that can enhance the understanding of the operation of the corporate governance must also be disclosed:

1. The Corporation's mechanisms for processing and disclosing material inside information: To effectively manage the Corporation's mechanisms for processing and disclosing material inside information, the Corporation has established various control regulations such as the Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles, Code of conduct, and Management Procedures for Prevention of Inside Trading for compliance by the management and all employees to prevent violations or insider trading.

2. Continuing education of managerial officers in 2025

December 31, 2025

Title	Name	Organizer	Course Title	Training Hours	Remarks
President	Chih-Wei Chien	Taiwan Institute of Directors	Corporate Governance and Board of Directors Operations	3	
		Taiwan Institute of Directors	How non-finance personnel can read financial reports	3	
		Taiwan Stock Exchange	The 2025 Strengthening Taiwan Capital Market Summit	3	
		Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3	
		Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3	
Accounting Manager	Yu-Yi Lee	Accounting Research And Development Foundation	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12	
Audit Manager	Hsiang-Lien Huang	Securities and Futures Institute	Internal Control and Internal Audit Practices for Sustainability Information Management	6	
		Securities and Futures Institute	The risk management-driven strategies for promoting sustainable development by listed companies.	6	
		Securities and Futures Institute	Disclosure of corporate sustainability information	3	
		Securities and Futures Institute	Discussion on Strengthening Compliance Auditing through Procurement and Cybersecurity Penalty Cases	6	
Chief Corporate Governance Officer	Yi-Yun Wang	Taiwan Institute of Directors	Corporate Governance and Board of Directors Operations	3	
		Taiwan Institute of Directors	How non-finance personnel can read financial reports	3	
		Taiwan Institute of Directors	Corporate transformation succession and performance management compensation system optimization	3	
		Taiwan Institute of Directors	How to create a peak and sustainable operation in the global competitive market.	3	

(X) Status of Implementation of Internal Control System:

1. Statement of Internal Control System:

The information has been announced on the Market Observation Post System (MOPS). Please refer to MOPS/Individual Company/Corporate Governance/Corporate Policies and Internal Control/Internal Control Statement Announcement. (https://mops.twse.com.tw/mops/#/web/t06sg20)

2. For companies that have commissioned CPAs to conduct special audits of their internal control systems, the CPA's audit report should be disclosed: None.

(XI) Important Resolutions of the Shareholders' Meeting and the Board of Directors and Their Implementation Reviews:

1. Important resolutions of the shareholders' meeting and implementation review

Meeting Session	Time of Meeting	Major Resolutions	Status of Execution
2025 Shareholders' Meeting	2025.05.28	1. Approval of the 2024 Business Report and Financial Statements.	Announced as resolved by the Shareholders' Meeting.
		2. Approval of the 2024 Earnings Distribution Proposal, with cash dividend of NT$3.0 per share.	Cash dividends were paid on July 16, 2025.
		3. Approval of the amendment to the Corporation's Articles of Incorporation.	Implemented according to the newly revised regulations.
		4. Elect nine seats for the Corporation's sixth term of Directors.	The term is three years until May 27, 2028.
		5. Proposal for the removal of the non-competition restrictions for new Directors.	According to the shareholders' meeting resolution, the removal of the non-competition restrictions for new Directors.

2. Important Resolutions of the Board of Directors

Meeting Session/Date	Content of the Proposal and Resolution
24th Meeting of the 5th Board of Directors 2025.03.11	Report on the internal assessment of the Board of Directors' performance for fiscal year 2024. Approval of the Corporation's 2024 preliminary individual and consolidated financial statements. Approval of the date and related matters for the Corporation's 2025 Annual Shareholders' Meeting.
25th Meeting of the 5th Board of Directors 2025.03.28	Approval of the Corporation's 2024 separate financial statements and consolidated financial statements. Approval of the Corporation's 2024 Statement of Internal Control. Approval of the Corporation's 2024 annual earnings distribution. Approval of the Corporation's 2024 Employee and Director Compensation Distribution Plan. Approval of the change of CPAs for the Corporation and its subsidiaries starting from the first quarter of 2025. Approval of the evaluation of the Corporation's 2025 CPAs' independence and audit quality (AQI).
26th Meeting of the 5th Board of Directors 2025.04.25	Approval of the Corporation's consolidated financial statements for the first quarter of fiscal year 2025.

Meeting Session/Date	Content of the Proposal and Resolution
1st Meeting of the 6th Board of Directors 2025.05.28	Through the election of the Chairman and Vice Chairman of the 6th Board of Directors.
2nd Meeting of the 6th Board of Directors 2025.07.01	Approval of the list of committee members for each functional committee of the Corporation's Board of Directors.
3rd Meeting of the 6th Board of Directors 2025.08.06	Approval of the first half-year consolidated financial report for the year 2025. Approval of the Corporation's 6th "Directors, Supervisors, and Managers Liability Insurance" coverage. Approval of the Corporation's 2024 Sustainability Report. Approval of the appointment, compensation, and waiver of non-competition restrictions for the President of the Corporation. Approval of adjustments to the Corporation's 2025 expense budget.
4th Meeting of the 6th Board of Directors 2025.11.11	Approval of the Third-quarter consolidated financial report for the year 2025. Approval of the proposal on the Corporation's 2026 Annual Audit Plan.
5th Meeting of the 6th Board of Directors 2025.11.12	Approval of the Corporation's 2026 annual business plan and budget. Approval of the total loan amount proposal to financial institutions for the Corporation for fiscal year 2026. Approval of the 2026 endorsement and guarantee amount for subsidiaries. Approval of the 2026 operating budgets and loan limits for each subsidiary.
6th Meeting of the 6th Board of Directors 2026.03.04	Report on the 2025 Board of Directors Performance Evaluation. Approval of the Corporation's 2025 preliminary individual and consolidated financial statements. Approval of the date and related matters for the Corporation's 2026 Annual Shareholders' Meeting. Approval of the evaluation of the Corporation's 2026 CPAs' independence and audit quality (AQI).
7th Meeting of the 6th Board of Directors 2026.03.25	Approval of the Corporation's 2025 separate financial statements and consolidated financial statements. Approval of the Corporation's 2025 Statement of Internal Control. Approval of the Corporation's 2025 annual earnings distribution. The Corporation's 2025 director and employee compensation (including grassroots employee compensation) distribution plan was approved.

(XII) Major contents of any dissenting opinions on record or stated in a written statement made by Directors or Supervisors regarding key resolutions of the Directors' Meeting: None.

IV. Information on CPA Audit Fee

CPA Firm Name	Name of CPAs	Auditing Period	Audit Fee	Non-audit Fees	Total	Remarks
KPMG in Taiwan	Min-ju Chao Chia-Han Wu	2025.01.01 to 2025.12.31	1,060	434	1,494	Non-audit fees primarily consist of expenses related to tax certifications and advances incurred for providing audit services.

（I） The Corporation has replaced accounting firms, and the annual audit fee is less than that of the previous year prior to the replacement: None.

（II）The audit fee decreased by ten percent or more compared to the previous year: None.

V. Information on Change of CPAs:

(I) Regarding the former CPAs

<table>
<tr><td>Date of Change</td><td colspan="4">Starting from the first quarter of 2025,</td></tr>
<tr><td>Reason and Explanation</td><td colspan="4">Due to internal adjustments at KPMG in Taiwan, starting from the first quarter of 2025, the original certifying CPAs Min-ju Chao and Lily Lu will be changed to Min-ju Chao and Chia-Han Wu.</td></tr>
<tr><td rowspan="3">Explanation of termination or rejection of appointment by the client or the CPA.</td><td colspan="2">Contracting Parties
Situation</td><td>Accountant</td><td>Client</td></tr>
<tr><td colspan="2">Voluntary termination of appointment.</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">No longer accept (continue) the appointment</td><td>-</td><td>-</td></tr>
<tr><td colspan="3">The opinions and reasons for issuing audit reports other than unqualified opinions in the latest two years.</td><td colspan="2">None.</td></tr>
<tr><td rowspan="6">Whether there are any differing opinions with the Issuer.</td><td rowspan="4">There are</td><td>-</td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td>-</td><td colspan="2">Disclosure of Financial Reports</td></tr>
<tr><td>-</td><td colspan="2">Scope or procedures of audit</td></tr>
<tr><td>-</td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Description</td></tr>
<tr><td>Other disclosure items (Subparagraphs 4 to 7 of Item 1, Paragraph 6, Article 10 of these Guidelines should be disclosed)</td><td colspan="4">None</td></tr>
</table>

(II) Regarding the successor CPAs

Firm Name:	KPMG in Taiwan
Name of CPAs	Accountant Chia-Han Wu
Date of Appointment	Starting from the first quarter of 2025,
Consultation matters and results regarding accounting treatment methods or accounting principles for specific transactions prior to appointment, and possible opinions to be issued on the Financial Report	Not applicable
The written opinions of the successor CPAs on matters of disagreement with the former CPAs.	None

(III) The response from the former CPAs on items 1 and 2.3 of Article 10, paragraph 6 of these standards: Not applicable.

VI. The Corporation's Chairperson, President, or any managerial officer in charge of finance or accounting matters who has, in the most recent year, held a position at the accounting firm of its CPA or at an affiliated enterprise: None.

VII. Equity Transfer or Changes in Equity Pledge of Directors, Managers, and Shareholders with Shareholding Percentage of 10% or More:

(I) Changes in Equity Ownership of Directors (Including Independent Directors), Executives, and Major Shareholders:

According to regulations, announcements and declarations are made on the Market Observation Post System. The index search path and URL are as follows:

1. Equity transfer changes:

Index search path: Market Observation Post System > Single Company > Changes in Shareholding/Securities Issuance > Share Transfer Information Inquiry > Insiders' Shareholding Change Post-Event Declaration Form

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

2. Equity transfer changes:

Index search path: Market Observation Post System > Single Company > Changes in Shareholding/Securities Issuance > Pledge and Release of Pledge by Insiders > Announcement of Pledge and Release of Pledge by Insiders

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

(II) Equity transfer involving related parties: None.

(III) Equity pledge involving related parties: None.

VIII. Top 10 Shareholders Who are Related Parties, Spouses, or within Second Degree of Kinship to Each Other

March 29, 2026

Name	Shares Held by Shareholders		Shares Held by Spouse and Minor Children		Shares Held by Nominee Arrangement Total		Among ten Largest Shareholders, Name and Relationship with Anyone who is a Related Party or a Relative within the Second Degree of Kinship		Remarks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (or Name)	Relationship	
Hsin Lin Chi Co., Ltd.	16,353,000	6.14%	-	-	-	-	Meng-Be Lin	Shares held through nominees	-
Fang-Jen Lee	11,775,595	4.42%	2,000	0.00%	-	-	Pao-Chen Lin Ling-Fen Lee Fang-Chen Lee Fang-Hsin Lee	Mother and son Sister and younger brother Brothers Brothers	-
TienTe Lee Biomedical Foundation	11,572,487	4.34%	-	-	-	-	-	-	-
Meng-Be Lin	10,918,076	4.10%	2,400,000	0.90%	16,353,000	6.14%	Hsin Lin Chi Co., Ltd.	Shares held through nominees	-
Ling-Fen Lee	8,875,768	3.33%	21,000	0.01%	-	-	Fang-Chen Lee Fang-Jen Lee Fang-Hsin Lee	Sister and younger brother Sister and younger brother Sister and younger brother	-
Pao-Chen Lin	7,910,681	2.97%	-	-	-	-	Fang-Jen Lee Fang-Hsin Lee	Mother and son Mother and son	-
Fuentes Investment Corporation	6,122,000	2.30%	-	-	-	-	Fang-Chen Lee	Shares held through nominees	-
Fang-Hsin Lee	5,731,967	2.15%	44,483	0.02%	5,678,865	2.13%	Pao-Chen Lin Ling-Fen Lee Fang-Chen Lee Fang-Jen Lee Yen Xu Co., Ltd.	Mother and son Sister and younger brother Brothers Brothers Shares held through nominees	-

Name	Shares Held by Shareholders		Shares Held by Spouse and Minor Children		Shares Held by Nominee Arrangement Total		Among ten Largest Shareholders, Name and Relationship with Anyone who is a Related Party or a Relative within the Second Degree of Kinship		Remarks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (or Name)	Relationship	
Yen Xu Co., Ltd.	5,678,865	2.13%	-	-	-	-	Fang-Hsin Lee	Shares held through nominees	-
Fang-Chen Lee	5,549,344	2.08%	369,322	0.14%	6,122,000	2.30%	Ling-Fen Lee Fang-Jen Lee Fuentes Investment Corporation Limited Company	Sister and younger brother Brothers Shares Held in the Name of Others	-

IX. The Total Number of Shares and Total Equity Stake Held in Any Single Investee Business by the Corporation, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Corporation

The Total Number of Shares and Total Equity Stake Held in Any Single Investee Business by the Corporation, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Corporation

December 31, 2025; Unit: Shares; %

Investee Business	Investment by the Corporation		Investments by Directors, Supervisors, Managers, and Directly or Indirectly Controlled Business		Total Investments	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
YUNG SHIN PHARM. IND. CO., LTD.	109,622,528	100%	-	-	109,622,528	100%
YSP INTERNATIONAL COMPANY LIMITED	10,000	100%	-	-	10,000	100%
CARLSBAD TECHNOLOGY, INC.	7,703,785	69.45% (Note 1)	1,109,603	9.93%	8,813,388	79.38%
Yungshin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd.	-	100%	-	-	-	100%
YUNG SHIN COMPANY LIMITED (YHK) (Note 3)	7,720	96.5%	76	0.95%	7,796	97.45%
YungShin Formosa Holding Corporation	2,594,368	100%	-	-	2,594,368	100%
Angel Associates (Taiwan), Inc.	3,675	73.50%	728	14.56%	4,403	88.06%
CHEMIX INC.	192	100%	-	-	192	100%
Vetnostrum Animal Health Co., Ltd.	36,412,975	50.02%	3,908,307	5.37%	40,321,282	55.39%

Note1: The Corporation and Yung Zip Chemical Ind. Co., Ltd. indirectly own 68.96% and 2.34% of Carlsbad Technology, Inc. Based on the shareholding status, the Corporation owns 69.45% of the shares.

Chapter 3 Financing Status

I. Capital and Shares:

(I) Sources of Capital:

1. Sources of Capital

Year/Month	Offering Price	Authorized capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increased by Assets Other Than Cash	Others
2010.12	10	310,000,000	3,100,000,000	253,736,175	2,537,361,750	Conversion	None	Approved in the Jin-Guan-Zheng-Fa Zi No. 0990067926 dated December 8, 2010 and Tai-Zheng-Shang Zi No. 0990037208 dated December 8, 2010.
2015.10	10	310,000,000	3,100,000,000	266,422,983	2,664,229,830	Number of shares allotted for capital transferred from surplus	None	Approved in the Jin-Guan-Zheng-Fa Zi No. 1040030118 dated August 7, 2015, Jing-Shou-Shang Zi No. 10401199090 dated September 18, 2015, and Tai-Zheng-Shang-1 Zi No. 1040020648 dated October 8, 2015.
2022.07	10	610,000,000	6,100,000,000	266,422,983	2,664,229,830	-	None	Approved in the Jing-Shou-Shang Zi No. 11101100980 dated July 11, 2022

2. Authorized capital

Shares Category	Authorized capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Ordinary share	266,422,983	343,577,017	610,000,000	Shares of publicly listed company

3. Information of shelf registration: Not applicable.

(II) List of Major Shareholders:

March 29, 2026

Shares / Name of Major Shareholders	Number of Shares Held	Shareholding Ratio
Hsin Lin Chi Co., Ltd.	16,353,000	6.14%
Fang-Jen Lee	11,775,595	4.42%
TienTe Lee Biomedical Foundation	11,572,487	4.34%
Meng-Be Lin	10,918,076	4.10%
Ling-Fen Lee	8,875,768	3.33%
Pao-Chen Lin	7,910,681	2.97%
Fuentes Investment Corporation	6,122,000	2.30%
Fang-Hsin Lee	5,731,967	2.15%
Yen Xu Co., Ltd.	5,678,865	2.13%
Fang-Chen Lee	5,549,344	2.08%

(III) Dividend Policy and Implementation Status:

1. Dividend policy as set out in the Articles of Incorporation:

The Corporation's industry is susceptible to changes and the Corporation is in a stable growth phase. If earnings are present after the closing of the fiscal year, the Corporation shall distribute the earnings in the following order:

(1) Tax payments in accordance with laws.

(2) Offset prior years' losses.

(3) 10% appropriation for statutory reserve.

(4) Provision of reversal of special surplus reserves in accordance with laws and regulations.

(5) Payment of dividends.

(6) The balance and the accumulated undistributed earnings from the previous year shall be proposed for distribution by the Board of Directors and submitted to the shareholders' meeting for approval. The total amount of shareholders' dividends shall be ten to ninety percent of the aforementioned accumulated undistributed earnings. For the distribution of shareholders' dividends and bonuses, the cash portion shall account for at least twenty percent of the total amount of shareholders' dividends and bonuses.

(7) The distribution of dividends will be done in three ways: capital increase from earnings, capital increase from capital surplus, and cash dividends. In the event of an appropriate investment plan capable of increasing the Corporation's profitability, a low cash dividend ratio policy will be adopted, and either capital increase from earnings or capital increase from capital surplus will be adopted. In case capital expansion impacts the profitable standards, the ratio of cash dividend payment will be increased accordingly.

The distribution of dividends and bonuses, capital surplus, or statutory surplus, either in whole or in part, shall be made in cash, authorized by a resolution of the Board of Directors with the presence of two-thirds or more of the directors and the approval of a majority of the attending directors, and reported to the shareholders' meeting. When distributed by issuing new shares, it shall be proposed to the shareholders' meeting for resolution before distribution.

2. Distribution of dividends proposed in the shareholders' meeting:

The Board of Directors of the Corporation resolved on March 25, 2026 to propose the distribution of shareholders' dividends for 2025. The dividends shall be distributed as cash dividend of totaling 3.0 NTD per share which shall be distributed after the resolution of the shareholders' meeting.

3. Any expected material changes in the dividend policy: None.

(IV) Effect of free allotment of shares proposed at this shareholders' meeting on the Corporation's business performance and earnings per share: NA.

(V) Remuneration of Employees, Directors, and Supervisors

1. Percentage or range of remuneration paid to employees and Directors and Supervisors as set forth in the Articles of Incorporation:

To incentivize employees and the management team, if the Corporation has profits in the fiscal year, it shall appropriate no less than 0.3% of profits as employee compensation and no more than 3% as compensation for Directors. However, when the Corporation still has accumulated losses, the amount to cover such losses shall be reserved in advance.

In the aforementioned employee compensation amount, no less than 1% should be allocated as compensation for grassroots employees. Compensation for Directors and Supervisors shall be distributed only in cash, while employee compensation may be distributed in the form of stock or cash. Such distribution shall be resolved by a majority vote at a Board meeting attended by at least two-thirds of the Directors, and shall be reported at the shareholders' meeting.

Recipients of employee compensation in stock or cash shall include employees of subsidiaries who meet certain criteria, with such criteria to be determined by the Board of Directors.

The Corporation may, in accordance with Articles 167-1, 167-2, and 267 of the Company Act, issue the following reward shares to employees, and the recipients shall include employees of the controlling or subsidiary companies who meet certain criteria:

(1) Transfer treasury shares to employees.

(2) Employee Stock Option Certificates.

(3) The new shares issued from the cash capital increase will be subscribed by employees.

(4) Issuance of new shares with restrictions on employee rights.

2. The estimation basis for the current period's employee, Director, and Supervisor compensation amounts, the calculation basis for the number of shares for employee compensation distributed in stock, and the recognition of employee compensation and Director/Supervisor compensation as expenses and liabilities shall occur when there is a legal or constructive obligation and the amount can be reasonably estimated. When there

is a difference between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate. For stock-based employee compensation, the calculation of shares is based on the closing price one day prior to the Board of Directors' resolution date. The Corporation's 2025 employee compensation and directors' compensation were appropriated according to the regulations in the Articles of Incorporation based on the profitability up to the current period. The employee compensation will be distributed in cash. The estimated amount of employee compensation for the current period is NT$2,842,463 and directors' compensation is NT$18,949,755. The estimation basis follows the regulations in the Articles of Incorporation and is recognized as current operating costs and expenses. However, if there is a difference between the actual distribution amount resolved by the Board of Directors subsequently and the estimated amount, it will be recognized as profit or loss in the year of the shareholders' meeting.

3. Information on any approval by the Board of Directors of distribution of remuneration:

   (1) Amount of remuneration distributed to employees and Directors in the form of cash or stock.

   Employee compensation and compensation for Directors and Supervisors shall be recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. When there is a difference between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate. For stock-based employee compensation, the calculation of shares is based on the closing price one day prior to the Board of Directors' resolution date.

   (2) Amount of any employee remuneration distributed in stock, and its size as a percentage of the sum of net income after tax and total employee remuneration stated in the financial statements or individual financial statements for the current period: The Board has resolved to distribute remuneration for employees and Directors in cash. Therefore, the distribution of stock dividends does not apply.

4. The actual distribution of remuneration for employees and Director for the previous fiscal year (including number and amount of shares distributed, as well as share price), and, if there is any discrepancy between the actual distribution and the recognized remuneration for employees and Director, the discrepant amount, cause and treatment of such discrepancy shall be stated:

Distribution Status	Previous Year				
	2025.05.28 Shareholders' Meeting Resolution on Distribution	2025.03.28 Board of Directors' Approved Proposed Distribution	2025 Actual Cash Distribution Amount	Discrepancy	Cause of Discrepancy
1. Remuneration for employees 2. Remuneration for Directors and Supervisors	NT$ 3,790,372 NT$ 25,269,148	NT$ 3,790,372 NT$ 25,269,148	NT$ 3,790,067 NT$ 25,269,148	NT$ 305 NT$ -	(Note) None

Note: The difference in employee bonus will be retained in the "Accrued Employee Compensation" item in the financial statements.

(VI) Company Share Repurchase Status: None.

II. Issuance of Corporate Bonds, Special Shares, Overseas Depository Receipts, Employee Stock Option Certificates, Restrictions on Employee Warrants and Mergers, Acquisitions or Issuance of New Shares for Acquisition of Shares of Other Companies: None.

III. Capital Utilization Plan and Its Implementation:

The Corporation does not have "previous issuance or private placement of marketable securities that have not been completed" or "completed issuance of securities without demonstrable benefits within the past three years".

Chapter 4 Operational Highlights

I. Business Activities

(I) Business Scope:

1. YungShin Global Holding Corporation: The Corporation is an industrial investment holding company with general investment as its main business.

2. Yung Shin Pharm. Ind. Co., Ltd.:

(1) Principal business activities and revenue distribution:

A. Manufacturing and trading of pharmaceutical products, agricultural industrial pharmaceutical products, animal drugs, food, Chinese medicine, agricultural products, chemical drugs, sanitation and medical products, environmental hygiene agents, cosmetics, toothpaste, soap, scented soap, detergent, shampoo, and other cleaning agents, spices, feed, feed additives, fertilizers, sports goods, decorations, science instruments, medical equipment, diagnostic reagents, diagnostic instruments, and biological preparation.

B. C802120 industrial catalyst manufacturing.

C. C801030 precision chemical materials manufacturing.

D. Machinery and equipment repairs, manufacturing, and trading

E. Import, export, and agency business of the aforementioned products.

F. Commissioned construction of residential and commercial buildings for lease or sale, and commissioning of construction companies for development of industrial parks approved by industrial authorities.

G. Publication and distribution of books of magazines.

H. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

I. F401171 Alcohol drink import.

The current main source of revenue of Yung Shin Pharmaceutical consists of pharmaceuticals and animal pharmaceutical businesses specified in Item A.

Main Products	Amount (NT$1,000)	Percentage of Revenue
Pharmaceuticals for humans and animals	3,846,324	73.12%
Cosmetics	12,493	0.24%
Health food	566,605	10.77%
Product distribution	246,822	4.69%
OEM products	576,779	10.97%
Others	11,038	0.21%
Total	5,260,061	100.00%

(2) The main commodity items of Yung Shin Pharmaceutical:

A. There are totally 763 licenses.

a.	Pharmaceuticals for human consumption (including 12 permits for contracted production by other factories and 2 permits for drug import)	656 permits
b.	Medical equipment	6 permits
c.	Active pharmaceutical ingredients	28 permits
d.	Health food	2 permits
e.	Capsule and pill food	47 permits
f.	Food import	4 permits
g.	Subsidies for feed	14 permits
h.	Food additives	6 permits

B. There are totally 48 OEM licenses.

a.	Pharmaceuticals for human consumption	26 permits
b.	Health food	1 permits
c.	Capsule and pill food	21 permits

C. Other products (no license required): 197 kinds

a.	Cosmetics	35 types
b.	Traded cosmetics	1 types
c.	Food	138 types
d.	Traded food	20 types
e.	Raw materials	3 types

D. Each preparation contains solid dosage forms: coated tablets (including tablets, granules, powder), pellet capsules (including capsules), pellets, suppositories, liquid (liquid dosage form, suspension dosage form, solution dosage form), semi-solid dosage form, injection (liquid dosage form, solid dosage form), and other dosage forms. In addition to producing general preparations, we also produce cytotoxic preparations, penicillin preparations, and cephalosporins with specific toxic and hazardous substances.

E. The preparations include nervous system drugs, circulatory system drugs, respiratory system drugs, digestive system drugs, metabolic drugs, anti-tumor and immune mediators, genitourinary system drugs, antimicrobial drugs, external drugs, hormonal agents and so on.

(3) New products planned for development:

The Corporation invests 6% to 10% of annual average operating income in research and development expenses each year and with R&D expenditures amounting to NT$200 million to NT$300 million.
The pharmaceutical products developed by Yung Shin Pharmaceutical encompass multiple treatment categories. The development strategies of Yung Shin Pharmaceutical are as follows:

A. We focus on satisfying market demands and use high-quality requirements and market penetration strategies to improve the Corporation's overall competitiveness.

B. We shall conduct comprehensive research and development of pharmaceutical-related products, create market demand, and adjust research and development strategies based on the National Health Insurance system and market trends.

C. We adopted a centralized and diversified business strategy to develop other products with market potential and high-quality standards. the Corporation's strong R&D team and the performance and integration of technology and marketing systems allow the Corporation to consolidate its specialization position in pharmaceutical industry and expands opportunities for success in new businesses.

3. Chemix Inc.:

(1) Main businesses:

A trading company engaged in the sales of pharmaceuticals, pharmaceutical raw materials, and health food ingredients. The main products are injectable products for generic drugs, injectable antibiotic products, solvents for medical use, and oral tablets with antibiotics. the Corporation also distributes raw materials and health food products that meet Japanese GMP regulations from multiple overseas manufacturers of medical ingredients. It serves as the manager of drug permits in Japan and introduces drugs into Japan for sales and promotion.

In terms of sales of generic drugs, Chemix works with major Japanese pharmaceutical companies and retains a professional distribution sales team to establish independent sales channels for the sales of pharmaceutical products. The scope of product sales encompasses medical institutions across Japan and hundreds of local distributors.

(2) Percentage of revenue:

Unit: JPY 1,000; %

Year / Item	2024		2025	
	Revenue	Weight (%)	Revenue	Weight (%)
Trading of preparations	3,653,716	80%	4,265,217	81%
Trading of raw materials	890,009	20%	1,002,067	19%
Total	4,543,725	100%	5,267,285	100%

(II) Industry Overview:

1. YungShin Global Holding Corporation:

(1) Status and Development of the Industry:

Global Pharmaceutical Market:

Looking at the world's overall environmental changes, due to the drug market being affected by the health care policies, budget and cost control of governments as well as the medical budget of consumers, the market fluctuations of new and generic drugs and drug price control measures will bring uncertainty to the global drug market size in the future. With the continuous decline in fertility and mortality rates across the world, the proportion of the young population continues to decrease as population aging accelerates. The population of the elderly surpassed 7.0% in 2005 and the global population structure officially entered that of an aging society. By 2040, the population aged 65 and above will surpass 1.3 billion as the globe becomes an aging society. The number of the elderly and young population will be equalized by 2075 and the elderly population will exceed the young population. By then, the world will face the impact of a more severe aging society and low birthrate. As the global population ages and the population with chronic diseases continue to increase, high-price and breakthrough drugs will enter the market and continue to power overall growth in the pharmaceutical market.

In the current global drug market, the United States, mainland China, Japan, Germany, and the United Kingdom are the top five drug markets in the world. Among them, the total drug market size of the US has reached approximately US$393 billion, maintaining it as the top market, mainland China's drug market size is about US$232.8 billion, and the Japanese drug market is about US$103 billion, which are the three countries that exceed US$100 billion in annual drug market size worldwide. The global population growth and increased medical demand of an aging society means that the scale of the global pharmaceutical market will increase as emerging markets begin to provide more comprehensive healthcare systems and prices of cancer drugs and other new drugs increase.

North America and Europe have long been the main regional markets for global pharmaceutical sales. However, as they are considered mature markets, the growth rate of the pharmaceutical market is relatively slow due to the pressure of a slowed economic development and medical expenditures. Their share of the global market has gradually declined. Asia Pacific enjoys the advantages of rapid population growth and the increased demand for medical services powered by economic development. Countries such as Mainland China, India, Bangladesh, Iran, and Vietnam are still considered emerging markets and have high potential for high-speed growth in their pharmaceutical markets. As such, Asia Pacific's market share in the global pharmaceutical market has steadily increased each year.

In terms of treatment, cancer research remains the most popular field for research and development. Despite the advancement of innovative breakthrough therapy in recent years with substantial advancement for the treatment of certain cancers, many demands remain unmet. Therefore, research and development of cancer drugs continues to attract investments. Immunotherapy drugs have been proven to be effective for the treatment of certain cancers and applications have been expanded to treatments of infections and inflammation suppression. It is expected to be a key sector for the development of new drugs in the future.

The global pharmaceutical market is expected to benefit from global economic growth in the next five years. Although many political uncertainties still affect the development of economic or medical policies, the accelerated aging of the global population means a continuous increase of demand for medical services that must be met by innovative and breakthrough new drugs. The demand will be the main driver in the growth of the pharmaceutical market. The main factors limiting the growth of the pharmaceutical market will be medical expenditures, drug price controls, the wave of expiration of brand drugs due to expiration of patents and their replacement by generic drugs and biosimilars. According to the prediction of the market industry intelligence agency BMI, the usage amount of global drug market will continue to be amplified, but in the context of drug price control pressure, expected increase of the market acceptance for generic drugs and biologically similar drugs, the output is expected to reach 1.6 trillion USD by 2026.

(2) Product development trends and competition:

The following is a brief description of development trends and competition conditions of biopharmaceuticals, generic drugs, and biosimilars.

A. Biopharmaceuticals market:

Biopharmaceuticals are manufactured using biotechnology methods such as genetic engineering to produce drugs with features including larger molecular size, higher complexity of structures, and higher production costs when compared with small molecule drugs. However, they generally have superior effects in treating cancers, autoimmune diseases, and other major diseases. They also have fewer side effects and are generally accepted by patients. As a result, despite the high production cost of biopharmaceuticals, their high market acceptance made them the items with the greatest potential in the pharmaceutical market. Their share of the pharmaceutical market has also increased each year.

The United States and Europe have expedited reviews of biosimilars for launch in the market and these measures have become the main obstacles for growth of the biopharmaceuticals market. Therefore, the number of innovative biopharmaceuticals launched still reached record highs and there are still many biopharmaceuticals with great market potential in research and development or clinical trials. They are expected to generate continuous growth in the biopharmaceuticals market and the compound annual growth rate (CAGR) from 2024 to 2030 may yet reach 17%.

B. Generic drug market:

Generic drugs refer to drugs created based on the small-molecule patent drugs developed by the original manufacturer as reference drugs. They have identical usage, dosage, safety, therapeutic effects, method of delivery, quality, and pharmacodynamic properties as the patent drugs or are biological equivalent. Therefore, generic drugs and reference drugs have the same chemical contents, dosage and therapeutic effects.

Due to the trend toward aging populations worldwide and the increasing cost of new drugs, medical expenses are becoming increasingly burdensome, leading many governments to actively encourage the use of generic drugs. Despite the United States pushing for patent linkage through TPP and bilateral free trade agreements internationally, along with quality regulatory risk factors, the global generic drug market continues to show steady growth. The significant importance of generic drugs is to enable the general public to access drug treatments at affordable prices. As medical expenditures continue to rise, creating heavy financial burdens for countries, many nations have implemented incentive policies aimed at expanding the prevalence of generic drugs to reduce medical spending. For example, Japan's Ministry of Health, Labor and Welfare has set a target for generic drugs to exceed

85% market share by volume by 2022, and is actively approving generic drugs for market; France has launched a medical expenditure cost control plan, intending to lower drug prices and increase the use of generic drugs. Advanced countries are adopting both reward and restriction measures to further promote the growth of the generic drug market.

In terms of the global generic drug market, emerging countries such as China will continue to maintain two-digit high-speed growth due to their immense potential. The United States, Japan, and five countries in Western Europe will achieve 3-5% growth each year, the same rate as the population aging rate.

C. Biosimilar market:

Biosimilar drugs refer to drugs developed and produced by pharmaceutical companies using biotechnology drugs as a reference target. However, due to the complex and unstable molecular structure of biotechnology drugs, the molecular characteristics of these products cannot be completely identical to the original biotechnology drugs and can only be described as similar. Therefore, different countries have different terms for biosimilar drugs. For example, the US FDA refers to them as Follow-on Biologics, the European Union EMA calls them Biosimilars, and Taiwan refers to them as biosimilar drugs.

The molecular characteristics Biosimilars are different from those of generic drugs and the review model of generic drugs thus cannot be used. Therefore, countries must establish dedicated legislation as the basis for reviews. The development cost of biosimilars is higher than that of generic drugs and the cost has increased the entry barrier for pharmaceutical companies. Therefore, they are less competitive than generic drugs and manufacturers can maintain a higher profit margin.

Due to the better efficacy of biosimilar drugs, which helps reduce healthcare costs, various countries have begun to establish relevant regulations to promote the development of biosimilar drugs. The European Union's EMA was the first region globally to establish market approval review standards for biosimilar drugs and approved the first biosimilar drug in 2006. As of 2017, the EU market, primarily led by five Western European countries, had accelerated the approval of 38 biosimilar drugs. The US FDA also followed the EU by promulgating regulations for approving biosimilar drugs in 2012. From approving the first biosimilar drug in 2015 and four biosimilar drugs in 2016, it experienced rapid growth, and by May 2023, 41 products had entered the US market.

The approval of the US FDA for the launch of biosimilars and the expiration of many future biopharmaceutical patents have attracted many manufacturers to invest in the development of biosimilars. They aim to develop business opportunities in the biosimilar market after the expiration of the patents.

(3) Correlation between upstream, midstream, and downstream of the industry:

Taiwan's drug market: In Taiwan's drug market, due to the increase of aging population and demand for chronic medical treatment, the drug demand has been growing constantly. According to IQVIA's data and the estimation of the IT IS research team of DCB's Industry Information Department, by 2025, Taiwan's drug market will reach nearly NT$250 billion. In 2020, affected by the COVID-19 epidemic, the decrease of patients' willingness to seek medical treatment is expected to slow down the growth of Taiwan's drug market, which will gradually recover after 2021. However, affected by the health insurance drug price control, the overall Taiwan drug market is expected to see limited growth in the future. It is estimated that the CAGR of the Taiwan drug market in 2020-2025 will be 3.5%, which is slightly lower than the global rate of 4.3%.

To estimate the changes in the distribution of various drug categories in Taiwan's drug market in 2024, in the face of the aging population and the increasing demand for drugs for chronic diseases, which has caused the increasing rise in the expenditures of health insurance drugs, in order to reduce the continuously increasing medical burden, the future policy will continue to encourage the use of generic drugs and biologically similar drugs. It is predicted that the proportion of sales of generic drugs in Taiwan will rise slightly from 28.2% to 29.1%, and the proportion of sales of patented drugs in the overall pharmaceutical market will slightly decrease from 64.3% in 2019 to 63.6% in 2024, while the OTC medication will decline slightly.

A. Western medicine preparation market:

Western medicine preparation refers to the processing of active ingredients with active cost for the production of small molecule drugs with different preparations or dosage types and specific therapeutic effects. Western medicine preparations can also be divided into new drugs with patent protection or generic drugs developed based on ingredients or manufacturing methods of original pharmaceutical manufacturers whose patent protection has expired. In the early days, most of the western generic pharmaceutical preparation manufacturers in Taiwan engaged in the development of generic drugs. However, as the government began promoting the development of the biotech industry, the pharmaceutical industry was listed as a key sector and the government used measures such as subsidies for research and development to encourage academic and research institutions to work with pharmaceuticals companies to develop new small-molecule drugs. Although generic drugs remain the main source of revenue for Western medicine preparations in Taiwan, the industry has shifted toward the development of unique generic drugs.

In general, the western medicine preparations industry in Taiwan is currently led by generic drugs. Although it faces pressures such as an increase in production costs and reduced profit margins of pharmaceutical products, the manufacturers retain a certain level of competitiveness. Export volume of western medicine preparations has grown each year and the western medicine preparations industry has achieved steady growth in output value as a result of continuous expansion of export sales. The Japanese government also continues to increase the use of generic drugs and vigorously promoted their use. Most of the countries of Taiwan's "New Southbound Policy" use generic drugs. With rapidly aging population and increased burden on medical services, many governments across the world have encouraged the use of generic drugs to control medical costs. These policies are expected to bring forth opportunities for growth to the generic drug industry. OTC drugs will become increasingly important with economic development and popularization of education as people pay more attention to their own health. The austerity policies adopted by governments of different countries for medical expenditures and the rise of self-medication will usher in more market opportunities.

Taiwan's pharmaceutical manufacturers focus primarily on the domestic market, including prescription drugs that require a doctor's prescription and over-the-counter medications that need to be dispensed by pharmacists. With the National Health Insurance program having been in operation for many years, the NHI pharmaceutical market has become the largest drug market in Taiwan. However, as new drugs are introduced and capture market share in the domestic NHI pharmaceutical market, local pharmaceutical manufacturers are seeking to expand into foreign markets. YungShin Group has already established deep roots in the United States, China, Southeast Asia, and Japan for many years. In addition to Taiwan, the Group has factories and operational bases overseas, and can conduct sales locally or to third parties through its overseas subsidiaries.

B. Active pharmaceutical ingredients market:

Pharmaceutical manufacturers make use of active pharmaceutical ingredients or active ingredients and add excipients to produce products for sale. APIs are therefore one of the crucial elements for the development of the pharmaceutical industry. To improve the quality of pharmaceutical raw materials, the government of Taiwan has implemented the GMP system for API manufacturing plants since January 1, 2016. The government requires API products used by Western medicine preparation to be provided with GMP certification documents issued by domestic and overseas competent authorities before they may be used.

The expiration of patents of Western medicine preparations and biopharmaceuticals around the world has brought forth new product development opportunities to API companies. Taiwan government has championed the New Southbound Policy. Southeast Asian countries produce less APIs and mostly rely on imports. The regulatory management of APIs is less regulated than drugs and presents lower entry barriers. Therefore, they offer higher possibilities of export sales and opportunities. In addition, the business model of outsourcing of APIs for OEM manufacturing has gradually taken shape in the international market. It helps domestic API manufacturers in obtaining OEM opportunities.

In recent years, due to the outbreak of the COVID-19 epidemic leading to the lockdown of cities and the shutdown of API manufacturers in mainland China as a main API exporter, affecting the global supply chain of APIs and the imbalance between supply and demand of APIs all over the world, in addition to the trade conflict between the United States and China, making the US and Europe actively looking for new sources of APIs, which derives new opportunities of API demand. As an API supplying country, India's government and policy encourage domestic firms to actively strive for new business opportunities for API production supply, and the US government is also actively promoting manufacturers to produce APIs at home. Taiwan can also seek new international business opportunities through niche topics actively with its own core technical competitiveness in APIs.

C. Biological preparation market:

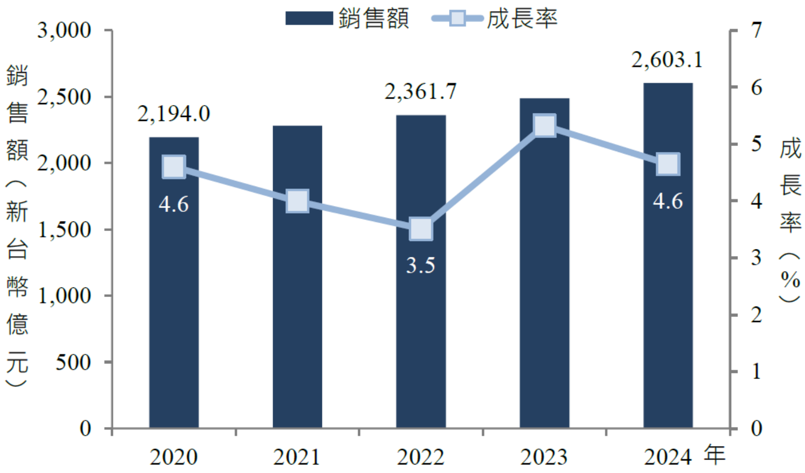
Biological preparations include biopharmaceuticals, vaccines, blood preparations and drugs with allergen extracts. Due to the complex product molecular structure, the development process and R&D expenses are higher than those of small molecule new drugs. However, biological preparations are highly effective and have minimal side effects. Its market growth rate is higher than that of small molecule drugs. They have become key sectors of development for manufacturers across the globe and many domestic manufacturers have also invested in the research and development of products such as biopharmaceuticals and vaccines.

Today, related domestic manufacturers of biopharmaceuticals, vaccines, and biosimilars have achieved growth. They have obtained drug permits for vaccine products in multiple countries, and they have been sold in domestic and export markets. The biopharmaceutical industry has entered a commercialization and production stage. In view of the small domestic demand market in Taiwan and the intense need to expand into global market in the face of future global opportunities and challenges, Taiwan's biopharmaceutical industry, due to its lack of international marketing experience, still needs to expand its product line and international markets through strategic alliances. In terms of the challenges in the research and development of innovative biopharmaceutical products, the speed of the development of immunotherapy and gene therapy for cancer treatment and other international R&D trends in Taiwan has been slower than competitors in Korea and Mainland China. It will affect the international competitiveness of emerging biopharmaceutical products in the future. The regulators have not yet established comprehensive regulations for innovative biopharmaceuticals such as RNA therapeutics and gene therapy, and they also lack review experience. Although biosimilars in Taiwan have been produced, entered clinical trials, and attracted major international partners, the intensification of the competition in the future will require strong market expansion strategies and cost control, which will be key for determining the success and profitability in the market.

2. Yung Shin Pharm. Ind. Co., Ltd.:

According to statistics from the Ministry of Health and Welfare, Taiwan's national healthcare expenditure grew from NT$1.1 trillion in 2013 to NT$1.8 trillion in 2023. Per capita healthcare expenditure also increased from NT$45,000 in 2013 to NT$79,000 in 2023. The continuously increasing domestic medical expenditure is a key driver for the sustained growth of Taiwan's pharmaceutical market. Due to emerging therapies, the inclusion of high-priced drugs in health insurance, and an aging population, Taiwan's National Health Insurance budget has increased year by year. The government continues to implement measures such as adjusting insurance premium rates, promoting new copayment systems, and implementing health insurance drug price controls to contain overall medical expenditure. Due to the continuous growth in healthcare demand and the inclusion of multiple expensive cancer and rare disease drugs in health insurance coverage, Taiwan's overall pharmaceutical market shows a continuous growth trend.

In 2024, Taiwan's pharmaceutical market reached NT$260.31 billion, a 4.6% increase from 2023. The CAGR from 2020 to 2024 was 4.4%, indicating that our country's pharmaceutical market is expected to continue to show stable growth in the future.



資料來源：IQVIA；DCB 產資組 ITIS 研究團隊（2025.08）

Due to the increasing demands of chronic disease patients and elderly care, the pharmaceutical market has also grown accordingly, causing pharmaceutical expenditure pressure to rise year by year, creating a burden on government finances. To alleviate fiscal pressure, promoting generic drugs with equivalent efficacy and quality at relatively lower prices has become an important strategy. However, the implementation of the Drug Expenditure Target (DET) system and its supporting drug price adjustment mechanism has resulted in health insurance reimbursement prices being adjusted approximately every other year, limiting the growth of the domestic generic drug market. Due to the prevailing preference for brand-name drugs in domestic medication practices, coupled with high overlap in generic drug items among local pharmaceutical companies, manufacturers face fierce competition. Rising operational costs further squeeze profit margins for domestic generic drug manufacturers. Therefore, the key to overcoming current challenges for Taiwan's generic drug manufacturers lies in enhancing domestic market acceptance of generic drugs and increasing their usage rate. The adjustment of health insurance drug prices in 2026 will take effect on April 1, with a reduction amount of NT$3.615 billion. The adjustment rate of 1.65% is the lowest in 13 years. To strengthen the resilience of drug supply, the government will "suspend drug price surveys for 3 years" starting in 2026, comprehensively reviewing the domestic drug supply system and the drug price adjustment mechanism. The saved funds will be used as earmarked funds, which will contribute to the development of the domestic pharmaceutical industry.

In recent years, with the globalization of distribution and the gradual singularization of pharmaceutical supplies, along with natural disasters and geopolitical conflicts, the risk of supply chain disruptions has increased. Additionally, Taiwan's heavy reliance on imports makes the stability of drug supply an important issue for national security. To enhance the self-manufacturing capability of essential drugs and the resilience of the supply chain, the government has approved the "National Drug Resilience Preparation Plan," aiming to strengthen domestic drug manufacturing, secure reserves, and supply coordination systems. By developing high-threshold generic drugs and strengthening the independent supply of active pharmaceutical ingredients, domestic pharmaceutical companies obtain favorable pricing under the National Health Insurance and research and development subsidies, ensuring supply stability amid external environmental fluctuations, thereby enhancing corporate resilience and value.

3. Chemix Inc.:

Given Japan's fiscal burden and overall aging population, the Japanese government has strongly encouraged and promoted the use of generic drugs in recent years to reduce healthcare expenditures. Japan's Ministry of Health, Labor and Welfare established a target of 80% for generic drug penetration by 2020 (the generic drug penetration rate exceeded 79% by 2022). As a result of policy support, the implementation of point-based incentive systems for medical institutions to adopt generic drugs, and overall changes in medication habits, the Japanese generic drug market has experienced significant growth in usage volume in recent years. However, while promoting the use of generic drugs, competition among generic drug manufacturers has intensified, and major innovative pharmaceutical companies have entered the generic drug market. Simultaneously, Japanese regulatory authorities have become increasingly stringent in their quality requirements and factory inspections of generic drugs, strengthening their regulatory oversight on quality assurance, manufacturing responsibilities, and regulatory compliance for pharmaceutical companies. Furthermore, to reduce the Japanese government's financial burden, generic drug prices under health insurance face the impact of annual reductions. Additionally, under current pressures from significant Japanese yen depreciation and rising prices, the continuous development of new products and maintaining price competitive advantages and quality have become the most critical challenges for the generic drug industry.

(III) Overview of Technology and R&D:

1. YungShin Global Holding Corporation:

(1) The Group's R&D investments in the most recent year:

Unit: NT$1,000; %

Year / Item	2024	2025
R&D expenditure (NT$1,000)	387,454	392,407
Percentage of revenue（%）	4.82%	4.68%

Data source: 2025 Consolidated Financial Statements

(2) Technology and R&D projects:

A. To obtain Taiwan drug license for APIs, expand the production scale and improve the production technology.

B. To obtain the Japanese market license for generic drugs.

C. To obtain the American market license for generic drugs.

D. To obtain inspection registration and Taiwan license for medical devices.

E. Animal drugs and feed additives.

(3) The Group's expected R&D expenditure: 3%-5%.

2. Yung Shin Pharm. Ind. Co., Ltd.:

(1) R&D investments in the most recent year:

Unit: NT$1,000; %

Year / Item	2024	2025
R&D expenditure (NT$1,000)	336,489	332,842
Percentage of revenue（%）	6.76%	6.33%

(2) Technologies or products developed successfully:

A. Approval for GMP relocation of anti-tumor active pharmaceutical ingredients production area.

B. Application for change in process optimization for active pharmaceutical ingredients (APIs) for breast cancer, non-small cell lung cancer, prostate cancer, gastric adenocarcinoma, and head and neck cancer approved.

C. Restoration of GMP for APIs for advanced ovarian cancer and breast cancer with axillary lymph node metastasis.

D. APIs for treatment of hormone-refractory metastatic prostate cancer - original crystal form development, commercial-scale trial production, and validation batch completed.

E. APIs for treatment of candidemia and other Candida infections, treatment of esophageal Candida infections, and Candida infections in patients undergoing hematopoietic stem cell transplantation - process optimization and validation batch completed.

F. Lyophilized injection for staphylococcal infections such as endocarditis, osteomyelitis, pneumonia, sepsis, soft tissue infections, enteritis, and Clostridium difficile-induced pseudomembranous colitis "Tazime Lyophilized Injection 200mg" obtained Taiwan drug license.

G. Lyophilized injection for staphylococcal infections such as endocarditis, osteomyelitis, pneumonia, sepsis, soft tissue infections, enteritis, and Clostridium difficile-induced pseudomembranous colitis "Tazime Lyophilized Injection 400mg" obtained Taiwan drug license.

H. Used for vitreous visualization during vitreous surgery, the dry powder injection "Triamcinolone Acetonide for Intraocular Injection" obtained China drug license.

I. Used to relieve neuropathic pain and as an adjunctive therapy for partial seizures, the medication "Vudening Pregabalin 25 mg" obtained Taiwan drug license.

J. Medication for the treatment of idiopathic pulmonary fibrosis "Fesotan Film-Coated Tablet 200mg" obtained Taiwan drug license.

K. Relief for symptoms of allergic rhinitis and chronic urticaria in adults and children "Allergon Tablet 20mg" obtained drug license.

L. Medication for improving blood sugar control in patients with type 2 diabetes "Besigatol Film-Coated Tablet 50/500mg" obtained Taiwan drug license.

M. Third-class medical equipment collagen-stimulating agent has obtained QMS approval and is under TFDA inspection registration.

N. Third-class medical equipment collagen dressing has obtained a TFDA license.

O. Established a peptide synthesis laboratory.

3. Chemix Inc.: Not applicable.

(IV) Short/Long-term Business Development Plans:

1. YungShin Global Holding Corporation:

(1) Long term: YungShin has been committed to expanding the international market since 1985. At present, the Group has set up professional manufacturing plants in Taiwan, the United States, Malaysia, Vietnam, and Indonesia to supply the needs of local and global markets; in addition to Taiwan, it has also set up sales points in mainland China, the United States, Southeast Asia, and Japan. In the future, it will evaluate the layout in Europe, South America, Africa, and other emerging markets.

(2) Short term: In a highly cost-competitive generic drug market environment, controlling the research, development, manufacturing, and supply of active pharmaceutical ingredients (APIs) and formulations is a crucial element for the survival and development of generic drug manufacturers. YungShin Group is currently optimizing and integrating internal and external resources, and through cooperation, investment, merger, and acquisition, continues to expand its pharmaceutical and API product lines, capacity, and market.

2. Yung Shin Pharm. Ind. Co., Ltd.:

(1) Marketing strategy

A. The hospital channel will continue to play a leading role in driving growth in the domestic pharmaceutical market. The Corporation will continue to plan marketing activities with forward-thinking approaches, establish differentiated brand images, accelerate the introduction of innovative and niche products, strengthen project management for new product development, and build execution capabilities and team morale to achieve breakthrough performance and increase market share.

B. In response to an aging population, future business focus will gradually shift from acute and infectious disease markets to expand into hypertension, hyperlipidemia, diabetes, cardiovascular diseases, and other chronic illnesses and anti-tumor cancer therapies, in order to enhance product profitability and market coverage.

C. The Corporation shall actively expand the self-paid medicine market for OTC drugs, healthcare products, and medical beauty products.

D. The business model is also gradually moving towards international cooperation including mergers and acquisitions, technology transfer/authorization, sharing of marketing channels, research and development cooperation, supply of products or raw materials, with the aim of accelerating the time to market, enhancing research and development capacity, completing product lines, and expanding market share in international markets.

(2) R&D strategy

A. The strategy for vertical integration of APIs and preparations to improve the quality and capability of R&D.

B. Cooperation between industry, government, academia, and research to develop new models.

C. Develop new dosage forms and new compound prescription drugs to create product differentiation, and strengthen the marketing map of special dosage forms, and accelerate the market development of domestic and foreign prescription drugs and OTC product lines in a broad and deep manner by establishing the professional image of marketing special dosage forms.

D. Accelerate the introduction of digital technologies such as AI and big data in early research and design, aiming to speed up development timelines and reduce R&D costs.

(3) Production strategy

A. Develop segmented research and development technology for new prescription drug development, large-scale, automated, and specialized commissioned manufacturing development in order to integrate resources, improve competitiveness and reduce costs.

B. Digital technology introduction is expected to reduce drug development costs and speed up development.

C. Improve the quality and capacity of factories through the manufacturing line planning, production and marketing communication, and production management process.

3. Chemix Inc.:

(1) Short-term objectives: Increase the range of antibiotics and water solvent products to expand the generic drug market in Japan.

(2) Medium-term (long-term) goal: Establish new business and production locations, and integrate the Group's production energy for pharmaceuticals, animal medicines, APIs and health products, diversifying the products in Japan.

II. Market and Production and Sales Overview

(I) Market Analysis:

1. YungShin Global Holding Corporation: The Corporation's main business is general investment and it is therefore not applicable.

2. Yung Shin Pharm. Ind. Co., Ltd.:

(1) Primary Product Sales Regions and Market Share:

Yung Shin Phar.'s main products account for 94% of individual operating income from domestic sales, while exports represent 6%. According to the 2019 National Health Insurance (NHI) drug payment distribution, branded drugs received 57% of NHI reimbursements while generic drugs received 43%, despite generics representing over 70% of usage volume. This lower payment level combined with high usage volume demonstrates the critical importance of generic drugs in maintaining pharmaceutical market operations.

(2) Future Market Supply, Demand, and Growth:

Taiwan's western pharmaceutical manufacturing industry primarily produces generic drugs, with domestic sales accounting for approximately 80%. The high prevalence of chronic diseases and an aging population are the main growth drivers for Taiwan's pharmaceutical market. However, as the domestic aging population and chronic disease patients continue to increase, creating a heavy burden on the National Health Insurance system, price controls to balance NHI financial expenditures remain a significant constraint on market growth. Additionally, the government has recently included new and high-priced drugs in NHI coverage to meet public healthcare needs. As high-priced new drug reimbursements are expanded, this creates favorable conditions for new drug development companies. Taiwan's pharmaceutical market is estimated to achieve a CAGR of 6.1% from 2025 to 2029, reaching a market size of 329.82 billion by 2029.

(3) Competitive Niches, Development Prospects with Favorable and Unfavorable Factors and Corresponding Strategies:

Yung Shin Phar. has a comprehensive system, gaining recognition from customers and the public in the market with "complete product lines, high quality, and reasonable prices.” The Corporation has maintained a positive corporate and brand image for many years. Although market competition is affected by non-free market factors such as "National Health Insurance pricing policies,” The company maintains competitive advantages by adhering to rigorous manufacturing, quality control requirements, coupled with the launch of new products and new dosage forms. The Corporation is committed to improving operational efficiency and product development effectiveness, continuously optimizing manufacturing processes and product innovation, strengthening market expansion and international cooperation, thereby expanding the company's footprint in the pharmaceutical market.

A. Favorable factors:

a. Under the COVID-19 epidemic and the turbulent geographical relationship between China and the USA, manufacturers in the international pharmaceutical industry have reduced their dependence on China, in order to diversify risks and avoid concentrating their supply chains in specific countries. Taiwan has advantages in its geographical location, as well as excellent domestic pharmaceutical production technology. In addition, Taiwan has introduced PIC/S GMP for many years and became a full member of the International Association for Pharmaceutical Regulations in 2018. Taiwan can strive to become a part of the new supply chain under the trend of supply chain reshaping.

b. The major pharmaceutical markets such as the United States and Japan have policies encouraging the use of generic drugs, while emerging markets in Southeast Asia primarily use generic drugs. This is expected to drive growth in foreign generic drug markets, boosting Taiwan's high-quality generic drug exports.

c. Due to the influence of self-medication and preventive healthcare concepts, the market maintains a High demand for OTC drugs. The OTC drug market is estimated to maintain growth trends in the future.

B. Unfavorable factors:

a. Taiwan's pharmaceutical market is highly competitive. In the domestic drug market, 80% is supplied by domestic manufacturers, but domestic drugs account for only 20% of National Health Insurance (NHI) payments. Many international brand-name drugs retain a very high market share domestically even after their patents expire.

b. Taiwan's generic drug products have high redundancy and intense competition, with manufacturers engaging in price-cutting competition, which reduces profitability.

c. Low pricing for new drugs, lengthy pricing approval periods, and the National Health Insurance price adjustment system compress profit margins and hinder pharmaceutical market development.

3. Chemix Inc.:

Sales Regions of Major Products:

Unit: JPY 1,000

Region	Amount	Percentage
Export sales	43,560	0.83%
Domestic sales	5,223,725	99.17%
Total	5,267,285	100%

(II) Usage and Manufacturing Processes for the Corporation's Main Products:

1. YungShin Global Holding Corporation: The Corporation's main business is general investment and it is therefore not applicable.

2. Yung Shin Pharm. Ind. Co., Ltd.:

Major product applications include pharmaceuticals for the nervous system, circulatory system, respiratory system, digestive system, metabolic disorders, cancer treatment, urogenital system, antimicrobial agents, and dermatological medications across major therapeutic categories. Various formulations are manufactured according to PIC/S GMP quality management systems based on their respective dosage forms including suppositories, capsules, granules, injections, ointments, powders, syrups, and tablets. Notably, our pioneering microparticle manufacturing technology developed domestically not only enhances bioavailability but also ensures patient safety, representing a significant advancement in Taiwan's pharmaceutical technology. Additionally, we have established comprehensive systems for strain mutation screening, strain preservation, fermentation, tissue extraction, and recovery processes to produce related active pharmaceutical ingredients, cosmetic ingredients, and specialized animal feed materials, expanding our product range and technical capabilities in fermentation and extraction-related fields. In the medical device sector, besides various hyaluronic acid intra-articular injections and aesthetic subcutaneous injections already on the market, our collagen-stimulating implants have completed mass production process development and will meet diverse consumer needs in the aesthetic medicine market once certification is obtained. Furthermore, Medical equipment expansion plans and export deployment strategies have been initiated to systematically increase production capacity and develop export opportunities.

In addition, to actively respond to the government's "National Drug Resilience Preparation Plan" policy, The Corporation has invested substantial R&D resources in developing domestically produced active pharmaceutical ingredients and "essential drugs" to ensure the medication rights of the citizens and the stability of the national healthcare system.

3. Chemix Inc.: Not applicable.

(III) Supply Status of Main Raw Materials:

1. YungShin Global Holding Corporation: The Corporation's main business is general investment and it is therefore not applicable.

2. Yung Shin Pharm. Ind. Co., Ltd.:

In 2025, the supply status of raw materials will become more restricted for some materials due to the increasingly strict regulations, quality standards, and transportation requirements of various countries, affecting imports and source conversion. Affected by overcapacity and price competition in the Chinese market, some low-priced raw materials are experiencing bidding wars in China. Meanwhile, certain raw materials in Europe continue to be impacted by high costs and market competition pressures. Additionally, some suppliers in Japan are facing challenges in maintaining production capacity and delivery stability due to labor shortages. In response to market changes, the Corporation's procurement policies involve pre-locking quantities with medium to long-term orders based on the importance of raw materials or placing flexible orders according to in-house demand. Procurement strategies are adjusted in a timely manner according to inventory levels, lead time variations, and market trends, to ensure stable supply and reduce the risk of inventory obsolescence.

3. Chemix Inc.: Not applicable.

(IV) Major Customers Accounting for more than 10% of Total Purchases (Sales) in either of the Past Two Years

1. YungShin Global Holding Corporation: The Corporation's main business is general investment and it is therefore not applicable.

2. Yung Shin Pharm. Ind. Co., Ltd.:

(1) The Group's suppliers accounting for more than 10% of the total purchase amount in either of the last two fiscal years:

Unit: NT$1,000

	2024				2025				For the Fiscal Year 2026 through the Previous Quarter			
Item	Name	Amount	Percentage of Net Purchases of the Year〔%〕	Relationship with the Issuer	Name	Amount	Percentage of Net Purchases of the Year〔%〕	Relationship with the Issuer	Name	Amount	Percentage Accounting for Net Purchase in Current Year as of the End of Last Quarter〔%〕	Relationship with the Issuer
1	-	-	-	-	-	-	-	-	-	-	-	-
	Net purchases	-	-		Net purchases	-	-		Net purchases	-	-	

(2) Names of the customers accounting for more than 10% of total sales in either of the most recent two years: None.

3. Chemix Inc.:

(1) The Group's suppliers accounting for more than 10% of the total purchase amount in either of the last two fiscal years:

Unit: JPY 1,000

	2024				2025				For the Fiscal Year 2026 through the Previous Quarter			
Item	Name	Amount	Percentage of Net Purchases of the Year 〔%〕	Relationship with the Issuer	Name	Amount	Percentage of Net Purchases of the Year 〔%〕	Relationship with the Issuer	Name	Amount	Percentage Accounting for Net Purchase in Current Year as of the End of Last Quarter 〔%〕	Relationship with the Issuer
1	Company A	1,783,638	60.0%	None	Company A	1,666,409	52.66%	None	Company A	507,901	60.5%	None
2	Company B	228,919	7.7%	None	Company B	266,620	8.42%	None	Company C	90,938	10.8%	None
	Net purchases	2,970,458	100%		Net purchases	3,164,742	100%		Net purchases	839,966	100%	

(2) Names of the customers accounting for more than 10% of total sales in either of the most recent two years:

Unit: JPY 1,000

	2024				2025				For the Fiscal Year 2026 through the Previous Quarter			
Item	Name	Amount	Percentage of Net Sales for the Year 〔%〕	Relationship with the Issuer	Name	Amount	Percentage of Net Sales for the Year 〔%〕	Relationship with the Issuer	Name	Amount	Percentage of Net Sales for the Current Year through the Previous Quarter 〔%〕	Relationship with the Issuer
1	Company A	725,564	16.6%	None	Company A	1,016,382	19.30%	None	Company A	232,711	22.1%	None
2	Company B	498,612	11.0%	None	Company B	530,458	10.07%	None	Company B	108,553	10.3%	None
	Net sales	4,543,725	100%		Net sales	5,267,285	100%		Net sales	1,051,997	100.00%	

*Reasons for changes: Fluctuations due to major customers' inventory adjustments for specific pharmaceutical products resulting in differences in annual demand.

III. Human Capital

(I) YungShin Global Holding Corporation:

Information on employees in the last two years and as of the published date of the annual report

Year		2024	2025	Current Fiscal Year up to March 31, 2026
Number of Employees		11	12	12
Average Age		43.55	44.50	44.75
Average Work Tenure		3.9	4.62	4.87
Education Distribution Ratio	PhD	0%	0%	0%
	Masters	33.3%	33.3%	33.3%
	University / College	58.3%	58.3%	58.3%
	Senior High School	8.3%	8.3%	8.3%

(II) Yung Shin Pharm. Ind. Co., Ltd.:

Year		2024	2025	Current Fiscal Year up to March 31, 2026
Number of Employees	Production Personnel	628	628	613
	R&D Personnel	135	137	131
	Sales Personnel	351	341	339
	Administrative Personnel	137	127	122
	Total	1,251	1,233	1205
Average Age		41.5	42.5	43.5
Average Work Tenure		14.5	14.5	14.6
Education Distribution Ratio	PhD	1.0%	0.8%	0.7
	Masters	15.3%	15.9%	16.5
	University / College	58.5%	59.3%	58.8
	Senior High School	22.1%	21.3%	21.3
	Below High School	3.1%	2.7%	2.7

(III) Chemix Inc.:

Year		2024	2025	Current Fiscal Year up to March 31, 2026
Number of Employees		70	72	72
Average Age		50.1	50.9	51.5
Average Work Tenure		8.7	9.0	9.3
Education Distribution Ratio	PhD	4.3%	4.2%	4.2%
	Masters	25.7%	23.6%	22.2%
	University / College	52.9%	63.9%	65.3%
	Senior High School	17.1%	8.3%	8.3%

IV. Environmental Protection Expenditures

(I) YungShin Global Holding Corporation:

1. The Corporation's pollution prevention measures: the corporation's main business is general investment and only conducts business operations in offices. It is therefore not applicable.

2. Protection measures for work environment and employees' personal safety:

The Corporation only conducts business operations in offices and has enhanced related access security, fire safety, equipment safety, environmental security, and employee health examinations:

(1) Access security:

A. To ensure the safety of our employees at the workplace, we installed access control card devices at all entrances. Main entrances are also equipped with security surveillance equipment to protect the personal safety of our employees.

B. Security guards are stationed at the office building 24 hours a day and security cameras are installed at each entrance.

(2) Fire safety and equipment safety:

A. The Corporation carries out maintenance or repairs of all electrical and mechanical equipment at least once a year to ensure safety of the work environment.

B. Fire safety companies regularly conduct maintenance and repairs of fire safety equipment (e.g., fire alarms and fire extinguishers).

(3) Safe environment: To maintain the quality of drinking water and employees' health, we appointed vendors to monitor water quality every quarter and conduct regular office cleaning work to build a safe and comfortable working environment.

(4) Employee health examinations: Medical institutions are appointed every three years to conduct employee health examinations.

(II) Yung Shin Pharm. Ind. Co., Ltd.:

1. Pollution prevention and control of Yung Shin Pharmaceutical:

(1) Wastewater treatment:

A. Yung Shin Pharmaceutical has set up sewage pretreatment equipment in accordance with regulations.

B. Adhering to the ideal of "Protecting the Earth, Environmental Protection First", the Corporation utilizes Upflow Anaerobic Sludge Blanket (UASB) to enhance wastewater treatment system functionality; various instruments are employed to regularly control, monitor and supervise the wastewater quality discharged by each unit and the effectiveness of each treatment system unit.

C. The wastewater processed within the plant complies with the requirements of the Da-Jia YouShih Industrial Park Wastewater Treatment Plant. The discharged wastewater is collected and treated by the industrial park's wastewater treatment plant, with treatment fees paid based on discharge volume and wastewater quality.

(2) Waste disposal:

The business waste produced by Yung Shin Pharmaceutical can be divided into two categories:

A. Recyclable part: to be recycled by recycler.

B. Non-recyclable parts: to be cleared and disposed of by commissioned qualified environmental protection company.

(3) Air pollutant treatment:

A. The Corporation conducts regular exhaust pipe sampling inspections for production processes in each plant as required by laws and regulations.

B. The Corporation reports air pollutant emission volume online and pays the air pollution fees each quarter.

C. The Corporation complies with the government's policy for reducing air pollution emissions and converts the fuel of all boilers from heavy fuel oil to natural gas.

(4) Toxic chemical substance management:

A. The Corporation fills out the operation records of toxic chemical substances and completes emergency response drills for toxic chemical substances in accordance with regulations.

B. The company reports the operation status of various toxic chemical substances online each month.

2. Total losses (including compensation) and punishments due to environmental pollution in the most recent year and up to the publication date of the annual report:

Year / Item	2024	2025	Current Fiscal Year up to March 31, 2026
Status of Pollution (Type and Level)	None	None	None
Compensation claimed by/Penalty incurred by	None	None	None
Amount of compensation or penalty	None	None	None
Its losses	None	None	None

3. Protection measures for work environment and employees' personal safety:

Yung Shin Pharmaceutical strengthens environment safety management, equipment safety management, operating environment safety management, fire safety management, employee health management, etc. in relevant workplaces:

(1) Workplace environment safety management

A. the Corporation established the Occupational Safety and Health Work Rules which govern safety and health management items for compliance by employees.

B. Yung Shin Pharmaceutical implements access control management. All visitors need to change their certificates, and visitors and employees entering the plant area need to show their cards for verification; the production site, laboratory, and important places are separately guarded with permission control.

(2) Equipment safety management

A. Equipment exposed to suction hazards is subject to project inspections and provided with additional protective equipment such as reaction tanks and motor shafts.

B. The Corporation conducts special inspections for the grounding systems of all equipment and devices in the plant such as equipment, instrumentation, and lightning arrestors.

C. Equipment exposed to falling hazards is subject to project inspections and provided with additional protective equipment such as ladders and stepladders.

D. Dangerous equipment (boilers, specific high-pressure equipment, and type 1 pressure vessels) is inspected by the legal verification unit commissioned by the Ministry of Labor each year.

E. Qualified vendors are commissioned each month to perform maintenance for elevators. Regular inspections are conducted by the elevator association every year.

(3) Operating environment safety management

A. the Corporation introduced the occupational safety information management system and established mechanisms for managing regular automatic inspections and professional certification.

B. The Corporation conducts regular environmental monitoring of the general workplace (including onsite operations and offices) on items such as illumination, carbon dioxide, specific chemicals, organic solvents, and noise.

C. The Corporation appoints qualified professional monitoring companies to conduct onsite environmental inspection and monitoring and assessment team formulation every six months.

(4) Employee health management

A. On-the-job health examinations are conducted for all employees every three years.

B. Special operation health examinations and health promotion management are conducted annually for employees in special operation sites (mainly including operations involving organic solvents and operations in noisy environments).

C. The company regularly assigns doctors of the plants to provide in-house labor health services.

(5) Contracting safety management

A. The company established construction standards for contractors and related onsite construction guidelines.

B. The company established written hazard notification and training mechanisms.

C. The company has established a holiday construction and repair management system to provide various types of hazard notifications and precautions to reduce the occurrence and risks of hazards.

(6) Fire safety

A. Yung Shin Pharmaceutical sets up a complete fire protection system according to laws and regulations, including alarm system, fire water system, escape system...etc.

B. Yung Shin Pharmaceutical entrusts a qualified professional testing agency to test the functions of system units of its firefighting equipment and make complete reports.

C. Yung Shin Pharmaceutical regularly conducts drills on firefighting equipment, such as the use of fire extinguishers and fire hoses and invites professionals to teach employees the skills of CPR and AED.

(7) Periodic report

A. Environment: Yung Shin Pharmaceutical periodically reports the testing and operating results according to laws and regulations.

B. Safety and health: Occupational hazard statistics are reported regularly.

(III) Chemix Inc.:

1. Pollution control of Chemix: The operation is limited to the office, so it is not applicable.

Protection measures for the work environment and personal safety of employees: To ensure the safety of employees in the workplace, Chemix has card swiping access control devices at all entrances and exits to ensure the personal safety of employees.

V. Labor Management Relations

(I) The Corporation's employee welfare policies, continuing education, training, retire systems and implementation status, the agreement between employees and employer and employees' rights and interests:

1. Employee welfare measures:

Since its establishment, the Corporation has provided employees with adequate care and respect by adopting humane management to pursue sustainability and growth of the Corporation. The Corporation organizes regular welfare activities to improve the welfare of the Corporation. We also provide holiday bonuses, relief funds, group insurance, scholarships for employees' children, and subsidies for employees' on-the-job education, etc. to provide employees with full care and build a happy and high-quality work environment.

2. Employee education and training:

Talent is a critical asset of the Corporation and a key determinant of our competitive advantage. Based on organizational strategies and job requirements, the Corporation provides timely information about relevant training courses and channels, encouraging employees to voluntarily request training, enhancing motivation, and satisfying internal needs. For new employees, our goal is to familiarize them with job content and professional knowledge in the shortest time possible. For experienced staff, besides deepening their professional knowledge, we also offer rotation opportunities to develop diverse capabilities, enabling employees to both enhance their work skills and fulfill their self-actualization needs. Additionally, the Corporation actively cultivates internal instructors to improve professional capabilities and experience transfer. We further encourage employee self-learning by providing on-the-job advanced study incentives that allow employees to maintain their positions and salaries while pursuing further education.

The Corporation's education and training plan implementation status in 2025

Course Title	Annual Education and Training Expenditures	Course Enrollments	Average Training Hours per Enrollment
(I) Pre-service education and Training (II) On-the-job education and training (III) Manager cultivation training (IV) Self-development	NT$46.1 thousand	49 people	16.13hrs/person

3. Pension system and implementation status:

   The retirement operations of the Corporation are handled in accordance with the relevant provisions of the Labor Standards Act and Labor Pension Act and monthly contributions are made to the labor pension program.

4. Employee - employer agreements and measures taken to safeguard the employee interests:

   All systems of the Corporation are established in accordance with the relevant labor laws and regulations. The Corporation organizes regular labor-management meetings to communicate, coordinate, and improve various administrative measures and maintain harmonious labor-management relations.

5. Employee health management

   The Corporation provides new employees with physical examinations in accordance with laws and regulations and organizes health examinations at regular intervals to protect the health of employees.

(II) The losses suffered due to labor disputes in the most recent fiscal year up to the publication date of this annual report are listed, and the estimated amount for current and possible future occurrences and response measures are disclosed. If the amount cannot be reasonably estimated, the reason should be clarified. None.

(III) Employee Code of Conduct and Ethics:

1. The Corporation has established the "Articles of Incorporation", "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", and "Code of Ethical Conduct" as the guidelines for the conduct of Director, managerial officers, and employees.
2. The Corporation has established a code of conduct for employees for their services and development at the Corporation. The main contents include:
   (1) Clearly separate public and private interests, give mutual respect, show sincerity, and collaborate to achieve the Corporation's business goals.
   (2) Follow the guidance of management officers and may not disobey orders or express contempt.
   (3) Employees must conduct themselves with honesty and integrity and stay away from derogatory, extravagant, promiscuous, gambling, and other actions that may damage the reputation of the Corporation.
   (4) Employees are not permitted to hold concurrent positions in other companies or hold concurrent positions in business operations.
   (5) Employees may not leak business and technical secrets of any unit.
   (6) Employees may not access documents, correspondence, design drawings, or information that are not within the scope of their duties.
   (7) Employees shall take care to all public properties and refrain from causing wastage.
   (8) Take challenges and responsibilities and never procrastinate any tasks.
   (9) Employees may not speak about their work as an individual or group without permission.
   (10) Employees may not accept gifts in the exercise of their duties. They must recuse themselves if the execution of duties involves their personal interest or their families' interest.
   (11) Employees may not post or distribute promotional documents within the Corporation without permission.
3. Employees must be notified of the reward and penalty regulations and evaluation guidelines so that they have a clear understanding of the code of conduct. Rewards and punishments are prescribed when employees have performed actions that merit encouragement or disciplinary actions.
4. The interactions between supervisors and employees at all levels of the Corporation shall be based on the principle of integrity and compliance which are also the Corporation's highest guiding principles of ethical conduct.
5. We do not accept any proprietary or confidential business information given to the Corporation by other companies or individuals except with the written approval of the data provider.
6. Every employee of the Corporation must understand that he/she may not use the Corporation's assets for the benefit of others in an illegitimate manner. Such conduct is a

gross violation of the Corporation's policy and ethical standards.

7. All employees of the Corporation must abide by the principle of recusal for duties within the organization in matters that involve their personal interest or that of specific related parties.

VI. Information and Communication Security Management:

(I) Information and Communication Security Management Framework

The chairman's office (ministerial level) is the responsible unit for the information security of the Corporation, which is responsible for formulating internal information security policies, planning and implementing information security operations and the promotion and implementation of information security policies, and regularly reports the Corporation's information security governance status to the Chairman and President.

The Auditing Office of the Corporation is the audit unit of information security supervision, with an audit manager being set, who is responsible for checking the implementation status of internal information security. In case of any defect found, the audit manager will require the inspected unit immediately to put forward relevant improvement plans and specific actions, and track the improvement results on a regularly basis to reduce risks of internal information security.

(II) Policy and Specific Management Plan of Information and Communication Security

1. The Corporation has established an information and communication security policy aiming to ensure the confidentiality, integrity and availability of information.

   (1) Confidentiality: Ensure that only authorized persons have access to the information to avoid inappropriate information disclosure.

   (2) Integrity: Ensure that information is protected from unauthorized tampering and information is processed in a correct manner.

   (3) Availability: Ensure that authorized users have access to information and use related assets as required.

   In addition to the above 3 basic principles, there are also other elements as follow:

   (1) Authenticity: Ensure that users log in with proper authentication procedures.

   (2) Accountability: Ensure that any action performed by the user is properly traced back to the performer.

   (3) Non-repudiation: Ensure that users cannot repudiate works done on the system.

   (4) Reliability: Ensure that all operations are performed with consistent results.

2. Specific management plan of information and communication security

Item	Execution Status
Personnel safety management and education training	■ The Corporation publishes information security articles on the employee website from time to time. ■ Send information security announcements by E-mail from time to time. ■ Conduct information security promotion for all new staff.
Computer system Safety management	■ Change the password of employee's computer login account periodically. ■ Install legitimate enterprise antivirus software on all computers and servers, and update the virus protection code on a daily basis. ■ Install licensed software on employees' computers and system hosts, and patch the operating systems regularly with vulnerability fixes published by Microsoft. ■ X-fort waterproof wall is installed on all employees' computers to record the use of computers, strictly control the use of portable storage media such as USB&CD to write/burn the Corporation's internal data, and control the use of laptops out of the office. ■ Internet access of all employees requires to go through the Internet behavior management device to filter malicious and inappropriate web content, improve work efficiency, and prevent the enterprise's sensitive data from being uploaded to the external cloud through the network. ■ Use the email auditing system to strengthen the sensitive data control of the content and attachments of outgoing emails. ■ Important documents are encrypted and stored in the document management system, with appropriate access according to the level of confidentiality and business needs.
Network security management	■ The network is physically controlled, and non-company-approved external information equipment is prohibited from accessing the corporate intranet. ■ Guests use the network to physically separate from the corporate intranet to ensure information and system security. ■ Internet access of all employees requires to go through the Internet behavior management device to block malicious and inappropriate web content and improve work efficiency. ■ Set up a firewall to separate the internal and external networks of the enterprise, and install an anti-intrusion detection system to prevent network attacks and unauthorized access to ensure the security of the corporate intranet. ■ Set up the website application firewall (WAF) in the front end of the enterprise website that provides services externally, strengthen the security protection of enterprise website, block common OWASP vulnerabilities, and avoid hacker attacks. ■ Hire vendors to perform security vulnerability scans for network services and patch critical vulnerabilities every year.
System Access Management	■ Employees have to go through a VPN or Citrix system to access internal data. The above permissions must be applied for and moderately opened according to business needs. ■ Introduce the database audit system, and keep the activity details and behavior traces for important databases.
Server security management	■ Important information systems and file servers are backed up on a daily basis, and disaster recovery drills are performed for critical systems such as ERP/ mail/network on a regular basis. ■ Both the servers and core routers are built with a hardware fault-tolerant mechanism to prevent hardware damage from affecting the operation of the information system. ■ Set up UPS and environment monitoring system in information room, aiming at close monitoring of power, temperature and humidity, firefighting, etc. In case of abnormal situation, the computer room manager will be notified by text message and email to eliminate the abnormal situation.

(III) Information and Communication Security Notification

1. Notification of abnormal information and communication security

(1) Definition of information and communication security abnormal incidents:

A. Internal hazards: Suspected incidents such as artificial malicious destruction and damage, careless operation and other incidents.

B. External intrusion incidents: Suspected computer virus infection incidents, etc.

C. Natural disasters: Typhoons, floods, earthquakes, etc.

D. Emergencies: Fires, explosions, major building disasters, and interruption of the backbone of the information network system (backbone broadband)., etc.

E. Device fault incidents: For example, a host device fault, etc.

(2) Hierarchy of impact of abnormal incidents about information on confidentiality, integrity, and availability:

<table>
<tr><th colspan="2">Hierarchy of Impact
Classification of Abnormal Information and Communication Incidents</th><th>Nature</th><th>Low</th><th>Medium</th><th>High</th></tr>
<tr><td>Abnormal Information and Communication Incident 1</td><td>Internal hazards: Suspected incidents such as artificial malicious destruction and damage, careless operation and other incidents.</td><td>Confidentiality</td><td>The Corporation's non-confidential data is leaked.</td><td>The Corporation's sensitive data is leaked.</td><td>The Corporation's confidential data is leaked.</td></tr>
<tr><td>Abnormal Information and Communication Incident 2</td><td>External intrusion incidents: Suspected computer virus infection incidents, etc.</td><td>Integrity</td><td>The Corporation's non-core business and confidential data is tampered with.</td><td>The Corporation's core business systems or data is slightly tampered with.</td><td>The Corporation's core business systems or data is seriously tampered with.</td></tr>
<tr><td>Abnormal Information and Communication Incident 3</td><td>Natural disasters: Typhoons, floods, earthquakes, etc.</td><td rowspan="3">Availability</td><td rowspan="3">The operation of the Corporation's non-confidential systems or data is affected or temporarily suspended.</td><td rowspan="3">The operation of the Corporation's core business is affected, or the system efficiency is reduced, and normal operations can be resumed within the tolerable interruption time.</td><td rowspan="3">The operation of the Corporation's core business is affected, or the system efficiency is reduced, cannot and normal operations cannot be resumed within the tolerable interruption time.</td></tr>
<tr><td>Abnormal Information and Communication Incident 4</td><td>Emergencies: Fires, explosions, major building disasters, and interruption of the backbone of the information network system (backbone broadband)., etc.</td></tr>
<tr><td>Abnormal Information and Communication Incident 5</td><td>Device fault events: For example, a host device fault.</td></tr>
</table>

2. Notification procedure

(1) When a suspected information communication abnormal event occurs, the discoverer shall notify the information unit by telephone.

(2) Related information personnel preliminarily determine whether it is an information and communication abnormal event:

A. When it is determined to be a non-abnormal event of information and communication, the result will be feedback to the discoverer.

B. When it is determined to be an abnormal event of information and communication, estimate the processing time of the event, report the judgment result to the information supervisor by phone first, and continuously report the processing status, notify all colleagues by E-mail announcement, and start the abnormality notification process.

(3) In case of abnormal information and communication event 1~5 with a [low] impact: Report to the head of department, who will organize a meeting to discuss the way to deal with, submit to the head of department the investigation results and suggestions, and implement upon the review of the head of department.

(4) In case of abnormal information and communication event 1~5 with a [medium] impact, and abnormal information and communication event 3~5 with a [high] impact: Report to the President, the head of the department shall set up a team to conduct an internal investigation, submit the investigation results and suggestions to the President, and implement upon the review of the President.

(5) In case of abnormal information and communication event 1~2 with a [high] impact: In addition to reporting to the chairman of the board immediately and reporting to the police, the chairman shall appoint dedicated personnel according to the circumstances, and the information unit shall establish a dedicated team to assist in the police investigation, submit the investigation results, and implement upon the review of the chairman.

(IV) Information and Communication Security Risks and Countermeasures:

1. Risks and management measures of information technology security:

The Corporation has established a sound network and developed computer-related information security protection measures, but is yet not able to guarantee that its computer systems that the computer systems that control or maintain critical corporate functions such as manufacturing operations and accounting of the Corporation will completely avoid cyber-attacks from any third party's system crashes.

Such attacks are illegal intrusions into the Corporation's internal network system to conduct activities that disrupt the Corporation's operations and damage the Corporation's goodwill. In the event of a serious cyber-attack, the Corporation's systems could lose important company data and production lines may come to a halt.

Cyber-attacks may also attempt to steal company trade secrets and other confidential information, such as the proprietary information of other stakeholders and the personal data of employees.

Malicious hackers may also attempt to introduce computer viruses, destructive software or ransomware into the Corporation's network system to interfere with company operations, blackmail or extort money from YungShin, gain control of computer systems, or snoop on confidential information.

Such attacks may result in the Corporation being liable to compensate customers for delayed or disrupted orders; Or having to incur costly remedial and improvement measures to strengthen the Corporation's network security system; It may also cause the Corporation to bear significant legal liability for related legal cases or regulatory investigations resulting from information leakage of employees, customers or third parties to which the Corporation is obligated to keep confidential.

The Corporation continuously reviews and evaluates its information security policies and procedures to ensure their adequacy and effectiveness but is yet not able to guarantee that the Corporation will not be affected by emerging risks and attacks amid the ever-changing information security threats.

2. Status of Information and Communication Security Management in 2025

(1) Budgeting for enhanced external attack proactive defense and monitoring, and improving advanced protection functions for critical operational systems.

(2) Regarding information security intelligence: The information security supervisor and staff have joined TWCERT/CC, regularly receiving various types of security intelligence and threat information to improve the efficiency of security defense and response.

(3) Participation in two external cybersecurity education/training seminar to enhance personnel's cybersecurity capabilities.

(4) Conducting regular internal and external cybersecurity audits annually.

(6) Establishment of an information security awareness zone, with periodic information security advocacy to enhance employee responsiveness and awareness of information security risks.

(7) Execution of disaster recovery tests for ERP/email/network systems once a year.

(8) Annual maintenance of vendor collaboration to conduct vulnerability scans and patch medium to high-risk areas to ensure system security.

(9) Educational training: Newly hired employees are required to undergo basic training on email and information security to ensure the integration of security concepts into daily operations.

(10) Installation of antivirus software on all personal computers used in the office, with regular system and virus code updates to reduce the risk of hacker attacks and ransomware threats.

(11) Strict control over external transmission channels for files, including portable devices (such as USB drives), cloud drives, file transfer protocols (FTP), and email transmission mechanisms.

(V) The losses suffered as a result of major information security incidents in the most recent fiscal year up to the publication date of this Annual Report, possible impacts and the corresponding countermeasures. If it cannot be reasonably estimated, facts of which estimation cannot be made shall be explained: None.

VII. Important Contracts

(I) YungShin Global Holding Corporation:

Nature of Contract	Contracting Parties	Commencement and Expiration Date	Major Content	Restrictions
Investment	Anrui Management Consulting Co., Ltd.	2022/11/30~2029/11/29	Investment	None

(II) Yung Shin Pharm. Ind. Co., Ltd.:

Nature of Contract	Contracting Parties	Commencement and Expiration Date	Major Content	Restrictions
Commissioned research (OEM)	TAISHO Pharmaceutical (Taiwan) Co., Ltd.	2010/12/15-2026/12/14	OEM contract	None
	Taiwan Liposome Co., Ltd.	2021/06/28-2033/06/27	OEM contract	None
Commissioned research	Providence University	2026/01/15~2027/07/31	Product Evaluation Commission	None
	HungKuang University	2025/02/21~2030/02/20	Technology transfer nursing products	None
	Zhenshang Biotechnology Limited Company	2026/02/01~2028/03/31	Product Evaluation Commission	None
	Mithra Biotechnology Inc.	2025/03/13~2026/03/12	Commissioned bioequivalence tests	None
	Rosetta Pharmamate	2025/06/20~2026/06/19	Commissioned bioequivalence tests	None
	Novotech Laboratory Services (Taiwan) Co., Ltd.	2025/05/05~2026/05/04	Commissioned bioequivalence tests	None
	National Chung Hsing University	2025/06/01~2026/05/31	Product technology development	None
	Jing Tian Biotechnology Inc.	2025/08/06~2028/02/29	Product technology development	None
	Taiwan Biopharmaceutical Manufacturing Company Limited (TBMC)	2025/09/01~2027/12/31	Product technology development	None
	Agricultural Technology Research Institute	2025/09/15~2026/05/04	Product technology development	None
	Taipei Medical University	2026/02/02~2027/01/31	Commissioned human clinical trials	None
Technical cooperation	National Yang Ming Chiao Tung University	2025/04/01~2026/03/31	Product synthesis technology	None
	China Productivity Center Foundation	2025/04/22~2026/04/21	Overseas Market Plan for Products	None
	National Chung Hsing University	2025/12/26~2030/12/25	Product technology development	None
Trademark Licensing	TC Pharmaceuticals (Jiangsu) Co., Ltd.	2026/01/28~2026/03/27	License Agreement	None
Technology transfer	Y.S.P.Industries (M) Sdn. Bhd. Y.S.P.Southeast Asia Holding Berhad	1998/09/18~2033/08/14	Technology transfer	None
Sales contract	Y.S.P.Industries (M) Sdn. Bhd. Y.S.P.Southeast Asia Holding Berhad	2020/03/25-2025/03/24	Distribution contract	None
	Carlsbad Technology, Inc.	2016/07/07~2026/07/06	Distribution contract	None
	Chemix Inc.	2016/12/30~2026/12/29	Distribution contract	None
	Company S	2022/09/22~2027/09/21	Distribution contract	None

(III) Chemix Inc.:

Nature of Contract	Contracting Parties	Commencement and Expiration Date	Major Content	Restrictions
Borrowing of loan funds	MUFG Bank, Ltd.	2022/9/20~2027/09/20	Short-term loan contract	None
Borrowing of loan funds	Mizuho Bank	September 2, 2016~ automatic renewal each year	Short-term loan contract	None

Chapter 5 Financial Position and Financial Performance Review Analysis and Risk Issues

I. Financial Position:

Comparative Analysis Table of Financial Conditions

Unit: NT$1,000

Item \ Year	2024	2025	Discrepancy	
			Amount	%
Current assets	7,375,437	7,012,447	(362,990)	(4.92)
Property, plant and equipment	4,837,382	3,727,570	(1,109,812)	(22.94)
Intangible assets	8,547	11,066	2,519	29.47
Other assets	1,576,776	1,861,415	284,639	18.05
Total assets	13,798,142	12,612,498	(1,185,644)	(8.59)
Total Liabilities	3,821,770	3,637,913	(183,857)	(4.81)
Capital	2,664,230	2,664,230	-	-
Capital surplus	2,335,401	2,382,035	46,634	2.00
Retained earnings	3,256,061	3,371,228	115,167	3.54
Other adjustment items	1,720,680	557,092	(1,163,588)	(67.62)
Total shareholders' equity	9,976,372	8,974,585	(1,001,787)	(10.04)

Analysis Description:

1. The total assets decreased mainly due to the reduction of consolidated entities.
2. The total liabilities decreased mainly due to the reduction of consolidated entities.
3. Other adjustment items decreased mainly due to the reduction of consolidated entities.
4. Shareholders' equity decreased mainly due to the reduction of consolidated entities.

II. Financial Performance:

Comparative Analysis Table of Financial Performance

Unit: NT$1,000

Item \ Year	2024	2025	Amount of increase or decrease	Ratio of change (%)
Revenue	8,031,903	8,375,854	343,951	4.28
Operating costs	(4,512,958)	(4,730,420)	(217,462)	4.82
Gross profit	3,518,945	3,645,434	126,489	3.59
Operating expenses	(2,227,545)	(2,326,019)	(98,474)	4.42
Operating income	1,291,400	1,319,415	28,015	2.17
Non-operating income and expenses	332,468	(15,316)	(347,784)	(104.61)
Net income before tax from continuing operations	1,623,868	1,304,099	(319,769)	(19.69)
Income tax expense	(354,424)	(355,693)	(1,269)	0.36
Net profit for the current period	1,269,444	948,406	(321,038)	(25.29)

Analysis of Percentage Changes:

1. Non-operating income decreased by NT$347,784 thousand, declining 104.61%, mainly due to the reduction in consolidated entities recognizing remeasurement losses and foreign exchange losses.

III. Cash Flow:

(I) Analysis of Cash Flow Changes in the Most Recent Year: The Corporation's cash flow mainly consists of general funds needed for daily operations.

(II) Plan to Improve Insufficient Liquidity: The Corporation does not have insufficient liquidity issues.

(III) Cash Flow Analysis for the Coming Year:

Unit: NT$1,000

Beginning Cash Balance (1)	Projected Annual Net Cash Flow from Operating Activities (2)	Projected Annual Cash Outflow (3)	Projected Cash Surplus (Deficit) (1)+(2)-(3)	Remedial Measures for Cash Shortage	
				Investment Plan	Financial Management Plan
1,200,865	1,350,418	1,592,181	959,102	-	-

Note:

1. Cash flows from operating activities mainly originate from collections from sales and payments for operational expenses.
2. The estimated cash outflows from investment and financing activities for the year are primarily for dividend distribution and capital expenditures.

IV. Impact of Major Capital Expenditures on Financial Operations in Recent Years: None.

V. Recent Reinvestment Policies, Major Reasons for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

(I) Reinvestment Policy:

YungShin Group continues its global expansion by launching new products and managing and optimizing its investment businesses to seize market opportunities and integrate resources across its investments. The group is committed to expanding into international markets through market specialization and vertical integration of upstream, midstream, and downstream industry chains to maximize enterprise value.

(II) Major Reasons for Profits or Losses:

The Corporation's primary business is investment, and its main revenue is recognized from the operating profits and losses of its various investments. The investment income recognized in 2025 is NT$1,011,394,000. Due to the gradual lifting of COVID-19 restrictions across countries and the continued emphasis on environmental protection issues, the supply and prices of raw materials have fluctuated significantly this year. In the face of a worsening business environment with intensified changes, the YungShin Group adheres to rapidly adapting strategies to respond to fast-changing markets, continuously optimizing its structure and enhancing competitiveness. In recent years, efforts have been made to continuously promote the Group's asset revitalization. In addition to selling its pharmaceutical plant in China and introducing its veterinary drug business in Taiwan to the domestic capital market. the Group continues to strengthen its Financial Position, laying a solid foundation for future development.

(III) Improvement Plan:

For investee businesses with operating results not meeting expectations, operational strategies have been adjusted according to environmental changes and the Group's development goals, involving increases, decreases, or consolidation of investments. These adjustments are supported by the integration and sharing of Group resources, dynamically adjusting Group investments to maximize the investee business.

(IV) Future investment plans for others:

"Stable supply, reliable quality, and cost-competitive" active pharmaceutical ingredients are the key to winning in major generic drug markets. The ability to effectively control the end market is even more crucial for the long-term development of enterprises. YungShin Group focuses on the integration and development of the pharmaceutical and health industry value chain, aiming to integrate the R&D, production, and supply of upstream active pharmaceutical ingredients and expand downstream sales channels in major markets, which will be the direction for the Group's future investments.

VI. Risk Factor Analysis and Assessment:

(I) The impact of interest rate, exchange rate fluctuations, and inflation on the company's profit and loss and future response measures:

Currently, the Corporation's capital position is not high, and the impact of interest rate, exchange rate fluctuations, and inflation on the company's profit and loss is not significant. If there is a need for financing from the financial market, efforts will be made to secure preferential interest rates to reduce costs. Other subsidiaries manage exchange rate fluctuations by employing natural hedging to control foreign currency fund levels or by entering into forward foreign exchange contracts with banks to mitigate exchange rate risk. Furthermore, inflation has no significant impact on the Corporation and the group.

(II) Policies on High-Risk, High-Leverage Investments, Lending Funds to Others, Endorsements and Guarantees, and Derivative Transactions, Major Reasons for Profits or Losses, and Future Measures:

1. The Corporation operates under a prudent business philosophy and does not engage in high-risk, high-leverage investments.
2. The Corporation has established "Procedures for Lending Funds to Others and Making Endorsements/Guarantees" in accordance with regulatory authorities' regulations, and conducts ongoing risk assessments of the parties involved in lending funds and making endorsements/guarantees. This is carried out in accordance with relevant operational procedures to protect shareholders' rights and reduce operational risks.
3. Derivative transactions are conducted in accordance with the Corporation's established "Procedures for Handling Acquisition or Disposition of Assets."

(III) Future R&D plans and expected R&D expenditure: None. The Corporation's primary business item is general investment, and there are currently no R&D requirements.

(IV) The impact of significant domestic and international policy and legal changes on the company's financial operations and response measures:

1. Domestic Region: The National Health Insurance Administration's plan to reduce drug pricing might adversely affect the sales of National Health Insurance pharmaceuticals domestically; however, the impact may vary annually depending on circumstances. The Group has actively expanded into the domestic non-NHI market and export sales to reduce the impact of the domestic NHI drug price reduction.
2. Mainland Region: Despite the implementation of the National Development and Reform Commission's policy to lower the prices of essential drugs in the basic catalog and central procurement policy, the overall market in Mainland China continues to grow, and investment businesses are still able to achieve stable growth.
3. U.S. Region: In 2018, the U.S. government changed the supply mode to allow American manufacturers to use raw materials from non-TAA countries for production, which can be used for government bids. This change provides better business opportunities for local manufacturing investments.

(V) The impact of technological changes (including Information and Communication Security Risks) and industry changes on the company's financial operations and response measures: Regular strategy committee meetings and cross-company functional communication meetings have been held to conduct crisis management, share opportunities, and maximize resources through a cross-company platform with regular meetings and follow-up implementations.

(VI) The impact of changes in corporate image on corporate crisis management and response measures:

From the establishment of Yung Shin, the founder set "providing the best pharmaceutical products to improve human health" as the corporate mission. With the establishment of YungShin Sports Park to provide a venue for public exercise and fitness, the founding of the Yung Shin Social Welfare Foundation to actively participate in charitable assistance, and the annual organization of the largest YungShin Cup volleyball tournament in the country, YungShin has long established a corporate image dedicated to maintaining the health of the nation's people.

In recent years, in view of the social issues surrounding elderly care, Yung Shin Elderly Nursing Home was established to provide a professional, meticulous, and comfortable care environment for seniors. In order to enhance the public's knowledge of health and promote relevant biomedical academic activities, as well as encourage professionals in biomedical research, the TienTe Lee Biomedical Foundation was established to manage various awards and promotional activities.

YungShin Group will continue to implement its corporate image of "maintaining the health of the people and caring for society," extending from Taiwan to the international arena, achieving the vision of promoting human health and sustainable corporate development.

(VII) Expected benefits, potential risks, and countermeasures of mergers and acquisitions:

Develop and revise regulations, guidelines, and standard operating procedures (SOPs) for the assessment, investment, and management of internal controls to estimate the expected benefits of mergers and acquisitions and to control potential risks and countermeasures.

(VIII) Expected benefits, potential risks, and countermeasures of plant expansion: None.

(IX) Risks and countermeasures associated with concentrated purchases or sales: None.

(X) The impact, risks, and countermeasures of substantial transfer or replacement of equity by directors, supervisors, or major shareholders with more than 10% shareholding on the company: No substantial transfer or replacement of equity has occurred.

(XI) The impact, risks, and countermeasures of changes in management rights on the company: None.

(XII) Litigation or non-litigation events: None.

(XIII) Other important risks and countermeasures: None.

(XIV) The Corporation continuously strengthens the management of information security by planning and enhancing management measures for various information risks, such as device management, hardware protection, endpoint protection, application system security monitoring, internet, and mobile security, to protect the best interests of customers and stakeholders.

VII. Other important tasks: None

Chapter 6 Special Records

I. Information on Affiliated Enterprises

According to regulations, announcements and declarations of the three reports and tables of affiliated enterprises are made on the Market Observation Post System. The index search path and URL are as follows:

Index search path: Market Observation Post System > Single Company > Electronic Document Download > Affiliated Enterprises Three Reports and Tables Area

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

II. Private Placement Securities in the Most Recent Fiscal Year up to the Publication Date of This Annual Report: None.

III. Any Event That Has a Significant Impact on Shareholders' Equity or Securities Prices as Prescribed by Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act That Have Occurred in the Most Recent Fiscal Year up to the Publication Date of This Annual Report: None.

IV. Other Matters that Require Additional Description: None.

SPIRIT OF YUNGSHIN GROUP

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永信集團創業精神

We produce medicine
that we would give to our own families

永信做藥是給家人吃的

—

We establish Nursing Home
that our elders would love to go

養護中心是給家裡長輩住的

—

We self-demand our cooperate
social responsibility to cover social welfare

企業責任是兼顧社會公義(益)

—

DEVELOP SUSTAINABLY
PROTECT THE EARTH

永續發展 • 守護地球

YungShin Global Holding Corporation

Chairman Fang-Hsin Lee

永信國際投資控股

YUNGSHIN GLOBAL HOLDING CORPORATION

2025 Annual Report