YUNGSHIN GLOBAL HOLDING CORPORATION

Stock Code
3705

2024
Annual Report

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Company Website : http://www.yungshingroup.com

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

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

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

Headquarters:	YungShin Global Holding Corporation
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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, Lily Lu
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 Company - 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 2024

(I) Implementation of Business Plan

In the consolidated composite income statement for 2024 of the Corporation, the operating income was NT$8,031,903 thousand, the gross profit was NT$3,518,945 thousand, with a gross margin of 43.81%; the operating expense was NT$2,227,545 thousand, the consolidated total profit or loss was NT$1,269,444 thousand, the net profit after tax attributable to the parent Corporation was NT$1,168,508 thousand, with earnings per share of NT$4.39.

(II) Budget Implementation

The Corporation did not make a financial forecast for 2024, 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	2023	2024
Revenue	7,027,937	8,031,903
Gross profit	2,977,313	3,518,945
Operating profit or loss	929,613	1,291,400
Net profit before tax	1,137,485	1,623,868
Net profit after tax	871,171	1,269,444

Profitability analysis

Item	2023	2024
Return on assets (ROA) (%)	7.70%	10.21%
Return on equity (ROE) (%)	11.16%	14.19%
Ratio of income before tax to paid-up capital (%)	42.69%	60.95%

Net profit margin (%)	12.40%	15.81%
Earnings per share (NT$)	3.11	4.39

(IV) Research and Development Status

The Group's R&D investments in 2024:

Unit: NT$1,000; %

Item \ Year	2023	2024
R&D expenditure (NT$1,000)	329,818	387,454
Percentage of revenue (%)	4.69%	4.82%

II. Summary of 2025 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 2025 are as follows:

1. Continuously improving the investment and development efficiency of 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.

2. Source and supply control of API required by the Group

   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 through a focused approach to increase the Group's market competitiveness in API product lines.

3. Establishment and training of new generation talent

   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 Li Biomedical Foundation", "Yung Shin Elderly Nursing Home", and "YungShin Cup Volleyball Championships" 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, 2025

Title	Nationality or place of registration	Name	Gender/Age	Date of (Re)Appointment (Note 2)	Term	Initial Date of Appointment (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	Fang-Hsin Lee	Male 65 years old	2022.05.24	3 years	2010.06.09	11,260,832	4.23%	5,731,967	2.15%	3,423	0.00%	5,528,865	2.08%	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 76 years old	2022.05.24	3 years	2010.06.09	10,401,368	3.90%	10,401,368	3.90%	-	0.00%	-	-	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	Fang-Yu Lee	Male 73 years old	2022.05.24	3 years	2016.06.22	7,826,918	2.94%	4,814,918	1.81%	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 (Re)Appointment (Note 2)	Term	Initial Date of Appointment (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	Fang-Chen Lee	Male 69 years old	2022.05.24	3 years	2010.06.09	5,513,344	2.07%	5,543,344	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 68 years old	2022.05.24	3 years	2013.06.11	7,129,326	2.68%	6,015,076	2.26%	2,140,000	0.80%	10,234,000	3.84%	Department of Accounting, Tunghai University	(Note 4)	None	None	None	
Director	Republic of China	Chi-Li Lee	Male 52 years old	2022.05.24	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 60 years old	2022.05.24	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 67 years old	2022.05.24	3 years	2016.06.22	-	-	-	-	-	-	-	-	Master, Graduate Institute of Financial and Economic Law, Feng Chia University	(Note 4)	None	None	None	

Title	Nationality or place of registration	Name	Gender/Age	Date of (Re)Appointment (Note 2)	Term	Initial Date of Appointment (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	
Independent Director	Republic of China	Hong-I Chen	Male 76 years old	2022.05.24	3 years	2019.06.20	-	-	-	-	-	-	-	-	1.National Defense Medical Center 2.Doctor of Pharmacology, University of Oxford, UK 3.Master of Medical Administration, Tulane University, USA 4.Master, College of Management, National Taiwan University	(Note 4)	None	None	None	

Note1: The Corporation was established through a share swap from Yung Shin Pharm. Ind. Co. Ltd. on January 3, 2011. The 1st-term Directors and Supervisors were elected on June 9, 2010 and the term was June 9, 2010 to June 8, 2013.

Note2: The fifth term of directors (including independent directors) of the Corporation was elected on May 24, 2022 and the term of office is from May 24, 2022 to May 23, 2025.

Note3: Add 4,000,000 shares under trust with discretion reserved, with a total of 14,401,368 shares (a shareholding ratio of 5.41%).

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 Shih 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 Yung Shin Pharm Ind. Co., Ltd., Vetnostrum Animal Health Co., Ltd., YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd., Yung Shin Company Limited (YHK), Carlsbad Technology, Inc., Yung Zip Chemical Industry Co., Ltd., etc. 4. Director of Taiwan Private Yung Shin Social Welfare Foundation, Alpha Active Industries Sdn Bhd. 5. Legal Representative of Supervisor of Chemix Inc. 6. Supervisor, Medical Excellent Taiwan 7. 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. 8. 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 Lian Kai Investment Co., Ltd. 3. Legal Representative of Director of Yung Shin Phar. Ind. Co., Ltd., Angel Associates (Taiwan) Inc., 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. Legal Representative of Supervisor of YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd. and Yung Shin Company Limited (YHK) 5. Director of Tien Te Li Biomedical Foundation 6. Consultant of Taiwan Pharmaceutical Manufacturer's Association and Taiwan Pharmaceutical Manufacture and Development Association 7. Standing Director of Taiwan Generic Pharmaceutical Association.
Fang-Yu Lee	1. Chairman of Chemix Inc, Tien Te Li Biomedical Foundation, Yung Shin Social Welfare Foundation, Yung Shin Amusement Co., Ltd., Bio-X Alliance Holding Co. Ltd., Cong Ty TNHH Pharma Aliance Vietnam etc. 2. Legal Representative of Director of Yung Shin Pharm Ind. Co., Ltd., Vetnostrum Animal Health Co., Ltd., Angel Associates (Taiwan) Inc., YSP International Co., Ltd., YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd., Yung Shin Company Limited (YHK), Carlsbad Technology, Inc., Yung Zip Chemical Ind. Co., Ltd.,etc. 3. Director of Shuz Tung Machinery Industrial Co. 4. Executive Director of 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. Director of Yung Zip Chemical Ind. Co., Ltd., Taiwan Way Chein Industrial Co., Ltd. and Yung Shin Social Welfare Foundation. 3. 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 Pharm Ind. Co., Ltd., Vetnostrum Animal Health Co., Ltd., YSP International Co., Ltd., YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd., Yung Shin Company Limited (YHK), Carlsbad Technology, Inc., etc. 3. Director of Lih Dar Steel Co., Ltd., Ta Chia Iron & Steel Co., Ltd, etc. 4. Supervisor of Linky Brothers Corporation
Chi-Li Lee	1. Chairman of Yung Shin Phar. Indu. Co., Ltd., Taiwan Way Chein Industrial Co., Ltd., and YZP Oversea Investment Co., Ltd. 2. Director of Yung Zip Chemical Ind. Co., Ltd. 3. Legal representative of Director of YSP International Co., Ltd., YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd., Yung Shin Company Limited (YHK), Carlsbad Technology, Inc., Chemix Inc, etc.
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., and 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 Doctors' Doctor 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.

(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
Director Fang-Hsin Lee	Established Y.S.P. Southeast Asia Holding, focusing on southeast Asia market for more than 30 years. Act as the Chairman 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.	–	–
Director Fang-Yu Lee	Chairman of the subsidiary company Chemix Inc. 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.	–	–
Director 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.	–	–
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

Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Concurrently Serving as Independent Director
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			Term Seniority of Independent Director			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								
Director Fang-Hsin Lee	Republic of China	Male				V				V		V					V
Director Ling-Chin Lee	Republic of China	Female				V				V		V					V
Director Fang-Yu Lee	Republic of China	Male				V				V		V		V			
Director 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 fifth Board of Directors consists of 9 members, including 3 independent directors. The number of independent directors shall not be less than 3 persons and not less than 1/5 of the total board seats. In 2024, there were already 3 independent directors, accounting for 1/3 of the board seats. The Corporation aims to have no more than 1/2 of directors concurrently serving as Company employees, and currently no directors hold employee positions. Additionally, more than half of the directors should not have spousal or second-degree family relationships with each other; currently, 4 directors have second-degree or closer family 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, 2025

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. EMBA (Executive Master of Business Administration) program, NTU 2. National Yang-Ming University Master of Pharmacology	1. Chairman and President of Yung Shin Company Limited (YHK). 2. Chairman and CEO of Carlsbad Technology, Inc.	None	None	None	

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

(I) Remuneration Paid to Directors and Independent Directors:

2024; 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	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	The Corporation	All Companies Listed in this Financial Report	Cash	Stock	Cash	Stock			
Chairman	Fang-Hsin Lee	-	-	-	-	3,912	3,912	90	250	4,002 0.3424%	4,162 0.3562%	-	-	-	-	-	-	-	-	4,002 0.3424%	4,162 0.3562%	14,880
Vice Chairman	Ling-Chin Lee		60	-	-	3,912	3,912	1,015	1,062	4,927 0.4216%	5,033 0.4307%	-	3,227	-	15,881	-	-	-	-	4,927 0.4216%	24,140 2.0659%	804
Director	Fang-Yu Lee		2,640	-	14,402	3,912	3,912	1,153	1,878	5,064 0.4334%	22,832 1.9539%	-	-	-	-	-	-	-	-	5,064 0.4334%	22,832 1.9539%	
Director	Fang-Chen Lee	-	-	-	-	3,912	4,265	80	168	3,992 0.3416%	4,433 0.3793%	-	-	-	-	-	-	-	-	3,992 0.3416%	4,433 0.3793%	
Director	Meng-Be Lin		-	-	-	3,912	3,912	80	164	3,992 0.3416%	4,076 0.3488%	-	-	-	-	-	-	-	-	3,992 0.3416%	4,076 0.3488%	-
Director	Chi-Li Lee		5,296	-	-	3,912	4,509	80	222	3,992 0.3416%	10,027 0.8581%	-	821	-	56	-	-	-	-	3,992 0.3416%	10,905 0.9332%	
Independent Director	Shih-Kuang Tsai	-	-	-	-	600	960	180	260	780 0.0668%	1,220 0.1044%	-	-	-	-	-	-	-	-	780 0.0668%	1,220 0.1044%	-
Independent Director	Kun-Xian Lin	-	-	-	-	600	600	60	60	660 0.0565%	660 0.0565%	-	-	-	-	-	-	-	-	660 0.0565%	660 0.0565%	-
Independent Director	Hong-I Chen	-	-	-	-	600	960	80	120	680 0.0582%	1,080 0.0924%	-	-	-	-	-	-	-	-	680 0.0582%	1,080 0.0924%	-

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:

2024; Unit: NT$1,000

Title	Name	Pay (A)		Severance Pay and Pensions (B)		Bonus and Special Allowances (C)		Employees' Remuneration (D) (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	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Corporation	All Companies Listed in this Financial Report	
President	Chih-Wei Chien	3,129	3,129	108	108	1,060	2,469	1,103	-	1,103	-	5,400 0.46%	6,809 0.58%	-

Note1: Employee compensation amount is the proposed figure.

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

2024; 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	-	1,856	1,856	0.16%
	Chief Corporate Governance Officer	I-Yun Wang				
	Accounting Manager	Yu-I Li				

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	
	2024 (Note 1)	2023	2024 (Note 1)	2023
Directors' Remuneration	2.40%	2.26%	4.58%	3.55%
Remuneration for the President and Vice Presidents	0.46 %	0.55%	0.58%	0.55%

Note1: The remuneration for directors, President, and Vice Presidents in 2024 is the proposed amount, which shall be subject to the actual paid amount.

2. 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, strengthening the connection between independent directors and the Corporation's long-term value creation, avoiding the positioning of independent directors' functions losing their independence.

   The policy for paying remuneration to the President is based on the salary level of that position in the industry market, the scope of authority and responsibility of that position within the Corporation, and the contribution to the Corporation's operational objectives. In addition to referencing the Corporation's overall operational performance, future operational risks and development trends in the industry, individual performance achievement rates and contributions to the Corporation's performance are also considered to provide reasonable remuneration. The relevant performance evaluation and remuneration reasonableness are reviewed by the Remuneration Committee and the Board of Directors, with timely reviews of the remuneration system based on actual operational conditions and relevant regulations to balance the Corporation's sustainable operations and risk management.

III. Corporate Governance Operations

(1) Information on Board of Directors' Operations:

1. Directors' attendance:

In 2024, 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 (%) [B/A] (Note 1)	Remarks
Chairman	Fang-Hsin Lee	8	-	100%	Reappointed on May 24, 2022
Director	Ling-Chin Lee	8	-	100%	Reappointed on May 24, 2022
Director	Fang-Yu Lee	8	-	100%	Reappointed on May 24, 2022
Director	Fang-Chen Lee	8	-	100%	Reappointed on May 24, 2022
Director	Meng-Be Lin	8	-	100%	Reappointed on May 24, 2022
Director	Chi-Li Lee	8	-	100%	Reappointed on May 24, 2022
Independent Director	Shih-Kuang Tsai	8	-	100%	Reappointed on May 24, 2022
Independent Director	Kun-Xian Lin	6	2	75%	Reappointed on May 24, 2022
Independent Director	Hong-I Chen	8	-	100%	Reappointed on May 24, 2022

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
16th Meeting of the 5th Board of Directors 2024.03.06	Passed the Corporation's 2023 preliminary individual and consolidated financial statements. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the evaluation of the Corporation's 2024 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 "Rules of Procedure for Board of Directors Meetings." Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the amendment to the Corporation's "Audit Committee Charter." Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	No approval of the establishment of the Corporation's "Procedures for Preparation and Assurance of Sustainability Reports." 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
17th Meeting of the 5th Board of Directors 2024.03.27	Approval of the Corporation's 2023 Individual Financial Statements and Consolidated Financial Statements. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the Corporation's 2023 Statement of Internal Control. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the 2023 Earnings Distribution Plan. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the Corporation's 2023 Employee and Director Compensation Distribution Plan. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
18th Meeting of the 5th Board of Directors 2024.05.08	Approval of the Corporation's re-establishment of the "Sustainability Development Committee Charter." Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
19th Meeting of the 5th Board of Directors 2024.08.07	Approval of the donation matters from the subsidiary Yung Shin Pharm. Ind. Co. Ltd. (YSP) to related parties for 2025. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Regarding the donation to related parties in fiscal year 2025 through the subsidiary Yung Zip Chemical Ind. Co., Ltd. (YZC). Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Subsequent planning for capital increase in cash through the subsidiary Carlsbad Technology, Inc. (CTI). Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
22nd Meeting of the 5th Board of Directors 2024.11.05	Approval of the appointment of CPAs for the Corporation and its subsidiaries. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the addition of the Corporation's "Sustainable Information Management Regulations." Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the amendment of certain provisions of the Corporation's "Internal Audit Regulations." Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Approval of the subscription by the subsidiary YSP INC for the "unsubscribed portion of CTI's cash capital increase." 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
23rd Meeting of the 5th Board of Directors 2024.11.06	Approval of the cash capital increase for the subsidiary Vetnostrum Animal Health Co., Ltd. (YHA) for its listing. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
	Passed the Corporation's undertaking as the bank's endorsement guarantor for the year 2025 requested by subsidiary. Resolution: After the Chairman consulted all attending Directors, the proposal was unanimously approved.	None	None
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

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
17th Meeting of the 5th Board of Directors 2024.03.27	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee Meng-Be Lin Chi-Li Lee	The Corporation's 2023 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
18th Meeting of the 5th Board of Directors 2024.05.08	Fang-Yu Lee Ling-Chin 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.	According to Article 17 of the Corporation's "Rules of Procedure for Board of Directors Meetings" regarding conflict of interest recusal
19th Meeting of the 5th Board of Directors 2024.08.07	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee Chi-Li Lee	The Group's Senior Manager Concurrent Position Allowance and 2025 Full-time Performance Bonus Case	Director Fang-Yu Lee and Director Chi-Li Lee are the parties involved in this case. Directors Fang-Hsin Lee, Ling-Chin Lee, and Fang-Chen Lee are relatives within the second degree of kinship to Director Fang-Yu 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	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 and Director Fang-Chen 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
	Fang-Hsin Lee Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee	Subsidiary Yung Zip Chemical Ind. Co., Ltd. (YZC) Donation to Yung Shin Social Welfare Foundation Case	Director Fang-Hsin Lee, Director Ling-Chin Lee, Director Fang-Yu Lee and Director Fang-Chen 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
	Fang-Yu Lee	Subsidiary CTI Cash Capital Increase Follow-up Planning Case	Director Fang-Yu 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
21st Meeting of the 5th Board of Directors 2024.09.09	Ling-Chin Lee	Subsidiary Vetnostrum Animal Health Co., Ltd. (YHA) Chairman Salary Proposal 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
22nd Meeting of the 5th Board of Directors 2024.11.05	Ling-Chin Lee Chi-Li Lee	Proposal for the Salary Structure Adjustment of Taiwan Subsidiary's Chairman	Director Chi-Li 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
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

Meeting Session	Name of Director Required to Recuse	Content of Agenda Item	Reason for Conflict of Interest Recusal	Participation in Voting
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

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

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
The internal evaluation is conducted once a year.	2024.01.01~2024.12.31	It includes performance assessments of the Board of Directors, individual board members, and functional committees.	Internal evaluation methods include self-evaluation of the entire Board of Directors, self-evaluation of individual board members, and self-evaluation of functional committees.	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 (I) 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. (II) 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.

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 Corporation'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, 2025

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
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	4	1	80%	

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 10th meeting 2024.03.06	1. Self-closing individual and consolidated financial report for 2023. 2. The Corporation's assessment of CPA Independence and AQI for 2024. 3. Proposal to amend certain articles of the "Rules of Procedure for Board of Directors Meetings" of the Corporation. 4. Amendment to certain articles of the "Audit Committee Charter" of the Corporation. 5. Formulation of the "Procedures for Preparation and Assurance of Sustainability Reports" of the Corporation.	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 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. Annual financial reports and semi-annual financial reports. 11. Other material matters required by the Corporation or regulatory authorities.	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 11th meeting 2024.03.27	1. The Corporation's 2023 separate financial statements and consolidated financial statements. 2. The Corporation's 2023 internal control statement. 3. The Corporation's 2023 earnings distribution proposal. 4. The Corporation's 2023 directors' and employees' compensation distribution proposal.		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 12th meeting 2024.05.08	1. The first annual consolidated financial report for the year 2024. 2. The Corporation's re-establishment of the "Sustainability Development Committee Charter."		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 13rd meeting 2024.08.07	1. The first half-year consolidated financial report for the year 2024. 2. The proposal for donation to related person by the subsidiary of Yung Shin Pharm., Ind., Co., Ltd. in 2025. 3. Subsidiary Yung Zip Chemical Ind. Co., Ltd. (YZC) Donation to Social Welfare Foundation. 4. Subsequent planning for capital increase in cash through the subsidiary Carlsbad Technology, Inc. (CTI).		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 14th meeting 2024.11.05	1. Third-quarter consolidated financial report for the year 2024. 2. Appointment of CPAs for the Corporation and its subsidiaries. 3. Addition of the Corporation's "Sustainable Information Management Regulations." 4. Amendment of certain provisions of the Corporation's "Internal Audit Regulations." 5. The proposal on the Corporation's 2025 Annual Audit Plan. 6. Request from subsidiary for the Corporation to act as the bank's endorsement guarantor for the year 2025. 7. Cash capital increase for the subsidiary Vetnostrum Animal Health Co., Ltd. (YHA) for its listing. 8. Subscription by the subsidiary YSP INC for the "unsubscribed portion of CTI's cash capital increase."		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.

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.		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. The Corporation's 2024 earnings distribution proposal. 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.

(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
2024.03.06	3rd term 10th meeting of Audit Committee	Audit report of the fourth quarter of 2023	Noted (No opinions)
2024.03.27	3rd term 11th meeting of Audit Committee	Issuance of the 2023 Internal control statement	All attending committee members passed without objection
2024.05.08	3rd term 12th meeting of Audit Committee	Audit report of the first quarter of 2024	Noted (No opinions)
2024.08.07	3rd term 13th meeting of Audit Committee	Audit report of the second quarter of 2024	Noted (No opinions)
2024.11.05	3rd term 14th meeting of Audit Committee	Audit report of the third quarter of 2024 2025 Annual Audit Plan	Noted (No opinions) All attending committee members passed without objection
2024.12.17	Communication Meeting	Subsidiary Audit Report	Noted (No opinions)

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

Date	Meeting	Key Communication Points	Communication Situation and Results
2024.03.27	3rd term 11th meeting of Audit Committee	CPAs' Communication Report to Those Charged with Governance (2023)	The CPAs and attendees conducted a discussion. All attendees passed without objection.
2024.05.08	3rd term 12th meeting of Audit Committee	Report on Communication between CPAs and Corporate Governance Unit (2024 Q1)	The CPAs and attendees conducted a discussion. All attendees passed without objection.
2024.08.07	3rd term 13th meeting of Audit Committee	Report on Communication between CPAs and Corporate Governance Unit (2024 Q2)	The CPAs and attendees conducted a discussion. All attendees passed without objection.
2024.11.05	3rd term 14th meeting of Audit Committee	Report on Communication between CPAs and Corporate Governance Unit (2024 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, 2024

Title	Name	Education Date	Organizer	Course Title	Training Hours
Chairman	Fang-Hsin Lee	2024.05.08	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3
		2024.06.16	Taiwan Investor Relations Institute	Hostile Takeovers - Focusing on Management Control Protection	3
		2024.08.07	Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3
Director	Ling-Chin Lee	2024.05.08	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3
		2024.06.19	Taiwan Institute of Directors	Discovering Taiwan's International Competitiveness Amid Global Competition Dynamics	3
		2024.07.10	National Association of Industry and Commerce	Industry Upgrade and Collaboration Driven by AI Big Data	3
		2024.08.07	Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3
Director	Fang-Yu Lee	2024.05.08	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3
		2024.08.07	Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3
Director	Fang-Chen Lee	2024.05.06	Taipei Foundation of Finance	Company PR and Reputation Crisis Management: A Lawyer's Guide	3
		2024.05.08	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3
		2024.06.21	Taiwan Corporate Governance Association	Legal Framework for Sustainability Reports	3
		2024.07.21	Taiwan Investor Relations Institute	Carbon Trading Exchange Functions and Outlook & How the Board of Directors Supervises the Establishment and Improvement of Risk Management Mechanisms	3
		2024.07.26	Taiwan Corporate Governance Association	Managing Intellectual Property Risk Control for Businesses from a TIPS Perspective	3
		2024.08.07	Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3
Director	Meng-Be Lin	2024.05.08	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3
		2024.08.07	Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3
Director	Chi-Li Lee	2024.02.23	Taiwan Investor Relations Institute	The Code of Corporate Performance Enhancement - Cost Analysis and Green Supply Chain	3
		2024.05.08	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3
		2024.08.07	Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3
Independent Director	Shih-Kuang Tsai	2024.02.23	Intangible Assets Valuation Institution in Taiwan	Measuring Intangible Assets Using the Income Approach Under the New M&A Law	4
		2024.04.09	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Anti-Money Laundering Development Trends and Case Studies	3
		2024.04.11	Taiwan Independent Director Association	2024 Independent Director Association Taiwan - Course Module Class	3
		2024.05.08	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3
		2024.07.19	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Foundation I: The Past and Present of the Carbon Border Adjustment Mechanism (CBAM)	3

Title	Name	Education Date	Organizer	Course Title	Training Hours
		2024.07.19	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Foundation II: Understanding the Carbon Trading Mechanism	3
		2024.07.23	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Advanced III: Types and Scopes of Carbon Inventory	3
		2024.07.23	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Advanced IV: Creating Production Process Pathway Maps	3
		2024.07.29	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Practical V: Understanding the Carbon Border Adjustment Mechanism (CBAM) Report	3
		2024.07.29	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Practical VI: Practice Filling Out the Carbon Border Adjustment Mechanism (CBAM) Report	3
		2024.08.07	Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3
		2024.09.05	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Building Effective Anti-Money Laundering and Counter-Terrorism Financing Systems	3
		2024.11.01	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Analysis of Sustainability Information Assurance Practices - Key Points of Assurance Standard 3000	3
		2024.11.08	Taiwan Corporate Governance Association	Understanding and Preventing Workplace Violations - Focusing on Guidelines for Sexual Harassment Prevention Measures in the Workplace	3
		2024.11.08	Taiwan Corporate Governance Association	Introduction to Corporate Control Disputes and Commercial Case Trial Act	3
Independent Director	Kun-Xian Lin	2024.05.07	National Association of Industry and Commerce	Legal Tax Planning From Corporate and Family Governance	3
		2024.05.08	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3
		2024.08.07	Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3
Independent Director	Hong-I Chen	2024.02.21	Securities and Futures Institute	Impartial Customer Service and Protection of Financial Consumers	3
		2024.04.10	Taiwan Institute of Directors	Steering the Ship of Corporate Intelligence: Corporate Governance Leading the Way	3
		2024.05.08	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3
		2024.08.07	Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3

(IV) Operations of the Remuneration Committee:

1. Information regarding the members of the Remuneration Committee:

March 31, 2025

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: June 1, 2022 to May 23, 2025, in the most recent year (2024), the Salary and Remuneration Committee held 5 meetings (A), in which the membership qualifications and attendance situation were as follows:

Title	Name	Attendance Times (B)	Number of Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Convener	Shih-Kuang Tsai	5	-	100%	
Committee Member	Hong-I Chen	5	-	100%	
Committee Member	Kun-Xian Lin	4	1	80%	

(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
5th Meeting of the 5th Board of Directors 2024.03.27	The Corporation's 2023 directors and managers compensation distribution proposal	Remuneration 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.
6th Meeting of the 5th Board of Directors 2024.05.08	The Corporation's Honorary Chairman and Honorary Vice Chairman titles and related matters	Remuneration 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.
7th Meeting of the 5th Board of Directors 2024.08.07	Appointment of the President and removal of restriction on competition clause regarding compensation in the Corporation	Remuneration 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 executive compensation discussion	Remuneration 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.
8th Meeting of the 5th Board of Directors 2024.09.09	Proposal for compensation for Chairman of subsidiary Vetnostrum Animal Health Co., Ltd. (YHA)	Remuneration 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.
9th Meeting of the 5th Board of Directors 2024.11.05	Proposal for the salary structure adjustment of Taiwan subsidiary's Chairman	Remuneration 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.
10th Meeting of the 5th Board of Directors 2025.03.28	The Corporation's 2024 employee and director compensation distribution plan.	Remuneration 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 Corporation 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 Corporation 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 Corporation maintain a list of its major shareholders who actually control the Corporation 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
(III) Does the Corporation 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
(IV) Has the Corporation established internal regulations prohibiting insiders from trading securities using unpublished information available in the market?	✓		(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.	No Deviation
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?	✓		(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 Corporation's operational needs and corporate governance effectiveness. All Directors of the Corporation possess different areas of expertise, which provides significant benefit to the Corporation's operational development.	No Deviation
(II) Has the Corporation voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(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.	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) 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?	✓		(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 2024 Board of Directors performance evaluation has been completed and reported to the Board on March 11, 2025.	No Deviation
(IV) Does the Corporation regularly evaluate the independence of its certified public CPAs?	✓		(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. 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.	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	
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 Corporation' 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 2024 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 Corporation'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 2024.	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 Corporation 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
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
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.	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	
			(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 Corporation 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 and Supervisors of TWSE/TPEx Listed Companies, we send course notifications or arrange continuing education for directors and supervisors to obtain required training hours. Monthly reports of their continuing education status are filed on the Market Observation Post System for investor reference. (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.	

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, enhancing information transparency, and implementing corporate social responsibility.

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.

(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. (III) The Sustainability Development Team is responsible for identifying sustainability issues relevant to the Corporation'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 2024, one meeting was convened, with agenda items including the 2023 Sustainability Report and the YungShin Group's ESG implementation progress report, covering (1) sustainability development blueprint implementation process and progress; (2) enhancement of sustainability report implementation process and progress; (3) greenhouse gas inventory implementation process and progress; and (4) 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.	No Deviation
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. (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.	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. 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. 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. 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. The fermentation waste residue can be processed into compost, which is provided for use in the plant area or for external sales.	No Deviation
(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 Appendix II-II-III of this annual report.	No Deviation
(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?	✓		(IV) The Consolidated Corporation's greenhouse gas inventory results, verification status, and reduction policies are listed in Appendix II-II-III of this annual report. The Consolidated Corporation's water consumption and total waste weight for the past two years are summarized below: Note1: The scope of water resource data in 2023 includes Yung Shin Pharm. Dingdian Plant and Youth Plant (including Plants 2 and 3), Vetnostrum Animal Health (Hsinchu Plant), Carlsbad Technology, Inc. and Chemix Inc. Note2: The scope of waste data in 2023 includes Yung Shin Pharm. Dingdian Plant and Youth Plant (including Plants 2 and 3), and Vetnostrum Animal Health (Hsinchu Plant).	No Deviation

	2023	2024
Water consumption (million liters) (Note 1)	249.60	Note 3
Water intensity (million liters/revenue in NT$ million)	0.03552	Note 3
Total waste volume (metric tons) (Note 2)	259.932	Note 3
Waste intensity (metric tons/NTD million of revenue)	0.03699	Note 3

Evaluation Item	Implementation Status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			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 2024 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 2024 Sustainability Report. 1. The Consolidated Corporation has implemented improvement measures, including the reuse of RO purification discharge water and bottle rinsing water for cooling tower evaporation replenishment. The injectable drug plant's water reuse reached 11,000 tons in 2023 and 11,500 tons in 2024. 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 Pharm.'s Youth Plant, Youth Plant 2, and Youth 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.	
IV. Social Issues (I) Does the Corporation 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 Corporation'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 without any discrimination in employment, and 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. 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 Corporation 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.	No Deviation
(II) Has the Corporation 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.	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	
			1. The Corporation has formulated the "Performance Evaluation Method" to implement performance appraisals and performance interviews twice a 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 Corporation 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. 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 Pharm. 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 Company 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 Corporation provides comprehensive on-the-job health examinations that exceed legal requirements, and monitors various health abnormalities. 1. The Corporation places a high emphasis on workplace safety issues. In addition to implementing necessary access control management, conducting regular occupational safety education and training, enforcing a complete smoking ban, establishing employee cafeterias, and providing work uniform cleaning services, the Corporation also values the physical and mental health of all partner colleagues. The Corporation 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 2024, the subsidiary Yung Shin Pharm. 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 6 sessions, for a combined total of 12 sessions.	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. In 2024, the subsidiary Yung Shin Pharm. had 7 occupational accidents involving 7 employees (representing 0.54% of total employees at the end of 2024); the causes of these accidents were traffic incidents (5 cases) and plant workplace accidents (2 cases). Therefore, the Company 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 2024.	
(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. 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.	No Deviation
(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 2024 Sustainability Report will obtain third-party assurance reports before August 2025. 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 Corporation 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. 2024 service capacity: 2,409 person-times for health promotion, 1,364 person-times for care visits and telephone care.
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. In 2024, monthly average of registered cases exceeded 723 persons.
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. In 2024, cumulative service cases reached 2,417 visits.

(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 Li 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 2024 are as follows:

1. The 20th Medical and Pharmaceutical Technology Awards: Continuing to select and reward outstanding contributors in medical and pharmaceutical technology research and development.
2. The 20th Medical and Pharmaceutical Technology Awards Ceremony: Providing award recipients with opportunities to gather and promote exchanges with professionals in the biotechnology and pharmaceutical industries.
3. Southeast Asia Outstanding Paper Award: Continue to conduct overseas scholarship selection to reward outstanding pharmaceutical related research talents.
4. The 17th YungShin TienTe Li Pharmaceutical Technology Award Winners Networking Seminar: The previous winners took the advantage of this event to increase exchanges, grasp opportunities for cooperation, promoting the development of pharmaceutical research.
5. Held a Poster Paper Award for TienTe Li Biomedical Foundation: continuing the spirit of rewarding medical talents for innovative medical research, we hope that the R&D energy in Taiwan will continue to take root downward, and that the scientific community will be more active in communication, so as raise the overall standard of R&D.
6. Organized drug technology workshop, through lectures, interactive teaching aids, hands-on experiments, and observation activities, the camp provides high school students with the experience of learning about pharmacology-related fields, which is expected to enhance their knowledge and interest in pharmacology.
7. Held the Iron Mountain Market to attract the public to participate in activities such as the market and storytelling to promote drug-related knowledge.
8. Organized health promotion activities to enable the public to understand their body control and gain relevant knowledge through various physical fitness experiences.
9. Organized a visit to the YungShin Medical Museum for primary and secondary school students in remote areas to learn about drug safety knowledge through guided tours, DIY experiences and games.
10. Promoted the knowledge of drug safety in elementary schools to enable students understand the design of different drug dosage forms and drug recycling methods with interactive teaching materials.
11. YungShin Medical Museum provides guided and interpretive services and DIY experience courses, organizes themed experience activities during holidays, and help the public to get knowledge about drug safety in an interactive way through different themes and game experiences.

(IV) YungShin Cup National Volleyball Championship

In order to promote public health, the YungShin Group has been dedicated to advocating volleyball sports. As of 2024, it has organized 51 tournaments. The number of participating teams has grown from 23 teams in the first tournament to 354 teams in the fifty-first tournament, making it Taiwan's largest national green energy volleyball competition.

(VII) Climate-related Information:

1. Implementation status of climate-related information

<table>
<tr><th colspan="2">Item</th><th>Status of Execution</th></tr>
<tr><td>I.</td><td>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 and its subsidiaries. This team is responsible for evaluating and monitoring climate change-related risks and opportunities faced by the Consolidated Corporation, discussing and formulating the Consolidated 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.</td><td>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 Corporation'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>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>Increased operating costs</td></tr>
<tr><td>Physical Risks</td><td>Rising average temperatures</td><td>Medium Term</td><td>The increase in average temperatures may lead to an increased demand for electricity or cooling equipment, resulting in higher operating costs.</td><td>Increased operating costs</td></tr>
<tr><td>Transition Risks</td><td>Increased carbon pricing</td><td>Short Term</td><td>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.</td><td>Increased operating costs
Increased capital expenditure</td></tr>
</table>
</td></tr>
</table>

Item	Status of Execution

Category	Item	Impact Timing	Business & Strategic Impact	Financial Impact
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

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. These situations will force the Consolidated Corporation to bear higher operating costs to maintain smooth supply chain operations, and to update facilities related to plant drainage and temperature control, among other measures. The above-mentioned response measures to extreme weather will impact the Consolidated Corporation's medium and long-term financial planning.

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 production line equipment updates, 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 and regularly reports to the Sustainability Development Committee and the Board of Directors annually.

Item	Status of Execution
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 Consolidated Corporation's 2024 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.
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 1-1 and 1-2).	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 2027.

	2023	2024
Scope 1 Direct greenhouse gas emissions (metric tons CO_2e)	8,383.4969	Note 2
Scope 2 Indirect greenhouse gas emissions (metric tons CO_2e)	18,727.0788	Note 2
Total	27,110.5757	-
Greenhouse gas emission intensity (metric tons CO_2e/TWD million in revenue)	3.8575	Note 2

Note1: The data scope for 2023 includes YungShin Global Holding as well as Yung Shin Pharm.'s Ding-Dian Plant, Youth Plant, and Youth Second and Third Plants.

Note2: As of the printing date of this annual report, the Consolidated Corporation's greenhouse gas emission information for 2024 is still being compiled. For information regarding the Consolidated Corporation's greenhouse gas emissions, please refer to the Consolidated Corporation's 2024 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 greenhouse gas inventory of the Consolidated Corporation and some subsidiaries in the consolidated financial statements follows the ISO14064-1 greenhouse gas inventory standard to establish the greenhouse gas inventory mechanism. Starting from 2022, the Corporation has been conducting regular phased inventory of greenhouse gas emissions for both the parent company and consolidated subsidiaries annually. The implementation of assurance for the past two years is described as follows: 2023 The assurance scope includes YungShin Global Holding as well as Yung Shin Pharm.'s Ding-Dian Plant, Youth Plant, and Youth Second and Third Plants. Assurance institution: SGS Taiwan Assurance standard: ISO 14064-3:2019 reasonable assurance level Assurance opinion: revised opinion without reservation upon verification 2024 Information regarding greenhouse gas emissions is still being compiled. SGS Taiwan has been commissioned to conduct verification, which is expected to be completed before the end of 2025.

(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 plans to gradually complete greenhouse gas inventory for the Consolidated Corporation and its consolidated subsidiaries before 2025, and will determine the baseline year for greenhouse gas reduction based on the inventory results, then establish reduction targets, strategies and specific action plans.

(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
(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 Pharm. (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 7, 2024. 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. The 2024 integrity management implementation status is as follows: Supplier Commitment: Suppliers signed integrity commitment letters Educational Training: Corporate governance and integrity management training was provided to 105 people. Commitment: 100% of employees sign the Employee Integrity Pledge upon joining the Corporation. Directors sign the Statement of Compliance with Integrity Management Policy.	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	
			Advocacy: (1) Integrity and confidentiality responsibilities are communicated to employees. (2) Whistleblowing system: Reporting and grievance email: ysh@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
(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 No Deviation	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. Corporation 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.				
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.				

(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 2024

December 31, 2024

Title	Name	Organizer	Course Title	Training Hours	Remarks
President	Chih-Wei Chien	Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3	
		Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3	
Accounting Manager	Yu-I Li	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	Sales and Procurement Cycle Auditing Practical Workshop	6	
		Securities and Futures Institute	Introduction to Cybersecurity Infrastructure and Auditing Seminar for Listed Companies	6	
		Securities and Futures Institute	Discussion on the Establishment of Internal Control Systems for Sustainability Information Management	3	
Chief Corporate Governance Officer	I-Yun Wang	Digital Governance Association	2024 Corporate Governance Trend and Strategy	3	
		Taiwan Institute of Directors	Steering Corporate Intelligence Navigation - Corporate Governance Leading the Way Forward	3	
		Taiwan Institute of Directors	Enterprise Risk and Legal Compliance Risk Management Issues and Practical Sharing	3	
		Taiwan Institute of Directors	The Role of Directors and Compliance Strategies for Management Control Challenges under Corporate Governance 4.0	3	

(X) Status of Implementation of Internal Control System:

1. Statement of Internal Control System:

   The information has been officially announced on the Market Observation Post System (MOPS). Please visit the MOPS website > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement for further details. (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
2024 Shareholders' Meeting	2024.05.29	1. Approval of the 2023 Business Report and Financial Statements.	Announced as resolved by the Shareholders' Meeting.
		2. Approval of the 2023 Earnings Distribution Proposal, with cash dividend of NT$2.3 per share.	Cash dividends were paid on July 17, 2024.

2. Important Resolutions of the Board of Directors

Meeting Session/Date	Content of the Proposal and Resolution
16th Meeting of the 5th Board of Directors 2024.03.06	Report on the 2023 Board of Directors' performance evaluation, both internal and external. Approval of the Corporation's 2023 preliminary individual and consolidated financial statements. Approval of the evaluation of the Corporation's 2024 CPAs' independence and audit quality (AQI). Approval of the Corporation's 2024 Annual Shareholders' Meeting. Approval of the proposed amendments to certain provisions of the Corporation's "Rules of Procedure for Board of Directors Meetings." Approval of the proposed amendments to certain provisions of the Corporation's "Audit Committee Charter." Approval of the proposed establishment of "Procedures for Preparation and Assurance of Sustainability Reports."
17th Meeting of the 5th Board of Directors 2024.03.27	Approval of the Corporation's individual and consolidated financial statements for fiscal year 2023. Approval of the Corporation's 2023 Statement of Internal Control. Approval of the Corporation's 2023 Employee and Director Compensation Distribution Plan. Approval of the Corporation's 2023 annual earnings distribution.
18th Meeting of the 5th Board of Directors 2024.05.08	Approval of the Corporation's consolidated financial statements for the first quarter of fiscal year 2024. Approval of the proposal for the removal of the non-competition restrictions for Corporation's President. Approval of the Corporation's re-establishment of the "Sustainability Development Committee Charter."
19th Meeting of the 5th Board of Directors 2024.08.07	Approval of the consolidated financial report for the first half of 2024. Approval of the Corporation's 2024 "Directors, Supervisors, and Managers Liability Insurance" coverage. Approval of the Corporation's 2023 Sustainability Report. Approval of the appointment, compensation, and waiver of non-competition restrictions for the President of the Corporation. Approval of the compensation discussion for the Corporation's financial and accounting executives. Approval of adjustments to the Corporation's 2024 expense budget.

Meeting Session/Date	Content of the Proposal and Resolution
22nd Meeting of the 5th Board of Directors 2024.11.05	Approval of the consolidated financial report for the third quarter of 2024. Approval of the Corporation's audit plan for fiscal year 2025. Approval of the total loan amount proposal to financial institutions for the Corporation for fiscal year 2025. Approval of the appointment of CPAs for the Corporation and its subsidiaries. Approval of the proposed amendments to certain provisions of the "Authority Delegation Policy" of the Corporation. Approval of the proposed amendments to certain provisions of the "Corporate Governance Practice Principles" of the Corporation. Approval of the addition of the Corporation's "Sustainable Information Management Regulations." Approval of the proposal for amendment of certain provisions of the Corporation's "Internal Audit Regulations."
23rd Meeting of the 5th Board of Directors 2024.11.06	Approval of the Corporation's 2025 annual business plan and budget. Approval of the 2025 endorsement and guarantee amount for subsidiaries. Approval of the 2025 operating budgets and loan limits for each subsidiary.
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 Individual Financial Statements and Consolidated Financial Statements. Approval of the Corporation's 2024 Statement of Internal Control. Approval of the 2024 Earnings Distribution Plan. 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).

(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 of CPAs	Auditing Period	Audit Fee	Non-audit Fees	Total	Remarks
KPMG in Taiwan	Min-ju Chao Lily Lu	2024.01.01~ 2024.12.31	1,150	204	1,354	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. Replacement of CPAs: None.

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

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

Title	Name	2024		As of March 31, 2025	
		Increase (Decrease) in the Number of Shares Held	Increase (Decrease) in the Number of Shares Pledged	Increase (Decrease) in the Number of Shares Held	Increase (Decrease) in the Number of Shares Pledged
Chairman	Fang-Hsin Lee	(5,528,865)	(700,000)	-	-
Director	Ling-Chin Lee	-	(2,100,000)	-	-
Director	Fang-Yu Lee	(2,812,000)	-	-	-
Director	Fang-Chen Lee	-	(1,000,000)	-	-
Director	Meng-Be Lin	-	-	85,750	-
Director	Chi-Li Lee	-	-	-	-
Independent Director	Shih-Kuang Tsai	-	-	-	-
Independent Director	Kun-Xian Lin	-	-	-	-
Independent Director	Hong-I Chen	-	-	-	-
President	Chih-Wei Chien	-	-	-	-
Accounting Manager	Yu-I Li	-	-	-	-
Chief Corporate Governance Officer	I-Yun Wang	-	-	-	-

(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 30, 2025

Name	Shares Held by Shareholders		Shares Held by Spouse and Minor Children		Shares Held by Nominee Arrangement		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	Relationship	
Fang-Jen Lee	11,775,595	4.42%	2,000	0.00%	-	-	Pao-Chen Lin Ling-Chin Lee Ling-Fen Lee Fang-Yu Lee Fang-Chen Lee Fang-Hsin Lee	Mother and son Sister and younger brother Sister and younger brother Brothers Brothers Brothers	-
TienTe Lee Biomedical Foundation	11,572,487	4.34%	-	-	-	-	-	-	-
Ling-Chin Lee (Note)	10,401,368	3.90%	-	-	-	-	Ling-Fen Lee Fang-Yu Lee Fang-Chen Lee Fang-Jen Lee Fang-Hsin Lee	Sisters Sister and younger brother Sister and younger brother Sister and younger brother Sister and younger brother	-
Hsin Lin Chi Co., Ltd.	10,234,000	3.84%	-	-	-	-	Meng-Be Lin	Shares held through nominees	-
Ling-Fen Lee	8,875,768	3.33%	21,000	0.01%	-	-	Ling-Chin Lee Fang-Yu Lee Fang-Chen Lee Fang-Jen Lee Fang-Hsin Lee	Sisters Sister and younger brother 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	-
Meng-Be Lin	6,015,076	2.26%	2,140,000	0.80%	10,234,000	3.84%	Hsin Lin Chi Co., Ltd.	Shares held through nominees	-
Fang-Hsin Lee	5,731,967	2.15%	3,423	0.00%	5,528,865	2.08%	Pao-Chen Lin Ling-Chin Lee Ling-Fen Lee Fang-Yu Lee Fang-Chen Lee Fang-Jen Lee	Mother and son Sister and younger brother Sister and younger brother Brothers Brothers Brothers	-
Fang-Chen Lee	5,543,344	2.08%	369,322	0.14%	6,122,000	2.30%	Fuentes Investment Corporation- Corporation Ling-Chin Lee Ling-Fen Lee Fang-Yu Lee Fang-Jen Lee Fang-Hsin Lee	Shares held through nominees Mother and son Sister and younger brother Sister and younger brother Brothers Brothers Brothers	

Note: Add 4,000,000 shares under trust with discretion reserved, with a total of 14,401,368 shares (a shareholding ratio of 5.41%).

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

December 31, 2024; 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.	108,800,000	100%	-	-	108,800,000	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. (Note 2)	-	100%	-	-	-	100%
Yung Shin Company Limited (YHK) (Note 3)	7,720	96.5%	76	0.95%	7,796	97.45%
Angel Associates (Taiwan), Inc.	3,675	73.50%	621	12.42%	4,296	85.92%
Chemix Inc.	192	100%	-	-	192	100%
Vetnostrum Animal Health Co., Ltd.	36,563,975	55.12%	3,579,129	5.40%	40,143,104	60.52%
Yung Zip Chemical Ind. Co., Ltd. (YZC) (Note 4)	8,817,302	20.81%	1,384,537	3.27%	10,201,839	24.08%
YZP Oversea Investment Co., Ltd.	-	100%	-	-	-	100%
Taiwan Way Chein Industrial Co., Ltd.	6,650,000	70.00%	95,000	1.00%	6,745,000	71.00%

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.

Note2: In June 2022, the Corporation underwent a reorganization to adjust the Group's holding structure, whereby YSP International Company Limited purchased from LTC Holding Company Limited (formerly Yung Shin China Holding Company Limited) all of its shares in YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd., increasing its shareholding ratio from 91.93% to 100.00%.

Note3: In March 2022, the Corporation underwent a reorganization to adjust the Group's holding structure, whereby YSP International Company Limited purchased from LTC Holding Company Limited (formerly Yung Shin China Holding Company Limited) all of its shares in Yung Shin Company Limited (YHK).

Note4: On May 30, 2024, Yung Zip Chemical Ind. Co., Ltd. held a by-election for one director position. After this by-election, the Corporation obtained the majority of director seats and gained control over that company.

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	Shares 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 30, 2025

Name of Major Shareholders \ Shares	Number of Shares Held	Shareholding Ratio
Fang-Jen Lee	11,775,595	4.42%
TienTe Lee Biomedical Foundation	11,572,487	4.34%
Ling-Chin Lee (Note)	10,401,368	3.90%
Hsin Lin Chi Co., Ltd.	10,234,000	3.84%
Ling-Fen Lee	8,875,768	3.33%
Pao-Chen Lin	7,910,681	2.97%
Fuentes Investment Corporation	6,122,000	2.30%
Meng-Be Lin	6,015,076	2.26%
Fang-Hsin Lee	5,731,967	2.15%
Fang-Chen Lee	5,543,344	2.08%

Note: Add 4,000,000 shares under trust with discretion reserved, with a total of 14,401,368 shares (a shareholding ratio of 5.41%).

(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 28, 2025 to propose the distribution of shareholders' dividends for 2024. The dividends shall be distributed as cash dividend of totaling NT$3.0 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 and Supervisors. However, when the Corporation still has accumulated losses, the amount to cover such losses shall be reserved in advance. 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.

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 2024 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$3,790,372 and directors' compensation is NT$25,269,148. 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				
	2024.05.29 Shareholders' Meeting Resolution on Distribution	2024.03.27 Board of Directors' Approved Proposed Distribution	2024 Actual Cash Distribution Amount	Discrepancy	Cause of Discrepancy
1. Remuneration for employees	NT$2,695,295	NT$2,695,295	NT$1,996,550	NT$698,745	(Note)
2. Remuneration for Directors and Supervisors	NT$17,968,634	NT$17,968,634	NT$17,968,634	NT$ -	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	3,554,889	71.46%
Cosmetics	15,135	0.30%
Health food	550,519	11.07%
Product distribution	263,526	5.30%
OEM products	506,085	10.17%
Others	84,474	1.70%
Total	4,974,628	100.00%

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

A. There are totally 757 licenses

a.	Pharmaceuticals for human consumption (including 12 permits for contracted production by other factories and 2 permits for drug import)	650 permits
b.	Medical equipment	5 permits
c.	Active pharmaceutical ingredients	28 permits
d.	Health food	2 permits
e.	Capsule and pill food	46 permits
f.	Food import	6 permits
g.	Subsidies for feed	14 permits
h.	Food additives	6 permits

B. Totally 26 OEM licenses

a.	Pharmaceuticals for human consumption	25 permits
b.	Health food	1 permits

C. Other products (no license required): 224 kinds

a.	Cosmetics	42 types
b.	Traded cosmetics	1 types
c.	Food	160 types
d.	Traded food	16 types
e.	Raw materials	5 types

※ The quantity listed above does not include masks, Omni-Skin, Food Solids, Hoba Blue, quick screening test, wet wipes

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	2023		2024	
	Revenue	Weight (%)	Revenue	Weight (%)
Trading of preparations	2,238,206	68%	3,653,716	80%
Trading of raw materials	1,049,398	32%	890,009	20%
Total	3,287,604	100%	4,543,725	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$373.3 billion, maintaining it as the top 1 market, mainland China's drug market size is about US$1,4037 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 2020 to 2025 may yet reach 9%.

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 reach 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, by May 2018, ten 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 2024, Taiwan's drug market will reach NT$241.0 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 2019-2024 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.

In 2019, the output value of Western medicine preparations in Taiwan was NT$47.61 billion, up 7.2% compared with 2018, but still lower than the overall growth rate of Taiwan's pharmaceutical industry of 7.6%, with a CAGR of 4.7% from 2015 to 2019. Taiwan's current western medicine preparations are mainly generic drugs and mainly sold in the Taiwan market, only a small number of them are exported, but in the policy context of lowering the drug price of the Taiwan government, the growth of generic drug market has been blocked in Taiwan, so the Taiwanese western medicine preparation manufacturers have been actively expanding overseas market in recent years in order to increase sales and expand market, and achieved sharp growth in export in 2019, making the output value growth rate of western medicine preparation show a three-year high. Most of the new ingredients for new drugs in Taiwan rely on imports from major pharmaceutical companies in Europe and the United States. In response to the aging population and progress in new treatment methods, the price of new drugs has increased significantly due to the rising cost of research and development expenses. These trends have caused the output to maintain a two-digit growth. Most of Taiwan’s new drug components rely on imports from major European and American pharmaceutical companies. Due to population aging and advances in treatment methods, the pricing of new drugs has increased substantially because of rising R&D costs, maintaining double-digit import growth in terms of production value.

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.

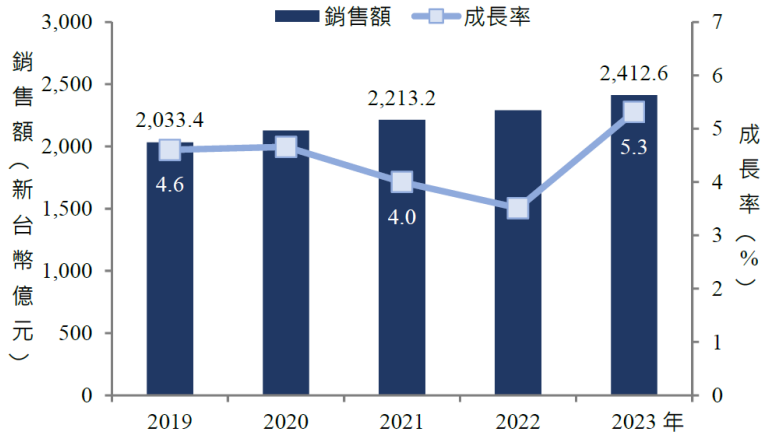
Today, related domestic manufacturers of biopharmaceuticals, vaccines, and biosimilars have achieved growth. They have obtained drug permits for vaccine products in multiple countries, and they have been sold in domestic and export markets. The biopharmaceutical industry has entered a commercialization 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$1.0 trillion in 2012 to NT$1.7 trillion in 2022. Per capita healthcare expenditure also increased from NT$43,000 in 2012 to NT$73,000 in 2022. The continuously increasing domestic medical expenditure is a key driver for the sustained growth of Taiwan's pharmaceutical market. Due to emerging therapies, new drug launches, and an aging population, Taiwan's National Health Insurance budget has increased year by year. Although 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, the pharmaceutical market in Taiwan shows a continuous growth trend due to expanding healthcare demands and the inclusion of multiple expensive cancer drugs and rare disease medications in health insurance coverage.

In 2023, Taiwan's pharmaceutical market reached NT$241.26 billion, a 5.3% increase from 2022. The CAGR from 2019 to 2023 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（2024.08）

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. According to analysis by the ITIS Research Team of DCB's Industry Information Department based on IQVIA Taiwan pharmaceutical sales data, Taiwan's generic drug sales (including sales of off-patent original drugs) in 2023 were NT$112.17 billion, accounting for approximately 46.5% of the overall Taiwan pharmaceutical market, growing 2.4% compared to 2022, with a CAGR of 1.3% from 2019 to 2023. 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.

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; %

Item \ Year	2023	2024
R&D expenditure (NT$1,000)	329,818	387,454
Percentage of revenue (%)	4.69%	4.82%

Data source: 2024 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; %

Item \ Year	2023	2024
R&D expenditure (NT$1,000)	302,851	336,489
Percentage of revenue (%)	6.40%	6.76%

(2) Technologies or products developed successfully:

A. Active pharmaceutical ingredients (APIs) for breast cancer, non-small cell lung cancer, prostate cancer, gastric adenocarcinoma, and head and neck cancer - expansion of manufacturing facility and process optimization validation batches completed.
B. Collagen-stimulating dermal filler raw material for medical devices - production batch manufacturing completed.
C. APIs for advanced ovarian cancer and breast cancer with axillary lymph node metastasis - process optimization, commercial-scale trial production and validation batches completed.
D. APIs for treatment of hormone-refractory metastatic prostate cancer - original crystal form development and commercial-scale trial production completed.
E. Novel mechanism APIs for treatment of gastroduodenal ulcers and gastroesophageal reflux disease - commercial-scale trial production completed.
F. Osteoporosis injection "YungShin Injection 5mg/100ml" obtained Taiwan drug license.
G. Antidepressant "Brintellix Capsule 20mg" obtained Taiwan drug license.
H. Urinary tract medication "Vesikur Film-Coated Tablet 20mg" obtained Taiwan drug license.
I. Medical device collagen-stimulating agent - commercial-scale trial production completed.

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, and 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) is a crucial element for the survival and development of generic drug manufacturers. YungShin Group had invested in R&D and production of APIs since the early stage of its development. Now, it has API R&D and production bases in both Taiwan Province and Mainland China and will continue to increase its API varieties and capacity expansion by means of cooperation, investment, merger, and acquisition.

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.

(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 Pharm.'s main products account for 91.5% of individual operating income from domestic sales, while exports represent 8.5%. 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 3.5% from 2024 to 2028.

(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 Corporation 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 Corporation'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 2023, foreign pharmaceutical companies had total sales of NT$196.4 billion, while domestic pharmaceutical companies had total sales of NT$44.8 billion, with domestic manufacturers holding only 18.6% market share.

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	50,895	1.1%
Domestic sales	4,492,830	98.9%
Total	4,543,725	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, 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-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, we have initiated expansion plans and export deployment strategies to systematically increase production capacity and develop export opportunities.

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.:

The raw material market in 2024 continued to be influenced by multiple factors. Although the impact of the pandemic has weakened, geopolitical tensions, extreme weather events, inflation, the Russia-Ukraine war, and attacks on Red Sea shipping routes affecting Europe-Asia transportation have caused supply chain variations and price fluctuations, impacting market stability. In response to market changes, the Corporation has adopted procurement policies with medium to long-term orders, while flexibly adjusting procurement strategies to respond to inventory and market changes, ensuring stable supply through advance purchasing or increased inventory. The procurement department also actively maintains communication with suppliers and continuously monitors market dynamics to reduce the impact of external factors.

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

	2023				2024				For the Fiscal Year 2025 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	-	-	-	-	-	-	-	-	SLC300131Co,. Ltd.	5,439	10.3%	None
	Net purchases	-	-		Net purchases	-	-		Net purchases	53,028	-	-

(2) Names of the customers accounting for more than 10% of total purchases 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

	2023				2024				For the Fiscal Year 2025 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	1,336,011	54.7%	None	Company A	1,783,638	60.0%	None	Company A	376,325	47.5	None
2	Company B	254,402	10.4%	None	Company B	228,919	7.7%	None	Company B	116,360	14.7	None
	Net purchases	2,471,221	100%		Net purchases	2,970,458	100%		Net purchases	791,822	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

	2023				2024				For the Fiscal Year 2025 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	455,371	13.9%	None	Company A	725,564	16.6%	None	Company A	205,780	18.9%	None
2	Company B	332,178	10.1%	None	Company B	498,612	11.0%	None	Company B	111,805	10.2%	None
	Net sales	3,287,604	100%		Net sales	4,543,725	100%		Net sales	1,094,456	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		2023	2024	Current Fiscal Year up to March 31, 2025
Number of Employees		11	11	12
Average Age		42.8	43.55	43.75
Average Work Tenure		2.9	3.9	4.2
Education Distribution Ratio	PhD	0%	0%	0%
	Masters	36.4%	36.4%	33.3%
	University / College	54.5%	54.5%	58.3%
	Senior High School	9.1%	9.1%	8.3%

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

Year		2023	2024	Current Fiscal Year up to March 31, 2025
Number of Employees	Production Personnel	638	628	618
	R&D Personnel	140	135	134
	Sales Personnel	355	351	347
	Administrative Personnel	153	137	133
	Total	1,286	1,251	1,232
Average Age		41.5	41.5	42.5
Average Work Tenure		13.6	14.5	14.6
Education Distribution Ratio	PhD	1.1%	1.0%	0.9%
	Masters	15.1%	15.3%	15.4%
	University / College	58.5%	58.5%	58.9%
	Senior High School	22.3%	22.1%	21.9%
	Below High School	3.0%	3.1%	2.9%

(III) Chemix Inc.:

Year		2023	2024	Current Fiscal Year up to March 31, 2025
Number of Employees		67	70	69
Average Age		49.1	50.1	50.9
Average Work Tenure		7.6	8.7	8.1
Education Distribution Ratio	PhD	4.5%	4.3%	4.3%
	Masters	25.4%	25.7%	24.6%
	University / College	49.1%	52.9%	55.1%
	Senior High School	20.9%	17.1%	15.9%

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 Corporation 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:

Item \ Year	2023	2024	Current Fiscal Year up to March 31, 2025
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
Other 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 Corporation regularly assigns doctors of the plants to provide in-house labor health services.

(5) Contracting safety management

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

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

C. The Corporation 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.

2. 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 Company 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 2024

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$111 thousand	60 people	30.3hrs/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 security 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:

Hierarchy of Impact / Classification of Abnormal Information and Communication Incidents		Nature	Low	Medium	High
Abnormal Information and Communication Incident 1	Internal hazards: Suspected incidents such as artificial malicious destruction and damage, careless operation and other incidents.	Confidentiality	The Corporation's non-confidential data is leaked.	The Corporation's sensitive data is leaked.	The Corporation's confidential data is leaked.
Abnormal Information and Communication Incident 2	External intrusion incidents: Suspected computer virus infection incidents, etc.	Integrity	The Corporation's non-core business and confidential data is tampered with.	The Corporation's core business systems or data is slightly tampered with.	The Corporation's core business systems or data is seriously tampered with.
Abnormal Information and Communication Incident 3	Natural disasters: Typhoons, floods, earthquakes, etc.	Availability	The operation of the Corporation's non-confidential systems or data is affected or temporarily suspended.	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.	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.
Abnormal Information and Communication Incident 4	Emergencies: Fires, explosions, major building disasters, and interruption of the backbone of the information network system (backbone broadband)., etc.				
Abnormal Information and Communication Incident 5	Device fault events: For example, a host device fault.				

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 not yet 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 Technology Security Management in 2024

(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.

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

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

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

(8) 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.

(9) 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.

(10) 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	Forward Asset Management 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.	2010/12/15-9999/12/31	OEM contract	None
	Taiwan Liposome Co., Ltd.	2021/06/28-2033/06/27	OEM contract	None
Commissioned research	Mithra Biotechnology Inc.	2024/03/15~2025/03/14	Commissioned bioequivalence tests	None
	Novotech Laboratory Services (Taiwan) Co., Ltd.	2024/03/29~2024/12/31	Commissioned bioequivalence tests	None
	Rosetta Pharmamate	2024/05/31~2025/05/30	Commissioned bioequivalence tests	None
	National Taiwan University	2024/06/01~2026/05/31	Commissioned to conduct animal efficacy testing	None
	Master Laboratory Co., Ltd.	2024/09/01~2025/12/31	Commissioned to conduct animal efficacy testing	None
	China Medical University	2024/11/01~2025/10/31	Commissioned to conduct human clinical trials.	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.	2016/07/07~9999/12/31	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	2016/09/02~ automatic renewal each year	Short-term loan contract	None
Borrowing of loan funds	Japan Finance Corporation	2008/12/29~2025/03/20	Long-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	2023	2024	Discrepancy	
			Amount	%
Current assets	6,441,928	7,375,437	933,509	14.49
Property, plant and equipment	3,537,720	4,837,382	1,299,662	36.74
Intangible assets	8,547	8,547	-	-
Other assets	1,524,239	1,576,776	52,537	3.45
Total assets	11,512,434	13,798,142	2,285,708	19.85
Total liabilities	3,597,471	3,821,770	224,299	6.23
Capital	2,664,230	2,664,230	-	-
Capital surplus	2,339,474	2,335,401	(4,073)	(0.17)
Retained earnings	2,690,452	3,256,061	565,609	21.02
Other adjustment items	220,807	1,720,680	1,499,873	679.27
Total shareholders' equity	7,914,963	9,976,372	2,061,409	26.04

Analysis Description:

1. The increase in total assets is mainly due to the addition of consolidated entities.
2. The increase in total liabilities is mainly due to the addition of consolidated entities.
3. Retained earnings increased mainly due to the increase in net income after tax.
4. Other adjustment items increased mainly due to the addition of consolidated entities.

II. Financial Performance:

Comparative Analysis Table of Financial Performance

Unit: NT$1,000

Item \ Year	2023	2024	Amount of increase or decrease	Ratio of change (%)
Revenue	7,027,937	8,031,903	1,003,966	14.29
Operating costs	(4,050,624)	(4,512,958)	(462,334)	11.41
Gross profit	2,977,313	3,518,945	541,632	18.19
Operating expenses	(2,047,700)	(2,227,545)	(179,845)	8.78
Operating income	929,613	1,291,400	361,787	38.92
Non-operating income and expenses	207,872	332,468	124,596	59.94
Net income before tax from continuing operations	1,137,485	1,623,868	486,383	42.76
Income tax expense	(266,314)	(354,424)	(88,110)	33.09
Net profit for the current period	871,171	1,269,444	398,273	45.72

Analysis of Percentage Changes:

1. Current period operating revenue increased by NT$1,003,966 thousand, growing 14.29%, while operating expenses increased by NT$179,845 thousand, growing 8.78%;
   As a result, operating income increased by NT$361,787 thousand, growing 38.92%.
2. Non-operating income increased by NT$124,596 thousand, growing 59.94%, mainly due to the addition of consolidated entities recognizing remeasurement gains and foreign exchange gains.

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
1,834,235	1,168,260	969,649	2,032,846	-	-

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:

The Group continues to position itself globally with new product launches and the management and optimization of its investment businesses. The Group strives to develop international markets by grasping market opportunities in various regions and integrating the resources of each of its investment businesses, and aims to maximize corporate value through the division of labor in the marketplace and the vertical integration of upstream, midstream and downstream industry chains.

(II) Reasons for Profit or Loss:

The Corporation's investment is a proprietary business, and the main revenue is the operating profit or loss recognized from each investment business. In 2024, the investment income recognized was NT$1,204,453 thousand. During the year under review, the supply and price of raw materials fluctuated significantly due to the unsealing of new coronavirus in various countries and the continued focus on environmental protection issues. In the face of the severe changes in the operating environment, the Group has continued to optimize its business structure and enhance its competitiveness by adhering to the strategy of making rapid adjustments in response to the rapid changes in various markets. In recent years, the Group has continued to promote the revitalization of the Group's assets, in addition to the sale of its pharmaceutical manufacturing plants in China and the preparation for the entry into the capital market of its animal pharmaceutical business in Taiwan, in order to continue to improve the Group's financial position and to lay a solid foundation for its future development.

(III) Improvement plan:

For reinvested businesses whose operating results are not as expected, the Group has adjusted its operating strategy to increase, decrease or consolidate the business in accordance with changes in the environment and the Group's development objectives, as well as integrating the Group's resources to support and share, and dynamically adjusting the Group's investment in order to prune and trim and to optimize the Group's investment in the business.

(IV) Other future investment plans:

"Stable supply, reliable quality, and competitive cost" of APIs is the key to winning the competition in the major pharmaceutical market, and whether or not the end market can be effectively grasped is the key to the long-term development of the enterprise. The Group focuses on the integration and development of the value chain of the pharmaceutical and healthcare industries. Integrating the R&D, production and supply of APIs in the upstream of the industry, and expanding sales channels in major markets in the downstream, will be the direction of the Group's future investments.

VI. Risk Factor Analysis and Assessment

(I) Impact of interest rates, exchange rate changes, and inflation on the Corporation profit or loss and future measures:
The Corporation's current capital position is not high, and the impact of interest rates, exchange rate changes, and inflation on the Corporation's profit or loss is not significant. If there is a need to obtain financing from the financial market, the Corporation will seek preferential interest rates in order to reduce costs. In response to changes in foreign exchange rates, other held companies adopt natural hedge to control the level of foreign-currency funds or enter into forward exchange contracts with banks to cope with the risk of exchange rate fluctuations. Inflation has no significant impact on the Corporation and the Group.

(II) Policies for engaging in high-risk, highly leveraged investments, loans to others, endorsement and guarantee, and derivative transactions, the main reasons for profits or losses, and future measures:
1. The Corporation operates under the principle of prudence and does not engage in high-risk, highly leveraged investments.
2. The Corporation has established the "Procedures for Loans and Endorsements and Guarantees" in accordance with the regulations of the competent authorities. The Corporation assesses the risks of loans and endorsements and guarantees at any time and handles them in accordance with the relevant procedures in order to protect the interests of shareholders and minimize the risks of operations.
3. Derivative transactions are handled in accordance with the "Procedures for Acquisition or Disposal of Assets" established by the Corporation.

(III) Future research and development plans and estimated investment in research and development expenses: None. The Corporation's major operating projects are general investments and there is no demand for research and development yet.

(IV) Impact of significant domestic and foreign policy and legal changes on the Corporation's financial operations and the measures to address such impact:
1. Domestic: The planned reduction of drug prices by the Health Insurance Bureau may have an adverse impact on the sales of domestic health insurance drugs, but the impact will vary from year to year depending on the situation. The Group has been actively expanding the domestic non-health insurance market and export sales to minimize the impact of the reduction of domestic health insurance drug prices.
2. Mainland China: The National Development and Reform Commission's policy of reducing the prices of drugs in the Basic List and centralized purchasing of drugs has been implemented, however, the overall market in Mainland China has continued to grow, and the investment business is still able to grow steadily.
3. U.S. region: In 2018, the U.S. government changed the supply model to allow U.S. manufacturers to use raw materials from non-TAA countries to produce products for use in government labels, which will provide better business opportunities for local manufacturing investments.

(V) Impact of technological changes (including information security risks) and industry changes on the Corporation's financial operations and countermeasures: Regular meetings of the Strategy Committee and cross-company functional liaison meetings have been held to conduct regular meetings and implementation tracking of cross-company platforms for crisis management, opportunity sharing, and resource maximization.

(VI) Impact of Corporate Image Change on Corporate Crisis Management and Response Measures:

When Group was first established, the founder of had the corporate mission of "Providing the best medicines to enhance human health". Through the establishment of the YungShing Sports Park to provide a fitness and exercise area for the general public, the establishment of the Yungshing Social Welfare Foundation to actively participate in charitable relief efforts, and the hosting of the Yungshing Cup Volleyball Tournament every year, which is the largest of its kind in the country, Yungshing has long established its corporate image as a company that safeguards the health of the nation.

In recent years, the Group has established the Yung Shin Elderly Nursing Home to provide a professional, delicate and comfortable care environment for the elderly in view of the social problems of elderly care. In order to raise the awareness of health knowledge among the people of China and to encourage professionals to conduct research in biotechnology and pharmaceutical sciences through the promotion of related biotechnology and pharmaceutical academic activities, TienTe Li Biomedical Foundation was established to provide a variety of awards and promotional activities.

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

(VII) The expected benefits, possible risks and countermeasures of the merger and acquisition:
The Corporation formulates and revises rules and regulations, as well as standard operating procedures (SOPs) for internal control, such as evaluation, investment, management, etc., in order to estimate the expected benefits of mergers and acquisitions and to control possible risks and countermeasures.

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

(IX) Risks of concentration of imports and exports and measures to address such risks: None.

(X) Impact on the Corporation of a substantial transfer or replacement of shareholdings by directors, supervisors or major shareholders holding more than 10% of the Corporation's shares, risks and countermeasures: No substantial transfer or replacement of shareholdings.

(XI) Impacts, risks, and countermeasures on the Corporation due to changes in business ownership: None.

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

(XIII) Other significant risks and countermeasures: None.

(XIV) In order to continuously strengthen the management of information security, the Corporation plans and strengthens management measures for various information risks, such as device management, hardware protection, endpoint protection, application system security monitoring, Internet access and mobile security, etc., to protect the best interests of customers and stakeholders.

VII. Other Important Tasks: None

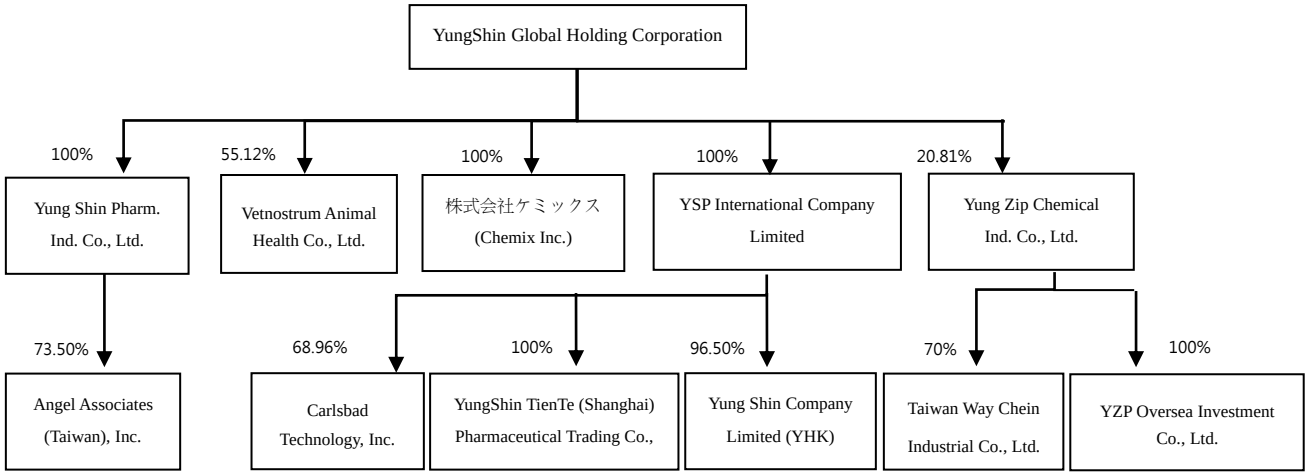
Chapter 6 Special Records

I. Information on Affiliated Enterprises

(I) Consolidated Business Report of Affiliated Enterprises:

1. Organization Chart of Affiliated Enterprises

March 31, 2025



Note1: At the shareholders' meeting on May 30, 2024, Yung Zip Chemical approved the by-election of one director, with the Corporation's institutional director being elected. The Corporation's institutional director serves concurrently as directors of the Corporation and Yung Zip Chemical for a total of five seats. Yung Zip Chemical and its subsidiaries (Taiwan Way Chein and YZP Oversea) are included as affiliated enterprises of the Corporation.

2. Basic information of each affiliated enterprise

Name	Date of Establishment	Address	Paid-in Capital	Major Lines of Business or Products
Yung Shin Pharm. Ind. Co., Ltd.	1965.08.26	No. 1191, Sec. 1, Zhongshan Road, Dajia District, Taichung City	NTD 1,088,000,000	Manufacturing and sale of medicine and cosmetics
YSP International Company Limited	2001.06.28	Portcullis TrustNet Chambers, 4th Floor Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110(P.O. Box 3444)	USD 22,973,647	Trade, investment, and other related businesses
Carlsbad Technology, Inc.	1990.12.07	5922 Farnsworth Court Suite 101, Carlsbad, CA 92008 U.S.A.	USD 11,276,039	Manufacturing and sale of medicine
YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd.	1994.12.01	Room 708-709, Tomson Financial Building, 710 Dongfang Road, Pudong New Area, Shanghai , CHINA	USD 4,000,000	International trade, trade between companies in the bonded areas, and trade agency in the bonded areas: Warehousing and simple commercial processing in the bonded areas
Yung Shin Company Limited (YHK)	1985.06.07	Units 3, 5 and 6, 11/F Twr 1, Ever Gain Plaza, 88 Container Port Rd., Kwai Chung, New Territories, Hong Kong	HKD 8,000,000	Sale of medicine
Angel Associates (Taiwan), Inc.	1974.02.08	12F, No. 181, Section 3, Minsheng East Road, Taipei City	NTD 5,000,000	Import and export trading
Chemix Inc.	1987.11.13	6F, YS Bldg., 2-5-10, Shinyokohama Kohoku-ku, Yokohama, Japan	JPY 10,000,000	Sale of medicine
Vetnostrum Animal Health Co., Ltd.	2012.05.09	No. 290-3, Chung Lun, Chung Lun Village, Hsinfeng, Hsinchu County	NTD 663,390,000	Manufacturing and sale of medicine for animals
Yung Zip Chemical Ind. Co., Ltd. (Note)	1978.06.08	No. 59, Youshi Rd., Dajia Dist., Taichung City	NTD 423,734,430	Development, manufacturing, and trading business of active pharmaceutical ingredients, intermediates, and special/fine chemicals contract manufacturing services
Taiwan Way Chein Industrial Co., Ltd. (Note)	1999.11.26	No. 6, Gong 7th Rd., Youshi Industrial Park, Dajia Dist., Taichung City	NTD 95,000,000	Manufacturing of food additives, flour milling, manufacturing of condiments, international trade, and management and investment in related businesses
YZP Oversea Investment Co., Ltd. (Note)	2000.05.24	British Virgin Islands	USD 159,061	Trade, investment, and other related businesses

Note: At the shareholders' meeting on May 30, 2024, Yung Zip Chemical approved the by-election of one director, with the Corporation's institutional director being elected. The Corporation's institutional director serves concurrently as directors of the Corporation and Yung Zip Chemical for a total of five seats. Yung Zip Chemical and its subsidiaries (Taiwan Way Chein and YZP OVERSEA) are included as affiliated enterprises of the Corporation.

3. Information on Directors, Supervisors, and Presidents of Affiliated Companies:

March 31, 2025

Name	Title	Name or Representative	Shareholding	
			Number of Shares	Shareholding Ratio
Yung Shin Pharm. Ind. Co., Ltd.	Chairman/Director	YungShin Global Holding Corporation Representative: Chi-Li Lee	108,800,000	100%
	Director	YungShin Global Holding Corporation Representative: Fang-Yu Lee		
	Director	YungShin Global Holding Corporation Representative: Ling-Chin Lee		
	Director	YungShin Global Holding Corporation Representative: Fang-Hsin Lee		
	Director	YungShin Global Holding Corporation Representative: Meng-Be Lin		
	Director	YungShin Global Holding Corporation Representative: Chi-Ming Liang		
	Independent Director	YungShin Global Holding Corporation Representative: Shih-Kuang Tsai		
	Independent Director	YungShin Global Holding Corporation Representative: Shu-Jung Wang		
	Independent Director	YungShin Global Holding Corporation Representative: Hung-I Chen		
	President	Ying-Chi Tsai		
YSP International Company Limited	Chairman/Director	YungShin Global Holding Corporation Representative: Fang-Hsin Lee	10,000	100%
	Director	YungShin Global Holding Corporation Representative: Fang-Yu Lee		
	Director	YungShin Global Holding Corporation Representative: Ling-Chin Lee		
	Director	YungShin Global Holding Corporation Representative: Meng-Be Lin		
	Director	YungShin Global Holding Corporation Representative: Chi-Li Lee		
Carlsbad Technology, Inc.	Chairman/Director	YSP International Company Limited, Representative: Chih-Wei Chien	7,703,785	68.96%
	Director	YSP International Company Limited, Representative: Fang-Hsin Lee		
	Director	YSP International Company Limited, Representative: Fang-Yu Lee		
	Director	YSP International Company Limited, Representative: Meng-Be Lin		
	Director	YSP International Company Limited, Representative: Chi-Li Lee		
	Director	YSP International Company Limited, Representative: Wei-Kai Chung		
	President	Chih-Wei Chien		
YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd.	Chairman/Director	YSP International Company Limited, Representative: Shao-Wei Chou	-	100%
	Director	YSP International Company Limited, Representative: Fang-Yu Lee		
	Director	YSP International Company Limited, Representative: Fang-Hsin Lee		
	Director	YSP International Company Limited, Representative: Meng-Be Lin		
	Director	YSP International Company Limited, Representative: Chi-Li Lee		
	Supervisor	YSP International Company Limited, Representative: Ling-Chin Lee		
	President	Chih-Chien Liu		

Name	Title	Name or Representative	Shareholding	
			Number of Shares	Shareholding Ratio
Angel Associates (Taiwan), Inc.	Chairman/Director	Yung Shin Pharm. Ind. Co. Ltd.. Representative: Chi-Pin Chen	3,675	73.5%
	Director	Yung Shin Pharm. Ind. Co. Ltd.. Representative: Ling-Chin Lee		
	Director	Yung Shin Pharm. Ind. Co. Ltd.. Representative: Fang-Yu Lee		
	Director	Yung Shin Pharm. Ind. Co. Ltd.. Representative: Wei-Chen Tang		
	Director	Yung Shin Pharm. Ind. Co. Ltd.. Representative: Hsiu-Li Wu		
	Supervisor	Ying-Chi Tsai		
Yung Shin Company Limited (YHK)	Chairman/Director	YSP International Company Limited, Representative: Chih-Wei Chien	7,720	96.50%
	Director	YSP International Company Limited, Representative: Fang-Yu Lee		
	Director	YSP International Company Limited, Representative: Fang-Hsin Lee		
	Director	YSP International Company Limited, Representative: Meng-Be Lin		
	Director	YSP International Company Limited, Representative: Chi-Li Lee		
	Supervisor	YSP International Company Limited, Representative: Ling-Chin Lee		
	President	Chih-Wei Chien		
Chemix Inc.	Chairman/Director	YungShin Global Holding Corporation Representative: Fang-Yu Lee	192	100%
	Director	YungShin Global Holding Corporation Representative: Chi-Li Lee		
	Director	YungShin Global Holding Corporation Representative: Wei-Kai Chung		
	Director	YungShin Global Holding Corporation Representative: Shao-Wei Chou		
	Director	YungShin Global Holding Corporation Representative: Sheng-Hui Lee		
	Director	YungShin Global Holding Corporation Representative: Toshiya Tsunoda		
	Supervisor	YungShin Global Holding Corporation Representative: Fang-Hsin Lee		
	President	Shao-Wei Chou		
Vetnostrum Animal Health Co., Ltd.	Chairman/Director	YungShin Global Holding Corporation Representative: Wei-Kai Chung	36,563,975	55.12%
	Director	YungShin Global Holding Corporation Representative: Fang-Yu Lee		
	Director	YungShin Global Holding Corporation Representative: Fang-Hsin Lee		
	Director	YungShin Global Holding Corporation Representative: Meng-Be Lin		
	Director	Jun-Wei Lin		
	Independent Director	Bao-Zhu Lo		
	Independent Director	Pan-Jiang Yang		
	Independent Director	Shu-Hui Lee		
	Independent Director	Chi-Ming Wang		
	President	Wei-Kai Chung		

Name	Title	Name or Representative	Shareholding	
			Number of Shares	Shareholding Ratio
Yung Zip Chemical Ind. Co., Ltd.	Chairman/Director	YungShin Global Holding Corporation Representative: Ching-Huang Lin	42,373,443	20.81%
	Director	YungShin Global Holding Corporation Representative: Fang-Yu Lee		
	Director	YungShin Global Holding Corporation Representative: Fang-Hsin Lee		
	Director	Fang-Chen Lee		
	Director	Chi-Li Lee		
	Director	Hung-Wen Chiang		
	Independent Director	Yang-Tsung Tsai		
	Independent Director	Tzu-Sheng Wu		
	President	Ching-Huang Lin		
Taiwan Way Chein Industrial Co., Ltd.	Chairman/Director	Chi-Li Lee	9,500,000	70%
	Director	Yung Zip Chemical Ind. Co., Ltd. Representative: Fang-Chen Lee		
	Director	Yung Zip Chemical Ind. Co., Ltd. Representative: Tsung-Pen Chang		
	Director	Yung Zip Chemical Ind. Co., Ltd. Representative: Hung-Wen Chiang		
	Director	I-Hsien Lee		
	Supervisor	Chang-An Wen		
	Supervisor	Yen-Tao Wu		
	President	Ching-Huang Lin		
YZP Oversea Investment Co., Ltd.	Chairman/Director	Chi-Li Lee	159,061	100%

4. Status of operations of affiliated companies (2024)

Unit: NT$1,000

Name	Capital	Total Assets	Total Liabilities	Net Value	Revenue	Operating Profit	Gain (loss) During this period (After Tax)	Earnings per Share (NT$) (After Tax)
Yung Shin Pharm. Ind. Co., Ltd.	1,088,000	6,231,104	2,154,467	4,076,637	4,974,628	843,626	691,001	6.35
Ysp International Company Limited	667,496	1,846,029	-	1,846,029	-	-	167,092	16,709.20
Carlsbad Technology, Inc.	370,480	698,333	204,451	493,882	733,041	113,547	94,763	8.48
YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd.	121,120	96,985	4,905	92,080	87,308	(2,034)	440	-
Yung Shin Company Limited (YHK)	31,178	79,512	21,313	58,199	44,505	3,450	3,793	474.13
Angel Associates (Taiwan), Inc.	5,000	18,474	5,337	13,137	7,532	2,058	1,879	375.80
Chemix Inc.	3,071	789,039	351,676	437,363	954,941	211,361	139,160	724,791.67
Vetnostrum Animal Health Co., Ltd.	663,390	1,438,344	307,854	1,130,490	1,294,112	170,733	136,619	2.06
Yung Zip Chemical Ind. Co., Ltd. (Note)	423,734	835,586	171,215	664,371	488,199	38,520	64,605	1.52
Taiwan Waychein Industrial Co., Ltd. (Note)	95,000	156,811	47,894	108,917	96,537	21,478	17,038	0.18
YZP Oversea Investment Co., Ltd.(Note)	4,658	92,643	-	92,643	-	(118)	5,103	32.08

Note: At the shareholders' meeting on May 30, 2024, Yung Zip Chemical approved the by-election of one director, with the Corporation's institutional director being elected. The Corporation's institutional director serves concurrently as directors of the Corporation and Yung Zip Chemical for a total of five seats. Yung Zip Chemical and its subsidiaries (Taiwan Way Chein and YZP Oversea) are included as affiliated enterprises of the Corporation.

5. The Shareholders in Common of Companies Presumed to have a Relationship of Control and Subordination: None.

6. Businesses covered by the affiliated companies' overall operations:

The businesses operated by the Corporation and its affiliated companies include: Pharmaceutical manufacturing and sales, import and export, cosmetics, food, medical equipment, and biotechnology services.

(II) Consolidated Financial Statements of Affiliated Companies:

REPRESENTATION LETTER

The Group's financial year 2024 (from January 1 to December 31, 2024) requires the preparation of consolidated financial statements for affiliated companies in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission. The same applies to the companies for which consolidated financial statements and subsidiary companies are prepared. Furthermore, the relevant information disclosed in the consolidated financial statements of affiliated enterprises has been disclosed in the aforementioned parent and subsidiary companies' consolidated financial statements; hence, separate preparation of consolidated financial statements for affiliated enterprises is not required.

Hereby declare.

YungShin Global Holding Corporation

Chairman: Fang-Hsin Lee

March 28, 2025

(III) Affiliation Reports: Not applicable.

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

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

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