生華生物科技
SENHWA BIOSCIENCES

Stock Code: 6492

Senhwa Biosciences, Inc.

2024 Annual Report

Bringing Hope to Life

Publication Date: April 30, 2025
Annual Report is disclosed at: https://www.senhwabio.com
FSC Information Reporting Website: https://mops.twse.com.tw

Notice to readers: This English-version annual report is a summary translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

I. Name, title, contact number, and email of the Company's spokesperson and deputy spokesperson:

(I) Spokesperson:

Name: Sarah Chang	Contact number:(02)8911-9856
Title: Executive Vice President & Chief Financial Officer	Email: sarahchang@senhwabio.com

(II) Deputy Spokesperson:

Name: Pin Yan Huang	Contact Number:(02)8911-9856
Title: Acting Chief Executive Officer & Chief Medical Officer	Email: jasonhuang@senhwabio.com

II. Contact information of the headquarters, branch offices, and plants:

(I) Headquarters:

Address:10F, No. 225, Section 3, Peihsin Road, Hsintien District, New Taipei City 23143, Taiwan	Contact number:(02)8911-9856

(II)Branch offices and plants:

None

III. Name, address, website, and telephone number of the stock transfer agent:

Name: Department of Stock Affairs, SinoPac Securities Corporation	Website: https://www.sinotrade.com.tw
3F., No.17, Bo'ai Rd., Taipei City 100002, Taiwan (R.O.C.)	Phone number:(02)2381-6288

IV. Contact information of the CPA-auditor of the Financial Report:

Names of CPAs: CPAs Shu-Fen Yu and Sheng-Wei Deng	Website: https://www.pwc.tw
Name of CPA firm: PricewaterhouseCoopers, Taiwan	Phone number:(02)2729-6666
Address: 27F, No. 333, Section 1, Keelung Rd, Xinyi District, Taipei City	

V. Name of any overseas securities trading agency and method for searching the information of the said overseas securities trading agency: None

VI. Company Website: https://www.senhwabio.com

Table of Contents


H
N
Cl
S
N
O
Cl
Cl
CH3
O
O
Na.H2O
OH
HO
OH
OH
OH
HO
OH
OH
OH
OH
OH
H
H
H
H
H
H
H
H
H
H
H
H
H
H

Chapter 1. Letter to Shareholders

Dear shareholders,

In 2024, Senhwa Biosciences, Inc. accomplished several important milestones, including the signing of a five-year collaboration agreement with the National Cancer Institute (NCI) under the National Institutes of Health (NIH) in the United States. One of the achievements is the approval of a clinical trial for Pidnarulex (CX-5461) as a monotherapy to treat advanced solid tumors, which will explore various biomarkers and contribute to the expansion of indications. Additionally, NCI is planning several combination drug trials with Pidnarulex (CX-5461), including combinations with immunotherapy. This is in line with current trends in the cancer treatment field, where major pharmaceutical companies are competing to develop and invest substantial resources into these therapies. The trials are expected to begin in 2025.

Another key development is Silmitasertib (CX-4945), which has entered the final phase of data analysis for a clinical trial in the U.S. for the treatment of basal cell carcinoma, a type of skin cancer. The results are expected to be publicly announced in the first half of 2025. Preclinical studies have shown significant efficacy in using Silmitasertib (CX-4945) to treat various hard-to-treat pediatric cancers. As a result, the drug has been selected by the Beat Childhood Cancer Research Consortium (BCCRC), in collaboration with the children's hospital team at the Penn State University, to be used in clinical trials. The drug has also received Orphan Drug and Rare Pediatric Disease Designation for its use in treating neuroblastoma. This positions Silmitasertib (CX-4945) to focus on the development of treatments for rare diseases in the future. The Company will actively leverage these regulatory advantages to accelerate the development and commercialization of Silmitasertib (CX-4945).

In 2024, the U.S. FDA approved a total of 50 new drugs for market, with 31 of them being small molecule drugs, accounting for 62%. This demonstrates that small molecules remain the dominant type of new drug, far surpassing other forms of new drugs. Treatments for cancer and rare diseases continue to be the most approved. Notably, 24 first-in-market therapies were approved, 10 of which are small molecule drugs. Many of these drugs were developed by small biotechnology companies, indicating that biotech startups have become a key source of innovation in the industry in recent years. The FDA's policy trend aligns with the Company’s focus on developing first-in-market, innovative small molecule anticancer drugs with novel mechanisms. We believe that by adhering to this philosophy and maintaining a collaborative approach with the FDA to bring new drugs to market, we will ultimately achieve our set goals.

Below, we present an overview of the Company’s operational results for 2024 and the business plan for 2025:

I. 2024 Performance Review

(I) Implementation of Business Plan

The Company had important progress on results of all novel drug R&D projects in 2024, but the revenue has not generated yet. The operating revenue was primarily from the labor service income of NT$ 1,000 thousand. Our R&D expenditure for all novel drug development plan was NT$ 243,736 thousand, non-operating revenue was NT$ 13,727 thousand, the current net loss for 2024 was NT$ 293,745 thousand, Compared to 2023, the net loss decreased by NT$ 2,561 thousand or 0.86%.

The major advances in the development of new drugs this year will be described by project later.

(II) Analysis of Financial Income and Expenditure and Profitability

The major expenditure item for the Company's consolidated income and expenditure for 2024 was the expenditure for the development of novel drugs.

Items		2024
Financial structure	Debts ratio (%)	3.65
	Long-term fund to PP&E ratio (%)	29669.41
Profitability	Return on assets (%)	(24.14)
	Return on equity (%)	(25.06)
	Net profit margin (%)	(29374.50)
	Earnings per share (NT$)	(3.29)

(III) Research and Development Status

The achievements of the Company's drug development in 2024 are summarized as follows:

1.Pidnarulex (CX-5461)

Pidnarulex (CX-5461) is a first-in-class small molecule targeted drug with a novel mechanism of action in the DNA damage response (DDR) pathway, which accelerates apoptosis through synthetic lethality in the treatment of tumor cells with specific genetic defects. Pidnarulex (CX-5461) was awarded the "Breast Cancer Dream Team"by Stand Up To Cancer Canada (SU2C Canada) in 2016 for its novel mechanism which demonstrated multi-cancer treatment potential in results of phase I human clinical trials conducted by CCTG. To further validate the effect of Pidnarulex in specific mutated genes including BRCA1/2 and PALB2, the Company initiated a multi-country, multi-center clinical trial in September 2021 and enrolled the first patient in Canada. The results of this Phase 1b early-stage clinical trial have been selected for presentation at the 2024 European Society for Medical Oncology (ESMO) Congress. The enrolled patients were all advanced cancer patients who had failed traditional therapies. These patients had previously undergone 2 to 10 lines of different treatments but their condition continued to worsen, with some even developing resistance to platinum-based chemotherapy and PARP inhibitors, leaving them with no other treatment options. Following treatment with Pidnarulex (CX-5461), 40% of the patients achieved stable disease, meaning tumor shrinkage or disease control without further progression. For end-stage patients, this represents significant clinical benefit. Some patients experienced disease control for more than 6 months, even after previously undergoing platinum-based chemotherapy and PARP inhibitors, and the treatment demonstrated potential across different cancer types. These results indicate that Pidnarulex can significantly delay disease progression, providing more time for patients with poor prognosis. The trial results also indicated that Pidnarulex is well-tolerated in terminal patients, although about half of the patients experienced grade 3 or higher adverse events. However, the proportion of severe side effects related to the drug was relatively low (around 36%). Common side effects included hand-foot syndrome and skin photosensitivity, but no uncontrollable side effects were observed. In particular, the photosensitivity reactions can be controlled with preventive measures. Overall, no new dose-limiting toxicities were found, indicating that the drug is well-tolerated and its safety is manageable in heavily treated patients. This experiment is still ongoing in the U.S. and Canada. Additionally, in order to further expand and explore the therapeutic indications of Pidnarulex, the clinical trial protocol has been revised to include gene mutations, such

as other HRD and MYC amplification, that may respond to CX-5461 treatment, with the aim of expanding the beneficiary population and advancing its development as an innovative cross-cancer targeted drug.

In addition, the Company has been selected for sponsorship by the National Cancer Institute (NCI), a subsidiary of the National Institutes of Health (NIH) in the United States, under the NExT Program-a five-year cancer initiative. The program's first clinical trial of Pidnarulex (CX-5461) as a monotherapy for advanced solid tumors was approved by the U.S. FDA in October 2024. Concurrently, the NCI is planning additional clinical trials of Pidnarulex (CX-5461) in combination with immunotherapy. All of these trials will be led by the U.S. NCI, whose extensive medical teams, networks of scientific experts, and regulatory resources with the FDA represent a level of support and infrastructure that typical biotech companies cannot easily achieve on their own. With the support of the NCI, it is expected that the development of Pidnarulex (CX-5461) will be significantly advanced.

2.Silmitasertib (CX-4945)

(1) Basal cell carcinoma

Silmitasertib (CX-4945) is an inhibitor of protein kinase CK2 (casein kinase II). In several preclinical studies, CK2 has been found to be a crucial regulator in the hedgehog signaling pathway, with a constraining and regulatory effect on downstream protein genes (e.g., Gli). Silmitasertib CX-4945 made use of this mechanism in skin cancer indication basal cell carcinoma (BCC), in the execution of the clinical trial approved by the U.S. FDA in November 2018. The first subject was enrolled in April 2019. The last subject was enrolled in February 2023, the final dose for the last patient was administered on August 25, 2023, and the last patient's final visit was completed on January 25, 2024. The ongoing trial has preliminarily demonstrated the safety and early efficacy of the drug in BCC patients. Full data is expected to be announced in the first half of 2025.

(2) Medulloblastoma

Senhwa collaborated with the medical research team of Stanford University and signed a cooperation agreement with the Pediatric Brain Tumor Consortium (PBTC) in May 2018 to jointly develop and plan a clinical study for treatment of Medulloblastoma (a kind of MB children brain tumor). PBTC is an authoritative institution for international pediatric brain tumor research and treatment, responsible for implementing and supervising clinical trials while Senhwa is responsible for providing Silmitasertib (CX-4945) for clinical trial use. PBTC included the cooperation project as the focus of research. Aside from the funding from PBTC to execute the clinical project, the project also received sponsorships from the Cancer Therapy Evaluation Program (CTEP) operated by the National Cancer Institute (NCI). The clinical trial was approved by the U.S. FDA in January 2019 and enrolled its first subject in July 2019. Currently, it is in the course of phase I/II clinical trials. In addition, preliminary observations indicate that Silmitasertib (CX-4945) may be capable of penetrating the blood-brain barrier, enabling precise treatment of pediatric brain tumors. This phenomenon may support the drug's future application in the treatment of brain-related diseases. Silmitasertib (CX-4945) was granted Fast Track Designation and Orphan Drug Designation by the U.S. FDA in August and December 2021, respectively, and this will facilitate expedited review of the drug's application for U.S. FDA's approval and it will enjoy seven years of market exclusivity in the U.S. if it is approved for the market in the future.

(3) Community-Acquired Pneumonia

Silmitasertib (CX-4945), a human protein kinase CK2 inhibitor, has been shown in preclinical studies to inhibit the replication of viruses, including the New

Coronavirus and the human influenza virus. At the same time, by modulating CK2 in host cells, it can regulate immune factors and has the therapeutic potential to reduce the incidence of excessive autoimmune diseases and severe illnesses in infected patients. It has been proven in our human clinical trials in the U.S. to help patients recover more quickly.

The Company applied to the U.S. FDA and the Taiwan Ministry of Health and Welfare in October and December 2023, respectively, and was approved to conduct a Phase II human clinical trial of pan-viral infection of community-acquired pneumonia in the U.S. and Taiwan in November and December 2023, respectively. In addition to treating patients with Covid-19, this trial also included patients with influenza viruses. The aim is to validate that Silmitasertib (CX-4945), through its host-targeted mechanism, is unaffected by viral type or mutations, supporting its development as a broad-spectrum antiviral agent for virus-induced inflammation. Clinical data collection, analysis, and unblinding for this trial are scheduled to take place in 2025.

(4) Refractory Pediatric Tumors

High CK2 activity has been observed in various pediatric tumors, including neuroblastoma, Ewing sarcoma, rhabdomyosarcoma, osteosarcoma, medulloblastoma, and liposarcoma. Research conducted by teams from Penn State College of Medicine, the Beat Childhood Cancer Research Consortium (BCCRC), and Four Diamonds has identified CK2 as a key kinase involved in maintaining the stability of the MYCN protein, a major oncogenic driver in neuroblastoma. Based on this mechanism, Silmitasertib (CX-4945), a CK2 inhibitor, is considered to hold great promise in the treatment of various pediatric cancers, particularly neuroblastoma. As such, the Company has partnered with these internationally recognized institutions specializing in pediatric oncology and has received their support, including clinical funding contributions. The clinical trial was approved by the U.S. FDA in August 2024 and enrolled its first patient in October 2024. Furthermore, Silmitasertib (CX-4945) was granted Rare Pediatric Disease Designation in September 2024 and Orphan Drug Designation in October 2024 by the FDA for the treatment of neuroblastoma. Upon successful market approval, the drug may be eligible for a Priority Review Voucher (PRV), which could significantly shorten the New Drug Application (NDA) review period to six months and potentially accelerate the market entry of the Company’s product or that of its partners.

(IV) Budget Execution

The Company did not publicly disclose any financial forecasts; however, the overall budget execution was within the range set by the Company.

II. Summary of 2025 Business Plan

(I) Operating Objectives:

The Company will continue to adhere to the model of "Development in parallel with Research" for the drug development in 2025. In addition to accelerating the development of its two drug candidates, the Company is actively leveraging their unique market positioning to seek strategic partners and plan regulatory and commercial pathways. At the same time, the Company continues to identify and evaluate promising drug candidates to enrich its product pipeline, while expanding its recruitment efforts to strengthen the team. These initiatives aim to advance collaboration opportunities with international pharmaceutical companies or large institutions.

(II) Business Plan

Looking forward, the Company’s R&D in 2025 will remain focused on two drug developments at present. Remains focused on identifying promising drug candidates. The key objectives in 2025 are as follows:

1. A. Continue to advance the development projects of the drug candidate Pidnarulex (CX-5461) used in the solid tumor clinical trials in Canada and the U.S and the NExT Program.

   B. Development of Combination Therapy Trials: Launch clinical investigations of CX-5461 in combination with immune checkpoint inhibitors (e.g., anti-PD-1/PD-L1 antibodies) to evaluate synergistic therapeutic effects.

2. A. Continue to advance development projects for the drug candidate Silmitasertib (CX-4945), including: (1) close clinical trial of BCC; (2) assist medical research team of Stanford University to advance clinical trial of pediatric brain tumor-medulloblastoma; and (3) anti-inflammatory clinical trials for Community-Acquired Pneumonia. And (4) Clinical Trials Targeting Multiple Refractory Pediatric Tumors.

   B. Expanded Development Initiatives for Silmitasertib (CX-4945): (1) Development of new drug formulations. (2) Investigation of additional therapeutic indications through CK2 inhibition by CX-4945.

   The new formulation development plan aims to create a formulation that can bypass the effects of gastric acid, enhance bioavailability, improve gastrointestinal tolerability, and be more suitable for pediatric use. Additionally, our planned investigation of a new indication for CX-4945 focuses on the drug's ability to inhibit CK2, thereby targeting key mechanisms such as viral integration, latency regulation, and enhancement of immune responses. This, in turn, aims to complement existing antiretroviral therapies in reducing viral load. The research is expected to provide diverse therapeutic strategies to assist in viral eradication, driving a new direction in treatment.

3. Committed to regional licensing of patented technologies or using t strategic alliance to cooperate with other companies.

III. Impact of External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

According to the World Health Organization (WHO), the number of new cancer cases globally is expected to reach 35 million by 2050, a 77% increase compared to the 20 million new cases reported in 2022. The International Union Against Cancer (UICC) also points out that by 2030, the number of cancer-related deaths worldwide will reach 13 million annually. Except cancer is a major disease threatening the health of the global population various viral and bacterial infections caused by immune liabilities in the post-epidemic era are heating up. Currently, the lack of antibiotic diversity and drug resistance caused by abuse, and it will lead to a condition for which there is no cure in the future. At the same time, the aging population and shifts in lifestyle have led to the prevalence of cancer globally, which, coupled with rising medical costs, seriously affect people's quality of life. Therefore, cancer treatment, in developed and developing countries alike, is an acute and inevitable issue.

The Company focuses on developing first-in-class novel anti-cancer drugs and anti-infective medications; our management team possesses healthy international viewpoints and extensive experiences in business management. The Company is one of the few biotechnology companies in Taiwan with international drug development competencies. We will continue to reinforce our competitive strengths and improve our research capacity for clinical management and international competitiveness to create values for the Company and human health and well-being.

Senhwa Biosciences, Inc.

Chairman	Benny T. Hu
General Manager	Pin Yan Huang
CFO	Sarah Chang


HEALTH
TRAINING
RELAXATION
HAPPINESS
LIFESTYLE
ATHLETE
WELLBEING
FIT
ENJOYMENT
RELAXED
SPORT
RUNNING
MOTION
ACTIVITY
MEDICAL
HEALTHY
MAINTENANCE
ENVIRONMENT
DIET
EVERYDAY
MIND
EXERCISE
DIETING
FITNESS
GYM
HEALTHCARE
MAINTENANCE
MENTAL
SELF-CARE
FIT
HAPPY
INFORMATION
HEALTHY
CHEERFUL
NATURE
ENERGY
ACTIVITY
MUSCLE
LIVING
POSITIVE
BODY
ENJOYMENT
HEALTHY
FIT
ATHLETE
PHYSICAL
MENTAL
ENERGY
MEDICAL
SCIENCE
LIFESTYLE
HEALTHY
SPORT
NUTRITION
HEALTHCARE
CARE
HYGIE
MEDICIN
HEALTHCARE

Chapter 2. Corporate Governance Report

I. Directors, President, Vice Presidents, Assistant Vice Presidents, and Department Heads

(I) Information on Directors

1. Basic Information

April 27, 2025; Unit: Share; %

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Others' Name		Experience (Education)	Concurrent Position Held with the Company or Other Companies	Managerial Officer or Director Who is a Spouse or Relative within the 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	Relation	
Chairman	Republic of China (R.O.C.)	Benny T. Hu	Male 71-80 years old	June 30, 2023	3 years	November 1, 2012	1,822,161	2.03	1,822,161	2.03	–	–	–	–	MBA, Wharton School of the University of Pennsylvania, USA Director, Wistron Information Technology and Services Corporation Chairman, Alliance Holdings Limited (Beijing) Founder, Whitesun Equity Partners President, CDIB & Partners Investment Holding Corp. Chairman, China Development Industrial Bank President, China Development Industrial Bank Chairman, China Securities Investment Trust Co., Ltd. President, China Securities Investment Trust Co., Ltd. Executive Vice President, International Securities Investment Trust Co., Ltd. Manager, Bankers Trust New York Corporation Vice Chairman, ShanghaiMart Co., Ltd.	Executive Director, Chinese National Federation of Industries Chairman, NTU Innovation & Incubation Co., Ltd. Chairman, Panlabs Biologics Inc. Chairman, Key Asic Inc. Chairman, Ding Li Development Ltd. Chairman, Hung-Tuan Industry Co., Ltd. Chairman, Yang-Pin Investment Co., Ltd. Chairman, HuaSheng International Co., Ltd. Chairman, Lian-An Health Management Co., Ltd. Chairman, Strait Venture Capital Investment Co., Ltd. Chairman, Arm Capital Investment Management Co., Ltd. Chairman, Arm IoT Capital GP Limited Chairman, Three Directions Investment Co., Ltd. Chairman, Sun Well Healthcare Co., Ltd. Chairman, CDIB Bioscience Venture Management (BVI), Inc. Chairman, Ever Rich Investment Inc. Director, Jia-bei Monetary Flow Co., Ltd. Director, Chong-ben Construction Co., Ltd. Supervisor, Ding Li Enterprise Management Co., Ltd. Sustainable Development Committee Member, Senhwa Biosciences, Inc.	–	–	–	–
Director (Note 1)	Republic of China (R.O.C.)	Representative: Yiu-Lian Fong	Female 61-70 years old	November 1, 2024	1.5 years	November 1, 2024	–	–	–	–	–	–	–	–	Ph.D., Vanderbilt University School of Medicine Postdoctoral Research Fellow, Johns Hopkins University School of Medicine M.B.A., University of Massachusetts Executive Director, Oncology and Companion Diagnostics R&D, Novartis Pharmaceuticals Executive Director, Molecular Diagnostics R&D, Novartis Pharmaceuticals Director, Vaccines and Pharmaceuticals R&D, Novartis Pharmaceuticals Vice President, R&D,	Founder and CEO, DxRxPM Biotech Consulting, LLC Senior Scientific and Corporate Strategy Advisor, MiRXES Chief Development Officer, 8 Prime Biosciences, Inc. Senior Advisor and Member, Biotechnology Industry Strategy Advisory Committee, Executive Yuan Advisor, Senhwa Biosciences, Inc.	–	–	–	–

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Others' Name		Experience (Education)	Concurrent Position Held with the Company or Other Companies	Managerial Officer or Director Who is a Spouse or Relative within the 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	Relation	
															Molecular Diagnostics Division, Abbott Laboratories Global Head, Diagnostic Innovation and R&D, Janssen Pharmaceuticals Global Head, Clinical Biomarkers and Diagnostic Strategy and Development, Janssen Pharmaceuticals					
	Republic of China (R.O.C.)	Ding Li Development Ltd.	-	June 30, 2023	3 years	November 1, 2012	4,386,007	4.89	4,386,007	4.89	—	—	—	—	—	Director, Panlabs Biologics Inc. Director, Chong-ben Construction Co., Ltd.	–	–	–	–
Director	Republic of China (R.O.C.)	Representative: Jeff Chen	Male 41-50 years old	June 30, 2023	3 years	June 16, 2017	—	—	—	—	–	–	–	–	MSc in Information Systems Management, Carnegie Mellon University, USA Researcher, Harvard Business School	Chairman, Chuan-Pu Investment Holding Co., Ltd. Director, Tian-Pu Co., Ltd. Director, Harn Shiuan Co., Ltd. Director, Adimmune Corporation Director, Weng-teng Investment Co., Ltd. Director, Taiwan Styrene Monomer Corporation Director, Bank of Kaohsiung Co., Ltd.	–	–	–	–
	Republic of China (R.O.C.)	Chuan-Pu Investment Holding Co., Ltd.	-	June 30, 2023	3 years	June 16, 2017	1,242,576	1.38	1,242,576	1.39	–	–	–	–	–	Director, Bank of Kaohsiung Co., Ltd.	–	–	–	–
Director	Republic of China (R.O.C.)	Jo Shen	Female 71-80 years old	June 30, 2023	3 years	June 30, 2023	—	—	—	—	—	—	—	—	Ph.D. in Chemistry, Lehigh University, USA MSc in Chemistry, Iowa State University, USA BSc in Chemical Engineering, National Taiwan University Co-founder, Director, President, ScinoPharm Taiwan, Ltd. Vice President, Syntex	Venture Partner, Vivo Capital Vice Chairman, Taiwan Bio Industry Organization Independent Director, Lumosa Therapeutics. Co., Ltd. Director, Formosa Pharmaceuticals, Inc. Director, Handa Pharmaceuticals, Inc. Director, Obigen Pharma, Inc. Director, AnHorn Medicines Co., Ltd. Independent Director, Steminent Biotherapeutics, Inc. Advisory Committee Member, National Health Research Institutes Advisory Committee Member, Biomedical Translation Research Center Consultant, LifeMax Biotechnology, Inc. Consultant, Merry Life Biomedical Company, Ltd.	—	—	—	—
Independent Director	Republic of China (R.O.C.)	Yeu-Chuyr Chang	Female 61-70 years old	June 30, 2023	3 years	March 9, 2015	–	–	–	–	–	–	–	–	MBA, Avila University, Missouri, USA Vice President, Business Department, Chu-ching Insurance Brokers Co., Ltd. Director, Hsin-Fu Joint Wealth Management Consultancy Co., Ltd. Executive Vice President, Summit Capital International Group Limited Taiwan Branch (Belize) Lecturer of economics, Fu Jen Catholic University Lecturer of economics, Shih Chien University	Executive Vice President, Hsin cho yueh Ltd. Remuneration Committee Member, Senhwa Biosciences, Inc. Audit Committee Member, Senhwa Biosciences, Inc. Sustainable Development Committee Member, Senhwa Biosciences, Inc.	–	–	–	–
Independent Director	Republic of China (R.O.C.)	Tong Young Lee	Male 51-60 years old	June 30, 2023	3 years	June 11, 2020	–	–	–	–	–	–	–	–	Ph.D. in Pathology, Nation Taiwan University Postdoctoral Researcher/Lecturer, Harvard Medical School, U.S. Researcher, Boston Children's Hospital, U.S. Researcher, Beth Israel Deaconess Medical Center,	Director, President & CEO, StemCyte International, Ltd. Chairman & CEO, StemCyte Taiwan Co., Ltd. Chairman & CEO, BiotechEast Co., Ltd. Director, Protect Bio Inc. Remuneration Committee Member, Senhwa Biosciences, Inc. Audit Committee Member, Senhwa Biosciences, Inc.	–	–	–	–

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Others' Name		Experience (Education)	Concurrent Position Held with the Company or Other Companies	Managerial Officer or Director Who is a Spouse or Relative within the 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	Relation	
															U.S. Director/Vice President, Fountain Biopharma Inc. Vice President, Synovel Sciences Inc. Vice President, Microbio Co., Ltd. Vice President, Diamond Biofund, Inc.					
Independent Director	Republic of China (R.O.C.)	Yung Lin Ma	Male 41-50 years old	June 30, 2023	3 years	June 11, 2020	–	–	–	–	–	–	–	–	Ph.D. in Biomedical Sciences at Washington University, USA Manager, Biotech Incubation Center, Academia Sinica Director, Business Development Department, Medigen Biotech Corp.	Chairman & CEO, Apollo Medical Optics, Ltd. Director, RelaJet Tech (Taiwan) Co., Ltd. Director, Domin-Tek Co., Ltd. Remuneration Committee Member, Senhwa Biosciences, Inc. Audit Committee Member, Senhwa Biosciences, Inc. Sustainable Development Committee Member, Senhwa Biosciences, Inc.	–	–	–	–

Note 1: The representative of Ding Li Development Ltd. was originally Mr. Jin-Ding Huang. On November 1, 2024, Ms. Yiu-Lian Fong was appointed as the new Director.

2. Major Shareholders of Corporate Shareholders:

April 27, 2025

Name of corporate shareholders	Major shareholders of corporate shareholders
Ding li Development Ltd.	Benny T. Hu(100.00%)
Chuan-Pu Investment Holding Co., Ltd.	Jeff Chen(99.666%) Yen-Chun Lin(0.328%) Tien-Pu Chen(0.003%) Shu-Hui Tseng(0.003%)

3. Major Shareholders of Major Corporate Shareholders: Not applicable.

4. Disclosure of Professional Qualifications of Directors and Independence of the Independent Directors:

Qualifications / Name	Professional qualification and experience	Independence	Number of Independent Directorships in Other Public Companies
Chairman Benny T. Hu	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company	Where none of the circumstances in the paragraphs of Article 30 of the Company Act applies	0
Director Ding Li Development Ltd. Representative: Yiu-Lian Fong	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company	Where none of the circumstances in the paragraphs of Article 30 of the Company Act applies	0
Director Chuan-Pu Investment Holding Co., Ltd. Representative: Jeff Chen	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company	Where none of the circumstances in the paragraphs of Article 30 of the Company Act applies	0
Director Jo Shen	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company	Where none of the circumstances in the paragraphs of Article 30 of the Company Act applies	2
Independent Director Yeu-Chuyr Chang	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company and currently serving as an instructor or higher post in a public or private college or university in the field of finance	Meeting of all the following independence criteria two years prior to the date elected and during their term of office: 1. Not employed by the Company or an affiliate. 2. Not a Director or Supervisor of the Company or any of its affiliates. (However, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minors, or held by the person in the name of others, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in shareholdings. 4. Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship listed in (2) and (3). 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representatives to serve as a director or	0
Independent Director Tong-Young Lee	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company		0

Qualifications / Name	Professional qualification and experience	Independence	Number of Independent Directorships in Other Public Companies
Independent Director Yung-Lin Ma	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company	supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (However, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 6. Not a director, supervisor, or employee of another company that the majority of its directors or the shares with voting rights are controlled by the same person (However, this restriction shall not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). 7. Not a director, supervisor, or employee of another company or an institution who is concurrently the Chairperson, President & CEO, or equivalent positions of the Company or a spouse thereof (However, this restriction shall not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent). 8. Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company (However, if a specific company or institution holds more than 20% and no more than 50% of the total issued shares of the Company and if an Independent Director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 9. Not any professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the most recent two fiscal years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. Provided, this restriction does not apply to a member of the Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, which exercises powers pursuant to the Security and Exchanges Act or to the Business Mergers and Acquisitions Act or relevant laws or regulations. 10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 11. Not meeting any conditions defined in Article 30 of the Company Act. 12. Where the person is not elected in the capacity of the government, a judicial person, or a representative thereof as provided in Article 27 of the Company Act.	0

(1) Diversity for and Independence of the Board of Directors:

A. Diversity for the Board of Directors:

Pursuant to the Article 20 of the Corporate Governance Best Practice Principles of the Company, the composition of the Board of Directors shall be determined by taking diversity into consideration, and an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

a. Basic requirements and values: Gender, age, nationality, and culture.

b. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

a. Ability to make operational judgments.

b. Ability to perform accounting and financial analysis.

c. Ability to conduct management administration.

d. Ability to conduct crisis management.

e. Knowledge of the industry.

f. An international market perspective.

g. Ability to lead.

h. Ability to make policy decisions.

The Company's Board of Directors consists of 7 Directors, including 3 Independent Directors, with 0% of the Directors being employees and 42% being Independent Directors. For the tenure of the Independent Directors, one of the Independent Directors has served for 9 years while the other two has served for 4 years, and their qualifications and conditions are all in compliance with the regulations for Independent Directors set forth in the laws and regulations. The Company is committed to fostering gender equality within its board composition. As of the end of 2024, female directors hold three seats, representing 42% of the total board membership. The Company remains dedicated to enhancing gender balance on the board. The current diversity profile of the board of directors is as follows:

Core Diversification Item / Director	Basic composition									Industry experiences				Expertise			
	Nationality	Gender	Concurrently serving as the Company's employees	Age				Term of office and year of services of Independent Directors		Banking	Securities	Insurance	Asset management	Accounting	Laws	Information technology	Risk management
				41 to 50	51 to 60	61 to 70	71 to 80	Less than 3 years	3 to 9 years								
Benny T. Hu	Republic of China (R.O.C.)	Male					V			V	V		V	V	V	V	V
Yiu-Lian Fong	Republic of China (R.O.C.)	Female				V							V				V
Jeff Chen	Republic of China (R.O.C.)	Male		V						V	V		V	V	V	V	V
Jo Shen	Republic of China (R.O.C.)	Female					V						V			V	V
Yeu-Chuyr Chang	Republic of China (R.O.C.)	Female				V			V			V	V	V	V	V	V
Tong Young Lee	Republic of China (R.O.C.)	Male			V				V				V			V	V
Yung-Lin Ma	Republic of China (R.O.C.)	Male		V					V				V			V	V

Core Diversification Item / Director	Gender	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
Benny T. Hu	Male	V	V	V	V	V	V	V	V
Yiu-Lian Fong	Female	V	V	V	V	V	V	V	V
Jeff Chen	Male	V	V	V	V	V	V	V	V
Jo Shen	Female	V	V	V	V	V	V	V	V
Yeu-Chuyr Chang	Female	V	V	V	V	V	V	V	V
Tong-Young Lee	Male	V	V	V	V	V	V	V	V
Yung-Lin Ma	Male	V	V	V	V	V	V	V	V

A. Independence of the Board of Directors: The Company's Board of Directors consists of seven Directors, including three Independent Directors (42%). The three Independent Directors are not subject to the circumstances stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, including being the spouse or a relative within second degree of kinship with another Director.

(II) Information on President & CEO, Vice Presidents, Assistant Vice Presidents, and Management Team

April 27, 2025; Unit: Share; %

Title	Nationality	Name	Gender	Date of Appointment	Shareholding		Spouse's & Minor's Shareholding		Shareholding in Others' Name		Experience (Education)	Positions Currently Held with Other Companies	Managerial officers who are spouses or relatives within the second degree of kinship			Remarks
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
Acting CEO & CMO	Republic of China (R.O.C.)	Pin Yan Huang	Male	2025/1/1	—	—	—	—	—	—	Doctor of Medicine (M.D.), Taipei Medical University Master's Degree in Law, Soochow University Chief Executive Officer and Chief Medical Officer, Ascendo Biotechnology, Inc. Chief Medical Officer, Brim Biotechnology, Inc. Medical Expert in Immunology and Infectious Disease Vaccines, Asia-Pacific Region, Janssen Pharmaceuticals, Johnson & Johnson Director, Medical Affairs Department, Abbott Laboratories Clinical Reviewer, Center for Drug Evaluation, Taiwan	—	—	—	—	—
Executive Vice President and Chief Financial Officer and Supervisor of the Administrative and Finance Department	Republic of China (R.O.C.)	Sarah Chang	Female	2014/2/27	3,675	0.004	–	–	–	–	Department of Accounting, Tunghai University Certified Public Accountant Senior Assistant Vice President, Underwriting Department, Industrial Bank of Taiwan Securities Co. Ltd. Vice President, Hua Nan Securities Senior Auditor, Deloitte Taiwan	–	–	–	–	–
Director of R&D Management Department	Republic of China (R.O.C.)	Chen-Fu Liu	Male	2018/3/1	–	–	–	–	–	–	Ph.D. in Chemistry, National Taiwan University Deputy Director, Research and Development Division, CVie Therapeutics Limited New Pharmaceuticals R&D and Regulatory Advisor, GNT Biotech & Medicals Corporation Researcher, TaiGen Biotechnology Co., Ltd. United States patents course certification, Winston & Strawn LLP United States patents course certification, CASRIP, School of Law, University of Washington Summer course certification, Michael G. Foster School of Business, University of Washington	–	–	–	–	–
Director of Clinical Department	Republic of China (R.O.C.)	Kacy Huang	Female	2022/11/10	–	–	–	–	–	–	School of Pharmacy, The University of Auckland, New Zealand Registered Pharmacist in New Zealand Licensed Pharmacist in Republic of China Drug Inspection and Registration Consultant, Unimed Pharmaceutical Enterprise Co., Ltd. Regulatory Pharmacist, Taisho Pharmaceuticals (Taiwan) Co., Ltd. Pharmacist, National Taiwan University Hospital Pharmacist, Northcross Pharmacy in New Zealand	–	–	–	–	–
Administrative Director	Republic of China (R.O.C.)	Gwen Chang	Female	2022/11/10	–	–	–	–	–	–	Postgraduare Diploma in Journalism, University of Strathclyde, United Kingdom Executive Assistant to President Office, Senhwa Biosciences, Inc. Senior Recruitment Manager, Standard Chartered Bank (Taiwan) Limited Reporter and Producer, Sanlih-E Television Co., Ltd.	–	–	–	–	–
Director of Drug Development	Republic of China (R.O.C.)	Zi-Yi Chao	Male	2023/12/18	—	—	—	—	—	—	Ph. D. in Biological Engineering and Small-scale Technologies, University of California, Merced Senior Manager of Pharmaceutical Development, President Office, Senhwa Biosciences, Inc. Director, Sheng Yu Pharmaceutical Co., Ltd. Project Manager, Department of Medical Research, National Taiwan University Hospital	—	—	—	—	—
Manager and Supervisor of Internal Audit Office	Republic of China (R.O.C.)	Irene Chiu	Female	2021/1/15	—	—	—	—	—	—	Accounting Department, Tamkang University Internal Audit Supervisor, Litemax Electronics Inc. Auditor, KPMG (Taiwan)	—	—	—	—	—

II. Remuneration to Directors, President, and Vice Presidents in the Most Recent Year (2024)

(I) Remuneration of Directors, Independent Directors, President & CEO, and Vice Presidents

1. Remuneration of Directors and Independent Directors

Unit: NT$1,000; %

Title	Name	Remuneration to Directors								Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Relevant remuneration received by directors who also serve as employees								Ratio of total remuneration (A+B+C+D+E+F+G) to net income after tax (%)		Remuneration received from investees other than subsidiaries or from the parent company
		Compensation (A)		Severance pay and pension (B)		Director's remuneration (C)		Business execution expenses (D)				Salary, bonus and allowances (E) (Note 1)		Severance pay and pension (F)		Employee's remuneration (G)						
																The Company		All companies in the financial report				
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	Amount in cash	Amount in shares	Amount in cash	Amount in shares	The Company	All companies in the financial report	
Chairman	Benny T. Hu	3,500	3,500	—	—	—	—	—	—	(1.19)	(1.19)	—	—	—	—	—	—	—	—	(1.19)	(1.19)	—
Director (Note 2)	Ding Li Development Ltd. Representative: Yiu-Lian Fong	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Director (Note 2)	Ding Li Development Ltd. Representative: Jin-Ding Huang	—	—	—	—	—	—	500	500	(0.17)	(0.17)	5,662	5,662	108	108	—	—	—	—	(2.13)	(2.13)	—
Director	Chuan-Pu Investment Holding Co., Ltd. Representative: Jeff Chen	—	—	—	—	—	—	600	600	(0.20)	(0.20)	—	—	—	—	—	—	—	—	(0.20)	(0.20)	—
Director	Jo Shen	—	—	—	—	—	—	600	600	(0.20)	(0.20)	—	—	—	—	—	—	—	—	(0.20)	(0.20)	—
Independent Director	Yeu-Chuyr Chang	—	—	—	—	—	—	600	600	(0.20)	(0.20)	—	—	—	—	—	—	—	—	(0.20)	(0.20)	—
Independent Director	Tong Young Lee	—	—	—	—	—	—	600	600	(0.20)	(0.20)	—	—	—	—	—	—	—	—	(0.20)	(0.20)	—
Independent Director	Yung-Lin Ma	—	—	—	—	—	—	600	600	(0.20)	(0.20)	—	—	—	—	—	—	—	—	(0.20)	(0.20)	—

1. Please describe the policy, standards, packages, and structures of remuneration to Independent Directors, and the correlation between the aforementioned items and the Independent Directors' responsibilities, risks and time investment: The Company has established the remuneration policy for Independent Directors in the Company's Articles of Incorporation and the rules governing the duties of Independent Directors. The compensation of Independent Directors is determined with reference to the extent of their participation in the Company's operations, the value of their contributions and the usual standards in the industry, and then submitted to the Remuneration Committee for consideration and approved by the Board of Directors.
2. Except for disclosures in the table above, the remuneration received by Directors for services (e.g. serving as a non-employee consultant for the parent company/all companies listed in this financial report/investee companies) provided to all companies listed in this financial report in the most recent year: None.

Note 1. The results are shown based on the salary recognized in the IFRS's "classification and measurement of share-based payment transactions". The salary thus includes employee stock options in addition to the salaries of Directors (Including Independent Directors) who serve concurrently as employees.

Note 2. Ding Li Development Ltd., the corporate director of the Company, appointed Ms. Yiu-Lian Fong as its new representative director, replacing Mr. Jin-Ding Huang, effective November 1, 2024. Additionally, the Company completed the re-election of its fifth-term board of directors on June 30, 2023.

Table of Remuneration Ranges

Remuneration range to Directors of the Company	Names of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies listed in this financial report	The Company	All companies listed in this financial report
Under NT$1,000,000	Yiu-Lian Fong, Jin-Ding Huang, Jeff Chen, Jo Shen, Yeu-Chuyr Chang, Tong-Young Lee, and Yung-Lin Ma	Yiu-Lian Fong, Jin-Ding Huang, Jeff Chen, Jo Shen, Yeu-Chuyr Chang, Tong-Young Lee, and Yung-Lin Ma	Yiu-Lian Fong, Jeff Chen, Jo Shen, Yeu-Chuyr Chang, Tong-Young Lee, and Yung-Lin Ma	Yiu-Lian Fong, Jeff Chen, Jo Shen, Yeu-Chuyr Chang, Tong-Young Lee, and Yung-Lin Ma
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	—	—	—	—
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	—	—	—	—
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)	Benny T. Hu	Benny T. Hu	Benny T. Hu	Benny T. Hu
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)	—	—	Jin-Ding Huang	Jin-Ding Huang
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)	—	—	—	—
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)	—	—	—	—
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)	—	—	—	—
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)	—	—	—	—
More than NT$100,000,000	—	—	—	—
Total	8 Persons	8 Persons	8 Persons	8 Persons

2. Remuneration of the President & CEO and Vice Presidents

Unit: NT$1,000; %

Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and allowances (C) (Note 1)		Employee's remuneration (D)				Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Remuneration received from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
President	Jin-Ding Huang	4,807	4,807	108	108	855	855	—	—	—	—	(1.96)	(1.96)	—
Vice President	Sarah Chang	4,531	4,531	108	108	1,785	1,785	—	—	—	—	(2.19)	(2.19)	—
Vice President	Pin Yan Huang (Note 2)	1,650	1,650	45	45	781	781	—	—	—	—	(0.84)	(0.84)	—

Note 1: The results are shown based on the salary recognized in the IFRS's "classification and measurement of share-based payment transactions". The salary thus includes employee stock options in addition to various remuneration.

Note 2: On August 9, 2024, the Board of Directors appointed Mr. Pin Yan Huang, the former Chief Medical Officer, to the position of Vice President and Chief Medical Officer.

Table of Remuneration Ranges

Remuneration Range to the President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company	All companies in the financial report
Under NT$1,000,000	—	—
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	—	—
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	Pin Yan Huang	Pin Yan Huang
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)	—	—
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)	Jin-Ding Huang, Sarah Chang	Jin-Ding Huang, Sarah Chang
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)	—	—
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)	—	—
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)	—	—
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)	—	—
More than NT$100,000,000	—	—
Total	3 Persons	3 Persons

3. Remuneration for Paid Managerial Officers with Top Five Highest Remuneration

Unit: NT$1,000; %

Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and allowances (C) (Note 1)		Employee's remuneration (D)				Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Remuneration received from investees other than subsidiaries or from the parent company
								The Company		All companies in the financial report				
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	Amount in cash	Amount in shares	Amount in cash	Amount in shares	The Company	All companies in the financial report	
President	Jin-Ding Huang	4,807	4,807	108	108	855	855	—	—	—	—	(1.96)	(1.96)	—
Executive Vice President and CFO and Supervisor of the Administrative and Finance Department	Sarah Chang	4,531	4,531	108	108	1,785	1,785	—	—	—	—	(2.19)	(2.19)	—
Vice President and Chief Medical Officer	Pin Yan Huang	2,288	2,288	63	63	781	781	—	—	—	—	(1.07)	(1.07)	
Business Development Director	Joanne Lo	3,093	3,093	108	108	570	570	—	—	—	—	(1.28)	(1.28)	—
Director of R&D Department	Chen-Fu Liu	2,646	2,646	108	108	571	571	—	—	—	—	(1.13)	(1.13)	—

Note 1: The results are shown based on the salary recognized in the IFRS's "classification and measurement of share-based payment transactions". The salary thus includes employee stock options in addition to various remuneration.

(II) Name of managerial officers to which employee compensation is distributed, and the status of distribution: The Company has not yet generated profits and it does not distribute employee compensation.

(III) Analysis of the total remuneration as a percentage of net income after tax stated in the parent company only or individual financial statements paid by the Company and by all companies to the Company's Directors, Supervisors, President & CEO, and Vice Presidents in the consolidated financial statements in the most recent two years, and the description of the policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its connectivity with business performance and future risks:

1. The total remuneration as a percentage of net income after tax stated in the parent company only or individual financial statements paid by the Company and by all companies to the Company's Directors, Supervisors, President & CEO, and Vice Presidents in the consolidated financial statements in the most recent two years is as follows:

Unit: NT$1,000; %

Items	2024				2023			
	The Company		Consolidated financial statements		The Company		Consolidated financial statements	
	Amount	%	Amount	%	Amount	%	Amount	%
Directors	7,000	(2.38)	7,000	(2.38)	6,800	(2.28)	6,800	(2.28)
Supervisors	—	—	—	—	—	—	—	—
President & CEO and Vice Presidents	14,670	(4.99)	14,670	(4.99)	11,045	(3.72)	11,045	(3.72)

2. Policies, standards, and packages for payment of remuneration to Directors, Supervisors, President & CEO, and Vice Presidents, the procedures for determining remuneration, and its connectivity with business performance:
   (1) The Company's remuneration policy for Directors is specified in Article 23 of the Articles of Incorporation.
   (2) The remuneration paid to the Company's President & CEO and Vice Presidents shall be determined by the Remuneration Committee, Audit Committee, and the Board based on their roles, contributions, operating performance, and future risks, with reference to the Company's remuneration system.

III. Implementation of Corporate Governance

(I) Operation of the Board of Directors

4 meetings of the Board of Directors were held in the most recent year (2024) and 1 meeting the Board of Directors was held for the Board in 2025 as of the publication date of the Annual Report (a total of 5 meetings), the attendances of the Directors are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A)	Remarks (A)
Chairman	Benny T. Hu	5	0	100.00	Attended 5 meetings during the term of office
Director	Ding Li Development Ltd. Representative: Yiu-Lian Fong	1	1	50.00	Appointed on 2024.11.1. Attended 2 meetings during the term of office
Director	Ding Li Development Ltd. Representative: Jin-Ding Huang	3	0	100.00	Dismissed on 2024.11.1 Attended 3 meetings during the term of office
Director	Chuan-Pu Investment Holding Co., Ltd. Representative: Jeff Chen	5	0	100.00	Attended 5 meetings during the term of office
Director	Jo Shen	4	1	80.00	Appointed on 2023.6.30 Attended 5 meetings during the term of office
Independent Director	Yeu-Chuyr Chang	5	0	100.00	Attended 5 meetings during the term of office
Independent Director	Tong-Young Lee	3	2	60.00	Attended 5 meetings during the term of office
Independent Director	Yung-Lin Ma	5	0	100.00	Attended 5 meetings during the term of office

Other matters to be disclosed:

I. The date of the Board meeting, the session, the content of the proposals, opinion of all Independent Directors, and the Company's actions in response to the opinions of Independent Directors shall be recorded should any of the following circumstances occur in the operations of the Board meeting:
(I) Items listed in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee, and items listed in Article 14-3 of the Securities and Exchange Act are not applicable. Please refer the section of "Operations of the Audit Committee" in the Annual Report.
(II) In addition to the preceding matter, other resolutions of the Board meetings on which Independent Directors have dissenting opinions or qualified opinions, and that they are documented or issued through written statements: None.

II. Recusals of Directors due to conflicts of interests:
None.

III. Information regarding evaluation cycles, periods, scope and method of evaluation of the Board of Directors of a listed company shall be disclosed:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Annually	2024.1.1 to 2024.12.31	Board of Directors	Internal self-evaluation of the Board of Directors	The degree of participation in the operation of the Company, the improvement of the quality of the Board of Directors' decision-making, the compositions and structure of the Board of Directors, the election and continuous education of the Directors, and internal control.
Annaly	2024.1.1 to 2024.12.31	Individual Directors	Self-evaluation of the members of the Board	To master the Company's objectives and tasks, to recognize the responsibilities of Directors, to participate in the Company's operations, to manage and communicate internal relations, to implement professionalism and continuous education of Directors, and to conduct internal control.
annually	2024.1.1 to 2024.12.31	Individual Audit Committee members	Self-evaluation of Audit Committee members	Participation in the operation of the Company, awareness of the duties of the functional committee, improvement of the quality of the functional committee's decision-making, composition and election of the functional committee's members, and Internal control.
Annaly	2024.1.1 to 2024.12.31	Individual Remuneration Committee members	Self-evaluation by members of the Remuneration Committee	The degree of participation in the operation of the Company, awareness of the duties of the functional committee, improvement of the quality of decision-making of the functional committee, the composition and election of the functional committee members, and internal control.

The Company has completed the self-evaluation of the Board of Directors' performance for the FY 20243. The evaluation results will be presented during the Board of Directors meeting in Q1 FY 2025, serving as a basis for review and improvement. The overall score for the Board of Directors' performance self-evaluation was 98% (out of 100%), and the overall score for the individual board members' performance self-evaluation was 97% (out of 100%), indicating a good overall performance of the Board. The overall score for the Audit Committee's performance self-evaluation was 97% (out of 100%), and the overall score for the Remuneration Committee's performance self-evaluation was 96% (out of 100%), indicating good overall performance.

IV. The objectives of strengthening the functions of the Board of Directors in the current year and the most recent fiscal year (such as the establishment of an audit committee, the improvement of information transparency) and the assessment of implementation:
(I) Improvement of information transparency: The Company maintains transparency in its operations and values shareholder rights. Important proposals are immediately announced on MOPS after the meetings of the Board of Directors.
(II) The Company has established its Remuneration Committee and Audit Committee to improve and reinforce the management mechanisms of the Board of Directors.
(III) Continuing education of Directors: The Company's Directors participate in continuing education according to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" and comply with requirements regarding the continuing education of Directors.

(II) Operations of the Audit Committee:

1. Operations of the Audit Committee

The Company established its Audit Committee according to relevant laws and regulations. Seven Directors (including three Independent Directors) were elected and appointed at the shareholders' meeting on June 30, 2023. Four meetings were held for the Audit Committee in the most recent year (2024) and one meeting was held for the Audit Committee as of the publication date of the Annual Report in 2025 (a total of five meetings) (A); the attendances of the Directors are as follows:

Title	Name	Attendance in person [B]	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Independent Director	Yeu-Chuyr Chang	5	0	100.00	Attended 5 meetings during the term of office
Independent Director	Tong-Young Lee	3	2	60.00	Attended 5 meetings during the term of office
Independent Director	Yung-Lin Ma	5	0	100.00	Attended 5 meetings during the term of office

Other matters to be disclosed:

I. The date of the meeting, the session, the content of the proposals, resolution results of the Audit Committee, and the Company's actions in response to the opinions of the Audit Committee shall be recorded should any of the following circumstances occur in the operations of the Audit Committee meeting.

(I) Items listed in Article 14-5 of the Securities and Exchange Act

(II) Except for the matters above, other resolutions not approved by the Audit Committee but approved by over two-thirds of all Directors instead.

The summary of (I) and (II) above is as follows:

Audit Committee	Proposal and follow-up actions	Items listed in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but approved by over two-thirds of all Directors instead
4th Meeting 2nd Term 2024/03/14	1. Proposal for the approval of the 2023 business report and financial statements	V	None
	2. Proposal for the approval of the 2023 table of loss compensation	V	None
	3. Proposal for the approval of the accumulated losses and the execution report for the healthy operation plan for Q4 in 2023	V	None
	4. Proposal for the amendments to certain provisions of the "Rules of Procedure for Board of Directors Meetings"	V	None
	5. Proposal for the amendments to certain provisions of the "Audit Committee Charter" and "Other Management Controls-Management of the Operation of Audit Committee Meeting"	V	None
	6. Proposal for the establishment of "Sustainable Development Committee Charter"	V	None
	7. Proposal for the approval of the 2023 "Internal Control System Effectiveness Evaluation" and "Statement of Internal Control System"	V	None
	8. Consolidated amendment to the current salary projects for Directors and Managers of the Company	V	None
	9. Proposal for the adjustment of salaries for certain managerial personnel of the Company	V	None
	10. Proposal to adjust the Company's organizational operation structure, along with revisions to the Company's organizational chart	V	None
Resolution of the Audit Committee: Approved by all attending Directors.			

The Company's response to the opinions from the Audit Committee: The proposal was unanimously passed by the Audit Committee members, so it's not applicable.				
5th Meeting 2nd Term 2024/05/13	1. Proposal for the approval of the Company's 2024 Q1 Consolidated Financial Report	V	None	
	2. Proposal for the amendments to the Company's "Organizational Rules"	V	None	
Resolution of the Audit Committee: Approved by all attending Directors.				
The Company's response to the opinions from the Audit Committee: The proposal was unanimously passed by the Audit Committee members, so it's not applicable.				
6th Meeting 2nd Term 2024/08/08	1. Approval of the Company's 2024 Q2 Consolidated Financial Report	V	None	
	2. Proposal to adjust the Company's governance structure, along with revisions to the Company's Organizational Rules	V	None	
Resolution of the Audit Committee: Approved by all attending Directors.				
The Company's response to the opinions from the Audit Committee: The proposal was unanimously passed by the Audit Committee members, so it's not applicable.				
7th Meeting 2nd Term 2024/11/07	1. Proposal for the approval of the Company's 2024 Q3 Consolidated Financial Report	V	None	
	2. Proposal for the establishment of "Sustainable Information Management Procedures" and the "Sustainability Report Preparation and Verification Procedures" as Part of the Company's internal control system	V	None	
	3. Proposal for the amendments to certain provisions of the Company's "Internal Audit System" and the establishment of the "Other Management Controls – Management of Sustainable Information"	V	None	
	4. Proposal for the amendment to certain provisions of the "Regulations Governing the Prevention of Insider Trading" of the Company	V	None	
	5. Proposal for the amendments to certain provisions of the "Rules Governing Transactions with Group Companies, Specific Companies, and Related Parties"	V	None	
	6. Proposal to develop the FY 2025 audit plan of the Company and the U.S. subsidiary	V	None	
	7. Proposal to distribute the FY 2024 year-end bonus for managerial personnel of the Company	V	None	
	8. Proposal for the approval of the appointment of CPAs for reviewing or auditing the Company's financial statements for 2025 and the fee for CPAs.	V	None	
Resolution of the Audit Committee: Approved by all attending Directors.				
The Company's response to the opinions from the Audit Committee: The proposal was unanimously passed by the Audit Committee members, so it's not applicable.				
8th Meeting 2nd Term 2024/03/12	1. Proposal for the approval of the 2024 business report and financial statements	V	None	
	2. Proposal for the approval of the 2024 table of loss compensation	V	None	
	3. Proposal for the approval of the accumulated losses and the execution report for the healthy operation plan for Q4 in 2024	V	None	
	4. Proposal for the amendments to certain provisions of the Company's "Articles of Incorporation"	V	None	
	5. Proposal for the amendments to certain provisions of the Company's "Other Management Controls – Board Meeting Operations Management Procedures"	V	None	
	6. Proposal for the amendments to the Company's "Organizational Rules"	V	None	
	7. Proposal for issuance of new shares with employee rights restrictions	V	None	
	8. Proposal for the approval of the "Internal Control	V	None	

	System Effectiveness Evaluation" and "Statement of Internal Control System"		
	9. Proposal for annual adjustment of managerial compensation	V	None
Resolution of the Audit Committee: Approved by all attending Directors.			
The Company's response to the opinions from the Audit Committee: The proposal was unanimously passed by the Audit Committee members, so it's not applicable.			

II. In regards to the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the content of the proposal, reasons for recusal due to conflict of interests, and voting outcomes shall be stated: None.

III. Communication between Independent Directors, the Internal Audit Supervisor, and CPAs (including significant matters, methods, and results for the Company's financial and business positions):

(I) The internal audit report is regularly submitted to each Independent Director for review in the following month after being completed by the Internal Audit Manager. The Independent Directors and the Internal Audit Manager meet at least four times a year, and the Internal Audit Manager reports on the status of the Company's internal audit and the operation of internal control through the Audit Committee, so that the Independent Directors can fully see the implementation of internal control of the Company's business. A meeting may be called at any time in the event of a major irregularity.

(II) The Independent Directors and the CPAs shall meet at least four times a year, and the CPAs shall report and explain the relevant issues through the Audit Committee in order to fully see the latest finance performance (or financial reports), internal control operation and relevant regulations, systems and operation modes of laws and regulations for adequate communication. A meeting may be called at any time in the event of a major irregularity.

(III) Independent Directors attend Board meetings to review and the Company's quarterly and annual financial reports and make resolutions.

(IV) When necessary, Independent Directors would communicate with the Company's accountants.

(III) Corporate governance implementation status and its deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Evaluation item	Operation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.	No significant deviation.
II. Shareholder Structure and Shareholders' Rights (I) Has the Company established an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to internal procedures? (II) Has the Company maintained a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders? (III) Has the Company established and enforced risk control and firewall systems with its affiliates? (IV) Has the Company stipulated internal rules that prohibit the Company's insiders from trading securities using information not disclosed to the market?	V V V V		(I) The Company has established relevant internal control systems and appointed dedicated stock affair personnel and spokespersons to process shareholders' proposals, inquiries, or disputes. (II) The Company has a stock affairs department in place and it keeps abreast of the list of shareholders provided by the Department of Stock Affairs of the securities firm. (III) The Company has established various management regulations to provide explicit specifications for transactions with affiliates to manifest the risk control system and prevent irregular transactions. (IV) The Company has established relevant internal control systems and constantly communicates with employees on related laws and regulations to prevent insider trading.	No significant deviation.
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors established a policy of Board diversity and duly implemented such policy? (II) Has the Company voluntarily established other functional committees, other than the remuneration committee and audit committee that are established in accordance with the law? (III) Has the Company established standards to measure the performance of the Board of Directors, and has the Company implemented such performance evaluation annually? Has the Company submitted the results of performance evaluation to the Board of Directors and adopted them as a reference for determining remuneration for individual Directors and their nomination for reappointment? (IV) Does the Company regularly implement assessments on	V V V		(I) The Company has established a policy of Board diversity in its Corporate Governance Best Practice Principles. The seven Directors of the Company possess extensive experiences in business management, leadership and decision-making, and industry knowledge; for the details of the diversity policy, specific management objectives and implementation details, please refer to page 12-14 of the annual report. (II) The Company has established its Remuneration Committee and Audit Committee according to the laws and regulations in October 2014 and June 2020, respectively. In the future, the Company will establish other functional committees in due course based on its business development and legal requirements. (III) All members of the Company's Board of Directors actively engage	No significant deviation.

Evaluation item	Operation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
the independence of CPAs?	V		in Board affairs. Irrespective of the Company's financial performance, directors may receive remuneration. The Board of Directors is authorized to determine such compensation based on each director's level of involvement in company operations and the value of their contributions, with reference to prevailing industry standards. The Company has amended the "Regulations Governing Evaluation of Board Performance" in August 2020. Performance self-evaluation questionnaires were distributed to all Directors by the end of Q1 in the following year; such questionnaires include the evaluations on the overall operations of the Board and the self-evaluation of Directors. The details of the implementation status for the current fiscal year are disclosed in the operations of the Board of Directors: Page 21 of the annual report. (IV) The Board of Directors of the Company regularly evaluates the qualifications and independence of CPAs. The Company establishes criteria for evaluating the performance and suitability of its accountants based on the "Independence Declaration" provided annually by the certifying accountants and the Audit Quality Indicators (AQIs) issued by PricewaterhouseCoopers Taiwan. This assessment also takes into account Article 10, "Integrity, Fairness, Objectivity, and Independence," of the Code of Professional Ethics for Certified Public Accountants. For further details, refer to Notes 1 and 2. Conclusion: The assessment results for the most recent fiscal year were reviewed and approved by the Audit Committee on November 7, 2024, and subsequently presented to the Board of Directors on the same date. The Board resolved to approve the evaluation of the accountants' independence and suitability.	
IV. Has the TWSE/TPEx listed company appointed qualified and suitable number of corporate governance personnel and appointed a Corporate Governance Officer responsible for matters related to corporate governance (including but not limited to providing Directors and Supervisors with the necessary information for the execution of business, assisting	V		The President Office is responsible for handling governance-related affairs (including but not limited to providing Directors and Supervisors with the necessary information for the execution of business, assisting Directors and Supervisors in legal compliance, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, and preparing minutes for Board meetings and the	No significant deviation.

Evaluation item	Operation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
Directors and Supervisors in legal compliance, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, and preparing minutes for Board meetings and the shareholders' meetings)?			shareholders' meetings). On March 30, 2023, the Board of Directors of the Company approved the appointment of Madam Sarah Chang, the Vice President of the Company, to concurrently serve as the Corporate Governance Officer.	
V. Has the Company set up communication channels for stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' section been established on the Company's website? Has the Company appropriately addressed the major corporate social responsibility (CSR) issues concerned by stakeholders?	V		Communication between the Company and stakeholders is based on the principle of good faith. The Company maintains healthy communication channels and favorable interactions with stakeholders. The Company has established a dedicated section on the website for shareholders to inquire about relevant information of the Company.	No significant deviation.
VI. Has the Company appointed a professional stock affairs agency to deal with affairs related to shareholders' meetings?	V		The Company has appointed the Department of Stock Affairs of a large-scale composite securities firm to process affairs related to shareholders' meetings.	No significant deviation.
VII. Information Disclosure (I) Has the Company established a website to disclose information on financial operations and corporate governance? (II) Has the Company adopted other information disclosure channels (e.g., establishing an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)? (III) Has the Company announced and declared the annual financial report within two months after the end of the fiscal year? Has it announced and declared the first, second, and third quarterly financial reports and operating conditions of each month as soon as possible before the prescribed period?	V V V		(I) The Company's website is https://www.senhwabio.com, which allows the general public to learn information on the Company. The public may also utilize MOPS for inquiring relevant information on the Company. The Company discloses its significant financial and business information on MOPS in due course according to laws and regulations. (II) The Company has appointed dedicated personnel to be in charge of information collection and disclosure in accordance with laws and regulations in the hope of providing information that affects the decision-making of shareholders and stakeholders in a timely manner; we have assigned appropriate personnel to serve as the spokesperson and deputy spokesperson in accordance with regulations. (III) The Company has announced and declared the first, second, and third quarterly financial reports and operating conditions of each month before the prescribed period according to the laws and regulations.	No significant deviation.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training	V		(I) Employees' interests: The Company treats employees in good faith and protects their legal rights in accordance with the Labor Standards Act. (II) Care for employees: The Company has established a welfare system and a sound educational training system that provides stability for	No significant deviation.

Evaluation item	Operation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by Directors and supervisors)?			employees' lives to build healthy relationships with employees based on mutual trust and reliance. (III) Investor relations: The Company has established a spokesperson system and appointed dedicated personnel for stock affairs. We have also appointed dedicated personnel to be in charge of operations related to investor relations. (IV) Supplier relations: The Company has always maintained healthy relations with suppliers. (V) Stakeholder rights: Stakeholders have access to public information to fully understand the Company's operations. Stakeholders may also communicate with and provide recommendations to the Company to protect their legal interests. (VI) Continuing education of Directors: The Company has made arrangements for Directors to participate in courses related to corporate governance. In addition, we also provide Directors with timely updates of laws and regulations related to corporate governance. The attendance of the Company's Directors regarding the Board meetings is normal; Directors shall not participate in voting for proposals at the Board meetings they have interests in that may harm the Company's interests. (VII) Execution of risk management policies and risk measurement standards: The Company has established various internal rules and regulations and conducted various risk management and evaluations in accordance with regulations. (VIII) Execution of customer policies: The Company maintains stable and healthy relations with customers. (IX) Responsibility insurance purchased by the Company for Directors: The Company has purchased liability insurance policies for Directors in accordance with the Articles of Incorporation and the resolutions made by the Board of Directors. (X) To enhance corporate governance, and protect shareholders' rights, the Company approved the amendment to certain provisions of the "Corporate Governance Best Practice Principles" at the Board of Directors meeting held on March 30, 2023. These amendments are also in line with the provisions of the Company Act regarding	

Evaluation item	Operation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
			virtual shareholder meetings, the provisions of the Business Mergers and Acquisitions Act, and the promotion of the "Corporate Governance 3.0: Blueprint for Sustainable Development" project initiated by the FSC.	

IX. Improvements made in response to the results of Corporate Governance Evaluation in the most recent year conducted by the Corporate Governance Center of TWSE, and improvement measures and plans of priority for items yet to be improved. (Companies not evaluated are exempt from such disclosures):

The Company has completed the following priority improvement indicators from the previous year:

Evaluation indicators	Improvement Status
1.2	The Company has established comprehensive written guidelines for financial and business dealings with related parties. Significant transactions have been reviewed and approved by the Board of Directors and subsequently reported to the Shareholders' Meeting.
2.14	As of July 31, 2024, the Company has formed a Sustainable Development Committee comprising one director and two independent directors. The committee's structure, responsibilities, and operational status are disclosed on the Company's website.
3.5	Company has posted its annual financial report in English at least 16 days prior to the Annual General Meeting of Shareholders.
4.1	The Company established the Sustainable Development Committee on July 31, 2024. Risk assessments and risk mitigation strategies have been implemented in various domains based on materiality principles, with reports to the Board of Directors conducted at least annually. Progress on these initiatives is disclosed on the Company's website.
4.3	The Company has published detailed plans and progress regarding corporate sustainability initiatives on its website.
4.11	The Company has disclosed its annual water usage and total waste generated for the FY 2022 and 2023 on its website.
4.18	The Company has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework to disclose its governance, strategy, risk management practices, metrics, and targets related to climate risks and opportunities, with relevant information available on its website.

Improvement measures: Following the publication of the annual evaluation results, the Company conducts a comprehensive review of unmet targets and systematically implements corrective actions to ensure gradual compliance and continuous improvement.

Note 1:

Criteria for Independence		Independence attribute	
No.	Description	Yes	No
1	During the execution of audit engagements, the firm must maintain independence. Independence includes: (I) Substantive Independence: This refers to an inherent requirement for auditors to act with integrity, exercise objective professional judgment, and maintain professional skepticism without being influenced by external factors when reaching conclusions. (II) Formal Independence: This involves avoiding circumstances where a rational and informed third party, who understands the auditor's professional responsibilities, would conclude that the integrity, objectivity, or professional skepticism of the firm or its audit team members has been compromised. The period during which independence must be maintained includes: I. The period of engagement. II. The reporting period covered by the financial statements.	✓	
2	The firm shall apply the conceptual framework outlined in the Statement of Professional Ethics No. 1 - "General Principles of Professional Ethics for Certified Public Accountants of the Republic of China" to identify, assess, and respond to threats to independence related to audit engagements.	✓	
3	Threats to independence in relation to audit engagements may include one or more of the following: I. Self-interest: Financial or other interests that improperly influence the auditor's judgment or behavior. II. Self-review: When the auditor relies on a prior judgment or on work previously performed by themselves, other firm personnel, or the firm itself, thereby affecting the current audit judgment. III. Advocacy: Acting as an advocate for the client or the engaging party, thereby compromising the auditor's objectivity. IV. Familiarity: Developing a close or long-term relationship with the client or engaging party, which may cause the auditor to overly sympathize with the client's interests or overly accept the client's actions. V. Intimidation: Experiencing or perceiving pressure from the client or other circumstances, compromising the auditor's ability to remain objective and act appropriately.	✓	
4	Self-interest threats to independence occur when financial interests gained from an audit client, or other conflicts of interest, undermine the auditor's objectivity. Common scenarios that may lead to such threats include: I. Holding a direct or substantial indirect financial interest in the audit client. II. The firm's financial dependence on revenue from a single client. III. Engaging in significant business transactions with the audit client. IV. Considering the risk of losing a key client. V. Potential employment opportunities with the audit client. VI. Contingent fees associated with the audit engagement. VII. Identifying significant errors in prior reports issued by other members of the firm.	✓	
5	Self-review threats to independence arise when judgments or reports issued in non-audit engagements are later referenced as significant evidence in forming audit conclusions, or when audit team members previously served as directors, supervisors, or held other influential positions at the audit client. Situations that may present such threats include: I. The firm issuing assurance reports regarding the effective operation of financial information systems that it designed or assisted in implementing. II. The firm's original documentation being used as key or significant evidence in an assurance engagement.	✓	

Criteria for Independence		Independence attribute	
No.	Description	Yes	No
	III. Current or former audit team members (within the past two years) having served as directors, supervisors, managers, or in roles with substantial influence over the audit engagement for the client. IV. Non-audit services provided to the audit client that directly impact key areas of the audit engagement.		
6	Advocacy threats to independence occur when audit team members act as defenders of the audit client's stance or opinions, potentially undermining their objectivity. Common situations that may lead to such threats include: I. Promoting or marketing securities issued by the audit client. II. Defending the audit client in legal disputes or other contentious matters, except in cases where such activities are explicitly allowed by law.	✓	
7	Familiarity threats to independence arise when close relationships with the audit client's directors, supervisors, or management lead auditors or audit team members to become excessively sympathetic to the client's interests. Situations that may give rise to such threats include: I. Audit team members having family or close personal relationships with the audit client's directors, supervisors, management, or individuals significantly involved in the audit engagement. II. Audit team members holding positions as directors, supervisors, management, or key employees with direct influence over the audit client's accounting records or financial statements subject to audit. III. Accepting substantial gifts, benefits, or special treatment from the audit client, its directors, management, or major shareholders.	✓	
8	Intimidation threats to independence occur when audit team members face pressure from the audit client or other external factors, compromising their ability to maintain objectivity and apply appropriate professional skepticism. Common scenarios that may lead to such threats include: I. The client threatens to initiate legal proceedings against the firm. II. Threats to withdraw or withhold non-audit engagements unless the firm agrees to adopt inappropriate accounting policies for specific transactions. III. Threats to terminate or not renew the audit engagement if certain accounting treatments are not accepted. IV. Pressure to reduce audit fees by compelling auditors to perform less work than is necessary. V. Client personnel, positioning themselves as experts, pressuring audit team members to accept their professional judgment on contentious matters. VI. Management pressuring auditors to accept improper accounting policies or disclosures by threatening to withhold promotions or career advancement opportunities.	✓	
9	If a client engages the firm to provide an opinion on its financial statements and later becomes an audit client during the reporting period or thereafter, the firm must assess whether the following situations pose a threat to independence: I. During the reporting period or thereafter, but before accepting the audit engagement, the firm had financial or business relationships with the client. II. The firm or its associated firms had previously provided professional services to the client.	✓	
10	To address the threats outlined in the previous item, the following safeguards may be considered appropriate: I. Assigning personnel who are not part of the audit engagement team to perform the non-audit services. II. Designating a qualified reviewer to assess both the audit and non-assurance services performed. Engaging an independent firm outside the network to review or re-perform the non-assurance services, thereby assuming responsibility for those services.	✓	
11	The firm is required to document its conclusions regarding adherence to the independence guidelines specified in the pronouncement, as well as the discussions that support those conclusions. This includes: I. When safeguards are implemented to mitigate threats, the nature of the threats and the corresponding safeguards applied.	✓	

Criteria for Independence		Independence attribute	
No.	Description	Yes	No
	II. When a significant analysis of threats is conducted and the threats are determined to be at an acceptable level, the nature of the threats and the rationale for reaching that conclusion.		
12	If the firm identifies a breach of the pronouncement, the following actions shall be taken: I. Terminate, suspend, or mitigate the interests or relationships that led to the violation and address the resulting consequences. II. If relevant laws or regulations apply to the identified violation, comply with those laws and regulations accordingly. III. In accordance with the firm's policies and procedures, promptly communicate the details of the violation to the following individuals: (I) The lead auditor. (II) Those responsible for overseeing independence policies and procedures. (III) Relevant personnel within the firm and associated firms in the network. (IV) Those required to take corrective action as specified by the pronouncement. IV. Evaluate the severity of the violation and its potential impact on the firm's objectivity and ability to issue the audit report. V. Depending on the severity of the violation, decide: (I) Whether to terminate the audit engagement; or (II) Whether appropriate corrective actions can be implemented. In considering the above responses, the firm should apply professional judgment and assess whether a reasonable and informed third party, familiar with the pertinent facts, would perceive the firm's objectivity as compromised, thereby affecting its ability to issue the audit report.	✓	

Note 2: Evaluation on competency:

Criteria for Competency		Evaluation	
No.	Description	Yes	No
1	Whether the accountants qualified as CPAs to execute the CPA business.	✓	
2	Whether CPAs are subject to any disciplinary action imposed either by the competent authority or the accountant association, or punishments according to the provisions of paragraph 3, Article 37 of the Securities Exchange Act.	✓	
3	Whether CPAs possess relevant industry knowledge of the audit clients.	✓	
4	Whether CPAs audited financial statements based on the Generally Accepted Auditing Standards (GAAS) and Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant, and prepared working papers for the audits.	✓	
5	Whether CPAs abuse their positions to compete improperly in the market.		✓

(IV) Composition, duties, and operation of the Remuneration Committee:

The Company's Remuneration Committee was established on October 14, 2014. The primary duty of the Remuneration Committee is to improve the salary and compensation systems for the Company's Directors and managers and submit their recommendations to the Audit Committee and the Board of Directors for discussion. The Company elected the 5th Board of Directors by an early election on June 30, 2023 and established its Audit Committee; the newly appointed Independent Directors formed the Remuneration Committee.

1. Information on the Members of the Remuneration Committee

April 28, 2025

Identity	Qualifications / Name	Professional qualification and experience	Independence	Number of public companies in which the member concurrently serves as a Remuneration Committee member
Independent Director	Yeu-Chuyr Chang	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company and currently serving as an instructor or higher post in a public or private college or university in the field of finance	Meeting of all the following independence criteria two years prior to the date elected and during their term of office: 1.Not employed by the Company or an affiliate. 2.Not a Director or Supervisor of the Company or any of its affiliates. (However, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 3.Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minors, or held by the person in the name of others, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in shareholdings. 4.Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship listed in (2) and (3). 5.Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representatives to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (However, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 6.Not a director, supervisor, or employee of another company that the majority of its directors or the shares with voting rights are controlled by the same person (However, this restriction shall not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). 7.Not a director, supervisor, or employee of another company or an institution who is concurrently the Chairperson, President & CEO, or equivalent positions of the Company or a spouse thereof (However, this restriction shall not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent).	0
Independent Director	Tong-Young Lee	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company		0
Independent Director	Yung-Lin Ma	Work experience necessary for business, legal affairs, finance, accounting, and business sector of the Company		0

Identity	Qualifications / Name	Professional qualification and experience	Independence	Number of public companies in which the member concurrently serves as a Remuneration Committee member
			8.Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company (However, if a specific company or institution holds more than 20% and no more than 50% of the total issued shares of the Company and if an Independent Director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 9.Not any professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the most recent two fiscal years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. Provided, this restriction does not apply to a member of the Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, which exercises powers pursuant to the Security and Exchanges Act or to the Business Mergers and Acquisitions Act or relevant laws or regulations. 10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 11. Not meeting any conditions defined in Article 30 of the Company Act. 12. Where the person is not elected in the capacity of the government, a judicial person, or a representative thereof as provided in Article 27 of the Company Act.	

2. Operations of the Remuneration Committee

(1) The Company's Remuneration Committee composes of three members.

(2) Term for the current members:

The term of office for the members of the 4th Remuneration Committee is from June 11, 2020 to June 10, 2023, and the term of office for the members of the 5th Remuneration Committee is from June 30, 2023 to June 29, 2026. Four meetings were held for the Remuneration Committee in the most recent year (2024) and one meeting was held for the Remuneration Committee in 2025 (a total of five meetings (A), the qualification and attendances of the members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Member/Convener	Yeu-Chuyr Chang	5	0	100.00	
Committee Member	Tong-Young Lee	3	2	60.00	
Committee Member	Yung-Lin Ma	5	0	100.00	

Other matters to be disclosed:

I. The date of the Board meeting, the session, the content of the proposals, resolution results of the Board, and the Company's actions in response to the opinions of the Remuneration Committee shall be recorded when the Board refused to adopt or amend the recommendations of the Remuneration Committee (when the salary and compensation passed by the Board are favorable than the recommendations of the Remuneration Committee, deviations and reasons thereof shall be stated): None.

II. The date of the Remuneration Committee meeting, the session, the content of the proposals, opinions of all members, and the Company's actions in response to the opinions of the members shall be recorded when any member has dissenting opinions or qualified opinions, and that is documented or issued through written statements: None.

(V) Fulfillment of sustainable development and its deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof:

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
I. Has the Company established the governance framework for promoting sustainable development and an exclusively (or part-time) dedicated unit for promoting it? Is the executive level authorized by the Board of Directors to handle relevant affairs? What is the status of the monitoring the implementation of the policy by the Board of Directors?	V		To effectively drive the Company's ESG initiatives and corporate social responsibility efforts while proactively addressing stakeholder risk assessments and mitigation strategies, the Company officially established the Sustainable Development Committee in July 2024. During the November 2024 Board meeting, the Board reviewed and discussed key proposals, including the execution of the sustainability report, greenhouse gas inventory, and verification plans, thereby elevating sustainable development to the board level. A Sustainability and Stakeholder Office was set up under the committee to oversee the implementation of ESG-related plans and to report annually (at least once) to the Board of Directors on the Company's ESG performance for the previous year. The report includes an analysis of identified material topics, subsequent risk management measures, targets for key themes, and their implementation status. Each year, the Board of Directors receives a comprehensive report from the Sustainable Development Committee, assessing the feasibility of policies and targets for material topics and evaluating the extent of ESG implementation. This structure ensures that the Board is actively engaged in the Company's ESG practices, allowing for more substantial participation in advancing sustainability objectives.	No significant deviation.
II. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies?	V		(I) The Company uses the GRI Standards as the primary framework for identifying sustainability issues, employing "impact severity" as the key criterion for assessing material topics. By conducting a questionnaire survey and applying the dual materiality approach, the Company identified key material topics and created a materiality matrix that classifies topics into Environmental (E), Social (S), and Governance (G) dimensions. Two primary topics were selected for each dimension: Product Responsibility & Safety, Information Security, Talent Development, Occupational Safety,	No significant deviation.

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
			Sustainable Supply Chain, and Greenhouse Gas Management. Given the distinct nature of the new drug industry, the Company additionally discloses Innovation & R&D as a significant material topic. (II) To manage potential negative impacts arising from these material topics, the Company has established six core risk management strategies, encompassing Environmental, Policy, R&D, Technological Change, Industry, and Other domains. Beyond identifying risks, the Company also proposes targeted countermeasures. For instance, to address environmental risks, the Company has progressively adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework to strengthen climate risk management. (III) Risk management responsibilities within the Company are assigned to specific functional departments, which serve as the main units for implementing subsequent risk control measures. Annually, the Company reports to the Board of Directors on ESG risk assessments and response strategies, ensuring comprehensive oversight. Additionally, the corporate governance unit is tasked with monitoring the effectiveness of internal controls and managing actual or potential risks, further reinforcing the Company's risk control mechanisms.	
III. Environmental Issues (I) Has the Company established a suitable environmental management system based on its industrial characteristics? (II) Has the Company committed to improving the efficiency of utilizing various resources and using recycled materials with low impacts on the environment? (III) Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to related issues? (IV) Has the Company calculated its GHG emissions, water consumption, and total waste weight in the past two years, and formulated policies for energy conservation, reductions	V V V V		(I) Operating within the new drug development sector, the Company's facilities are limited to general office spaces without production plants or laboratories, making its primary energy consumption typical of regular business operations. Consequently, energy use, water consumption, and waste management are not considered material topics for the Company. Accordingly, energy conservation and environmental initiatives are centered around reducing operational energy consumption. At the same time, the Company complies with government regulations on environmental protection and occupational safety and health,	No significant deviation.

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
of GHG and water consumption, or other waste management?			alongside its internal guidelines, aiming to maintain operational safety and promote environmental sustainability. (II) In the pharmaceutical processes involving clinical drugs, as well as in the preclinical, animal, and human clinical trials necessary for new drug development, the Company consumes energy, water resources, and raw materials. To minimize environmental impact, the Company is committed to adopting low-carbon processes and implementing green supply chain practices, thereby reducing its overall environmental footprint. (III) The Company has been systematically implementing the framework of the Task Force on Climate-related Financial Disclosures (TCFD), which is structured around governance, strategy, risk management, metrics, and targets. Management is tasked with identifying climate-related risks and opportunities, developing corresponding response strategies, and establishing a schedule for regular reporting to the Board of Directors, which will provide oversight. This approach is designed to bolster climate risk management and ensure alignment with TCFD guidelines. (IV) The Company has designated 2024 as the baseline year for greenhouse gas (GHG) inventory and has implemented a regular tracking system for monitoring GHG emissions, water consumption, and waste management. Additionally, the "Environmental Safety and Health Policy" was established in 2024, setting forth clear sustainability objectives for environmental protection and disaster prevention. A. Regarding water usage, all water is sourced from the municipal water supply and is exclusively used for daily employee activities, with no water utilized in production processes and no process wastewater generated. After use, all domestic water is discharged through the building’s pipeline system and is properly treated by the sewage treatment facility. The office building is also	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Operation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>equipped with a rainwater collection system for landscape irrigation, and the central air conditioning system utilizes a closed-loop chilled water circulation system to minimize energy and water consumption.
<table><tr><th>Year</th><th>Water Source</th><th>Scope</th><th>Total Water Withdrawal (ML)</th></tr><tr><td>2022</td><td>Municipal Water</td><td>Taiwan HQ</td><td>0.862</td></tr><tr><td>2023</td><td>Municipal Water</td><td>Taiwan HQ</td><td>1.639</td></tr><tr><td>2024</td><td>Municipal Water</td><td>Taiwan HQ</td><td>1.4991</td></tr></table>B. The Company’s office primarily generates general industrial waste, including waste paper, PET bottles, and domestic waste, with no hazardous industrial waste produced. To promote waste reduction and recycling, the Company regularly posts educational materials and sends internal emails encouraging double-sided printing to reduce paper usage. A designated area is provided for waste paper collection, and employees are urged to minimize the use of disposable paper tableware and plastic bags, while maximizing the use of reusable utensils and eco-friendly bags. This initiative aims to foster low-carbon habits in daily life. For office printing paper, the Company prioritizes brands certified under ISO 9001 and ISO 14001 to minimize carbon emissions in routine operations. According to GHG verification calculations, waste disposal emissions accounted for 0.0226% of indirect GHG emissions. Although not classified as a material topic, the Company actively pursues further emission reductions through ongoing GHG assessments and green procurement practices.</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Operation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>Year</td><td>2022</td><td>2023</td><td>2024</td></tr>
<tr><td>General Industrial Waste (tons)</td><td>2.696</td><td>2.812</td><td>2.843</td></tr>
<tr><td>CO_2 Equivalent (CO_{2e} /ton)</td><td>0.916</td><td>0.956</td><td>0.967</td></tr>
</table></td><td></td></tr>
<tr><td>IV. Social Issues
(I) Has the Company formulated management policies and procedures following relevant regulations and international human rights treaties?
(II) Has the Company formulated and implemented reasonable employee benefits measures (including compensation, days-off, and other benefits, etc.), and appropriately link the operating performance or results to employee compensation?
(III) Has the Company provided a healthy and safe work environment and has it organized health and safety training for its employees on a regular basis?
(IV) Has the Company established effective career development and training plans for its employees?
(V) Has the Company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing, and labeling, and formulated relevant consumer protection policies and grievance procedures?
(VI) Has the Company formulated a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? How well are those policies implemented?</td><td>V
V
V
V
V
V</td><td></td><td>(I) The Company recognizes and voluntarily adheres to the human rights standards recognized by international human rights conventions, including the "Universal Declaration of Human Rights (UDHR)", "United Nations Global Compact (UNGC)", "United Nations Guiding Principles on Business and Human Rights (UNGPs)", and "International Labour Organization’s Declaration on Fundamental Principles and Rights at Work", and complies with local labor-related laws and regulations to establish management rules such as "Regulations Governing Personnel Management", "Sexual Harassment Prevention Management" and "Safety and Health Work Rules" to clearly regulate labor conditions and protect the rights and interests of employees. The Company also regularly conducts human rights risk assessments, implementing human rights protections.
1. Labor Rights and Protection
• When the employment relationship is established, a written agreement is signed in accordance with the law, stating that the employment relationship is established based on the premise of mutual consent and without forced labor.
• The Company prohibits all forms of discrimination, bullying and harassment, forced labor and child labor, obstruction of the freedom of assembly and association of employees. There is no illegal human trafficking, and the Company opposes any form of slavery.</td><td>No significant deviation.</td></tr>
</table>

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
			• Implement a leave policy that provides a greater number of special leave days than as required by law. New employees are entitled to special leave benefits upon the commencement of their employment. • In accordance with the provisions of the law, the Labor Committee has been established and the Company regularly tracks and reviews the relevant system. 2. Diversity, Inclusion and Equality • There are no differential treatments in the language used, attitude or behaviors based on race, class, language, ideology, religion, political affiliation, national origin, gender, appearance, facial features, physical or mental disabilities, etc. To date, there have been no incidents of discrimination in the friendly workplace environment. • The policy of non-discriminatory treatment and fairness in employment, compensation and benefits, training, evaluation and promotion opportunities are implemented. • A complete grievance mechanism and channel is established to properly and immediately address employee opinions. 3. Health and Safety and Work-Life Balance • The Company prohibits smoking indoors and set up safety protection measures to detect the working environment to reduce the risk of occupational accidents. • Supervisors of all units proactively care for and manage employees' abnormal working conditions to avoid overtime work. A flexible lunch break of 1.5 hours is provided, allowing colleagues to have sufficient time for their midday rest. • Implement a leave policy that provides a greater number of special leave days than as required by law. New employees are entitled to special leave benefits upon the commencement of their employment, encouraging employees to prioritize work-life balance.	

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
			• The Company provides annual health checkups and travel subsidies that are more favorable than as required by law, to take care of and relieve employees' physical and mental stress and to improve their quality of life and work efficiency. • Organize activities such as year-end banquet and occasional dinner parties to promote physical, mental and spiritual cohesion among employees. (II) The Company has established relevant personnel management rules and regulations, which cover minimum wages, working hours, days off, pension benefits, Labor Insurance and National Health Insurance benefits, and compensation for occupational accidents for the workers employed by the Company in accordance with the Labor Standards Act. The Company's compensation policy is based on the individual's ability, contribution to the Company, and personal performance, and is positively correlated with the operating performance of the Company. The overall salary and compensation package mainly consists of three parts: basic salary, personal bonuses and company-wide bonuses, and benefits. For the standard of remuneration, the basic salary is based on the competitive market conditions and the Company's policy; personal bonuses and company-wide bonuses are paid in relation to the achievement of employee and departmental goals or the Company's operating performance, and benefits are designed to meet the requirements of laws and regulations and to take into account the needs of employees to design benefit initiatives that can be shared by all employees. (III) Work Environment and Employee Safety: 1. Safety of the Business Park: • There are surveillance systems at all entrances and exits of the business park. There are also 24-hour security guards stationed at the main entrance, and a 24-hour emergency	

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
			hotline to avoid delays in reporting and handling of emergencies, resulting in the expansion of the incident and affecting personal safety. • The business park conducts annual fire safety inspections, and the local fire department, building management center staff and building fire protection suppliers conduct fire safety, fire escape and equipment tests for the whole building. In addition, for the office area of the factory, the Company will arrange the staff in charge of the management center to conduct door-to-door inspection with the building fire protection suppliers. 2. Safety of the Office Premises: • The Company has established the position of an occupational safety and health supervisor, who is responsible for the implementation of safety and health management and education and training. • On-boarding education and training for new employees and regular/unscheduled training for current employees include the introduction of safety and health work rules, internal/external environmental and equipment safety measures, and measures of access control to implement and reinforce the safety concepts for the employees. • A work environment inspection and environmental equipment checkup, maintenance and disinfection are conducted once or twice a year to ensure the normal use of the office space and all equipment in the office area to reduce the risk of occupational accidents. • The company's office area is a 100% non-smoking place. • As of the end of 2024, the Company had no occupational accidents or fire incidents. 3. Physical and mental care for employees • Gender equality and diversity: The Company emphasizes human rights at work and gender equality. The Company is committed to providing employees with a dignity-centered and a safe working environment, implementing the spirit of	

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
			gender or sexual orientation equality under the Act of Gender Equality in Employment, ensuring that employees are not subjected to discrimination, harassment, or unequal treatment under applicable regulations. The Company has established management measures to prevent sexual harassment and has set up a mechanism to handle complaints of inappropriate behaviors by employees, and under the premise of friendly workplace. As of the end of 2024, the Company had no related discrimination incidents. • Communication and grievance channels: The Company has established various smooth communication channels for employees, including a grievance mailbox and e-mail. If employees have noticed any violation of the law, illegal activities, unfair treatment, or would like to give other employee suggestions, they can communicate with and make complaints to the Company. • The Company provides annual subsidies for employees' health check-up expenses and plans special health check-up programs for the dependents of employees to enhance the health awareness of employees and their families. (IV) For the Company, sustainable business operations hinge on employees' continuous learning and development. Employee training is a vital strategy for enhancing human capital and ensuring its sustained value. Accordingly, the Company has consistently emphasized employee training. The overarching learning and development strategy is centered on On-the-Job Training (OJT), supported by comprehensive orientation programs for new hires and specialized training tailored to specific professional fields. A structured training framework has been established to address diverse business and skill requirements. The Company’s sustainable growth is intrinsically tied to employees' ability to fully utilize their expertise and leadership capabilities. By leveraging both internal and external resources, the Company fosters ongoing learning and development initiatives. These mechanisms	

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
			enable employees to advance their knowledge and skillsets throughout their careers, maintain a competitive edge, and grow in step with the Company. (V) The Company is primarily engaged in new drug development and currently does not conduct marketing activities. Nonetheless, to ensure the safety of investigational drugs in clinical trials, comprehensive assessments, including pharmacokinetic (PK) and pharmacodynamic (PD) studies as well as toxicological testing, are rigorously conducted. The Company manages product responsibility and safety through two main areas: drug preparation and clinical management. 1. Drug Preparation: • Comprehensive Clinical Trials and Quality Control: Before any new drug is launched, it must undergo extensive clinical trials and risk assessments to validate both its safety and efficacy. • Product Recall Protocol: The Company has implemented a comprehensive product recall plan to promptly respond to any identified safety concerns, effectively minimizing potential harm. • Insurance Coverage: Product liability insurance is procured to mitigate the financial impact of potential claims. • Regulatory Compliance and Supplier Audits: The Company actively monitors regulatory updates and implements SOPs in line with quality management systems. On-site audits of suppliers are conducted to ensure compliance with relevant Good Practice (GXP) standards. 2. Clinical Management: • Initial Dose Selection: Based on preclinical data, the Company carefully determines the initial dose for human trials and designs dose escalation protocols to safeguard participant safety. • Integration of Non-Clinical Data: Non-clinical pharmacokinetic, pharmacodynamic, and safety data are systematically integrated into clinical trial design to	

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
			reinforce risk assessments for human studies. • Participant Selection: Suitable trial participants are selected based on health status and other relevant factors that could influence trial outcomes. • Safety Monitoring System: The Company has implemented a robust safety monitoring system to continuously track and analyze clinical data, enabling swift identification and management of adverse reactions. • Emergency Response Plans: Detailed contingency plans are in place to address potential emergencies during clinical trials, ensuring the safety of all participants. • Ethical Oversight: All clinical trials are conducted in accordance with ethical standards and undergo review and approval by ethics committees to ensure compliance. (VI) The Company is committed to evaluating the environmental and social impacts of its suppliers. Beyond the conventional criteria of quality, technical expertise, service, and problem-solving capabilities, the Company implemented a supplier ESG evaluation checklist in 2024. This checklist is part of a broader plan to gradually integrate ESG considerations into the supplier selection mechanism as part of the Company's short-, medium-, and long-term objectives. Given that 2024 was Senhwa Biosciences' inaugural year for sustainability initiatives, the Company actively communicated its commitment to sustainability through various initiatives. A total of 39 "Supplier Social Responsibility Commitment Letters" were issued, with 28 signed and returned, resulting in a signing rate of 71.8%. Additionally, six suppliers, despite not signing the commitment letter, had already published sustainability reports, identifying them as reputable partners aligned with the Company's sustainability standards. Furthermore, in 2024, the Company conducted evaluations of 10 key suppliers involved in GMP manufacturing, testing, and regulatory documentation preparation. This included ICON Clinical Research Limited and Zuellig Pharma. All 10	

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
			suppliers were assessed under the Supplier Management Policy, achieving a 100% compliance rate.	
V. Has the Company, following internationally recognized principles or guidelines, prepared and published reports, such as its sustainability report, to disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third-party accreditation institution?	V		To effectively communicate its efforts and commitment in areas of integrity governance, environmental sustainability, and social inclusion to all stakeholders, the Company has issued the "2024 Sustainability Report" in alignment with the 2021 version of the Global Reporting Initiative (GRI) Sustainability Reporting Standards, including sector-specific disclosures and other relevant guidelines tailored to industry characteristics. The report details the Company's sustainability policies, implementation outcomes, objectives, and management approaches, covering key areas such as integrity management, risk management, climate change risks and opportunities, greenhouse gas and energy management, supply chain management, talent development, workplace safety, information security, product responsibility, and stakeholder engagement, with the overarching goal of embedding sustainable practices throughout its operations. The report was independently verified by Great Certification Co., Ltd. under Type 1 of the AA1000 v3 Assurance Standard, certifying its compliance with the GRI 2021 Standards and securing an assurance statement.	No significant deviation.
VI. Where the Company has established the Sustainable Development Best Practice Principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe any deviation from the Principles and their implementation: None.				
VII. Other important information to facilitate a better understanding of the Company's sustainable development operations: (I) To accurately assess its carbon emissions and set targeted reductions, the Company successfully implemented the ISO 14064-1 Greenhouse Gas Inventory Standard in the first quarter of 2025. Under the direction and oversight of the Greenhouse Gas Inventory Implementation Committee, the Company completed the 2024 greenhouse gas inventory register, report, and management procedure manual, establishing 2024 as the baseline year for greenhouse gas inventory. The Company has set a target to reduce greenhouse gas emission intensity by 1% annually. (II) In 2024, the Company introduced a new Environmental Safety and Health Policy aimed at promoting employee health and safety, preventing workplace hazards, and fostering sustainable development. The policy underscores adherence to environmental and occupational safety regulations, active employee participation, a commitment to ongoing improvement, and the creation of a safe and supportive work environment. (III) In response to the ongoing need for workplace epidemic prevention and contingency planning following COVID-19 and the rise of remote work, the Company revised its				

Evaluation item	Operation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No	Summary	
Occupational Safety and Health Work Guidelines in 2024 by adding an appendix with reference guidelines for home-based work safety. This guideline provides both the Company and employees with tools for hazard identification, risk assessment, education and training, and the implementation of preventive equipment or measures related to working from home. (IV) During 2024, the Company developed and requested its collaborating suppliers to sign a Social Responsibility Commitment Letter, ensuring mutual compliance with applicable laws and regulations. The Company also completed a sustainability self-assessment checklist, which serves as a future evaluation tool for supplier sustainability performance. (V) To reinforce the Company's integrity management commitment and practices, the Company formulated an Integrity Commitment Letter in 2024, distributing it to all board members and employees for signature, with a 100% return and signature rate. (VI) The Company successfully conducted its inaugural Corporate Volunteer Day in 2024, themed "Understanding Our Ocean," including creative activities using marine waste. This initiative aimed to elevate employees' environmental knowledge and foster stronger support and unity around the Company's sustainability mission.				

(VI) Climate-Related Information

1. Implementation Status of Climate-Related Information:

Item	Implementation
1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	1. The Board of Directors serves as Senhwa Biosciences' highest authority on climate governance, overseeing and shaping climate-related strategies through the lens of sustainability. It delegates climate management responsibilities to the Sustainable Development Committee and the Sustainability and Stakeholder Office. The Sustainable Development Committee reports to the Board at least once a year on ESG and climate-related performance, including reviews of strategy, progress, and regulatory updates, ensuring active Board engagement in the company's ESG initiatives. In 2025, the company will adopt the ISO 14064-1 greenhouse gas accounting standard to accurately track carbon emissions and establish reduction targets. 2. Under the Sustainable Development Committee, four functional teams are led by respective department heads. After conducting risk assessments, departments discuss potential risks and develop mitigation strategies in management meetings. These risks are continuously monitored until their impact is effectively reduced.
2.Describe how the identified climate risks and opportunities affect the company's business, strategies, and finances (short- term, medium-term, and long-term). 3.Describe the Financial Impacts of Extreme Weather Events and Transition Actions.	Physical Risks: (1) Short-term Risks: These encompass extreme weather events, increased raw material costs, and disruptions in energy supply. The potential impacts on the Company include: • Extreme weather may disrupt the functioning of operational facilities or equipment, hinder employees' commuting, and cause delays in scheduled activities. • Climate change-driven scarcity or price hikes of raw materials may lead to higher operational costs. • Power shortages or government-imposed electricity supply restrictions due to extreme weather could prevent the Company from maintaining normal operations. (2) Long-term Risks: Rising average temperatures. Potential effects on the Company include: • Prolonged temperature increases may lead to more frequent work stoppages due to heat, lower employee productivity, and adverse impacts on employee health and safety, resulting in revenue loss or increased costs related to health, safety, and attendance, which ultimately affect business continuity. Transition Risks: (1) Environmental Dimension: To address resource shortages driven by climate change, the Company faces potential long-term financial impacts, including increased operating costs. To mitigate these effects, the Company intends to optimize pharmaceutical production and preparation through three main strategies: 1. Increase process efficiency and yield. 2. Adopt new low-carbon footprint processes (Green Chemistry). 3. Improve drug bioavailability to reduce the consumption of active pharmaceutical ingredients. (2) Policy Dimension: Certain raw materials are sourced exclusively from specific regions, making the supply chain vulnerable to regional natural disasters or geopolitical risks. Such disruptions may cause supply shortages or delays, negatively affecting product manufacturing and sales, and potentially inflicting significant financial and reputational harm to the Company. To mitigate these risks, the Company is formulating pharmaceutical supply management strategies that include:

Item	Implementation
	1. Supplier diversification: Identifying multiple suppliers to reduce dependence on any single source and create backup supply chains. 2. Quality management system: Implementing rigorous supplier oversight and quality assurance processes, including regular audits and inspections. 3. Risk assessment and contingency planning: Evaluating supply chain risks and establishing emergency response plans to prevent production interruptions and ensure operational continuity. (3)Reputation Dimension: A lackluster or insufficient response to climate change and efforts to reduce energy use and carbon emissions could negatively influence customer and public perception. This, in turn, could affect stakeholder partnerships, create recruitment challenges, diminish investors' long-term commitment, and damage the Company's corporate reputation. To address this, the Company has established specialized units and adopted a risk identification framework, along with the ISO 14064-1 greenhouse gas inventory standard, to continuously monitor carbon emissions and set reduction targets accordingly. The Company transparently shares relevant information through periodic disclosures such as reports, its official website, and annual reports, showcasing its actions and progress.
4.Describe how the process of identifying, assessing, and managing climate risks is incorporated into the comprehensive risk management framework.	To establish robust risk assessment, enhance management capabilities, and proactively address stakeholder concerns, the Company's Board of Directors officially established the Sustainable Development Committee in July 2024. Under this committee, the Sustainability and Stakeholder Office was formed to identify and manage operational risks, including physical and transition risks stemming from climate change, and to lead the planning and execution of corresponding mitigation strategies. Working with external consultants, the Office conducts manager interviews, surveys, and engages with relevant department heads to identify climate-related risks and opportunities. Through collaborative discussions with responsible units, effective solutions are developed. The Company is progressively implementing the TCFD framework, integrating climate risk management policies, practical evaluation approaches, and mitigation verification to minimize the operational impact of climate risks. In 2024, the Company will continue to conduct comprehensive risk assessments of key operations and provide the Board of Directors with at least one annual report on management performance and risk control. This process ensures ongoing oversight, monitoring, and review of risk management practices to enhance the Company's resilience to risks.
5.Describe the scenario, parameters, assumptions, analysis factors, and the primary financial impacts involved when conducting scenario analysis to evaluate resilience against climate change risks.	Using data from the TCCIP website, the Company conducts scenario analyses simulating future climate change impacts to guide adjustments in operational strategies. 1. Increased severity of extreme weather events such as typhoons and floods: • Climate change is causing typhoons and heavy rainfall to become more intense, potentially exposing the Company's operations to natural disasters, which could disrupt operations or cause injuries. • Under SSP1-2.6, Taiwan's average annual rainfall is expected to rise by about 12% by mid-century and 16% by century's end, with the maximum daily rainfall intensity increasing by roughly 15.7% and 15.3%, respectively. • Under SSP5-8.5, average annual rainfall may increase by about 15% mid-century and 31% by century's end, while maximum daily rainfall intensity could rise by approximately 20% and 41.3%, respectively. • Also, under SSP5-8.5, the total number of typhoons impacting Taiwan is projected to decrease by roughly 15% mid-century and 55% by century's end, but the share of strong typhoons is expected to double and increase by 50%, respectively. Typhoon-related rainfall intensity is projected to rise by about 20% mid-century and 35% by century's end. 2.Rising average temperatures: • Under SSP1-2.6, annual average temperatures may increase by 1.3ºC mid-century and 1.4ºC by century's end. The number of days with temperatures exceeding 36ºC is projected to rise by about 6.8 days mid-century and 6.6 days by

Item	Implementation
	century's end. • Under SSP5-8.5, annual average temperatures could climb more sharply, by over 1.8ºC mid-century and 3.4ºC by century's end. Days above 36ºC are expected to increase significantly, by about 8.5 days mid-century and a substantial 48.1 days by century's end, with urban areas experiencing greater increases than other regions.
6.Describe the plan's content and the indicators and objectives used to identify and manage physical risks and transition risks if there is a transformation plan to manage climate-related risks.	The Company's climate change mitigation plan centers on using greenhouse gas emission intensity (total carbon emissions divided by number of employees) as the key quantitative indicator, with a target to reduce this intensity by 1% annually. As a pharmaceutical research and development company, the primary climate response focuses on energy conservation and carbon reduction. To meet these goals, the Company is committed to minimizing carbon emissions throughout all operational stages. Beginning in 2025, the Company will adopt the ISO 14064-1 standard for greenhouse gas accounting, conducting regular audits of emissions at its operational facilities and monitoring key climate indicators. The Company will also continuously evaluate its climate risk profile and update its response measures as needed each year. Additionally, it will maintain a strong focus on climate change-related disease research, aiming to develop innovative pharmaceuticals that offer effective solutions.
7.Describe the basis for price determination if utilizing internal carbon pricing as a planning tool.	The Company has not yet implemented internal carbon pricing.
8. Describe the activities covered, scope of greenhouse gas emissions, planning timeline, and annual progress toward these objectives. If carbon offsetting or Renewable Energy Certificates (RECs) are utilized to achieve these targets, details on the origin and quantity of carbon offset credits or the number of RECs exchanged should be provided if climate-related objectives are established.	Key Climate Management Achievements: 1. Establishing 2024 as the baseline year, the Company has set a target to reduce operational greenhouse gas emission intensity by 1% annually and aims to meet this goal. 2. Targets for increasing the share of low carbon intensity processes in the Company's pharmaceutical production include: A. Setting clear greenhouse gas reduction goals with a 1% annual decrease in emission intensity, along with regular disclosure of progress updates. B. Gradually upgrading existing process designs in line with strategic plans to transition toward a low-carbon product operational model.
9.Greenhouse gas assessment and assurance status, including reduction targets, strategies, and specific action plans (to be detailed in sections 1-1 and 1-2).	Detailed explanations follow.

1-1 Greenhouse Gas Inventory and Assurance Status for the Past Two Years

1-1-1 Greenhouse Gas Inventory and Assurance Details

Disclose the emissions for the most recent two years (Tons CO_{2e}), intensity (Tons CO_{2e}/million NTD), data coverage scope, and assurance status.

The Company's greenhouse gas emissions inventory is currently under self-management and voluntary disclosure, intended to understand current trends and prepare in advance, and has not yet undergone assurance by an external third-party verification institution.

Category	2024		Assurance Institution and Assurance Status Explanation (Verification Certificate)
Scope 1	Total Emissions (Tons CO_{2e})	Intensity (Tons CO_{2e}/million NTD)	
Parent Company	3.7037	46.3825	No assurance implemented
Scope 2	Total Emissions (Tons CO_{2e})		
Parent Company	42.6788		
Scope 3	Total Emissions (Tons CO_{2e})		
Parent Company	-		

Note 1: The 2024 fiscal year revenue for the entity is one million NTD; subsidiaries will complete inventory according to the timeline required by regulatory authorities in the future.

Note 2: 2024 is the baseline year for the Company's greenhouse gas emissions inventory. In 2025, the Company will fully disclose emissions for the most recent two years (metric tons CO_{2e}), intensity (metric tons CO_{2e}/million NTD), data coverage scope, and assurance status.

Note 3: Due to the implementation of the ISO14064-1 greenhouse gas inventory system in 2024, 2023 data will not be separately disclosed; the full inventory for the most recent two years will be disclosed in 2025.

Note 4: Intensity = Total Carbon Emissions / Entity Revenue.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Disclose the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the status of achieving reduction targets.

Reduction Targets	Strategy Actions	Planned Timeline
1. Establish and achieve a carbon reduction target for operations, aiming to reduce greenhouse gas emission intensity by 1% annually. 2.Increase the proportion of low-carbon density processes in pharmaceutical production.	1. Improve the utilization rate/yield of pharmaceutical processes.	1.2024~2050
	2. Implement new low-carbon density processes (Green Chemistry).	2.2024~2050
	3. Enhance the bioavailability of pharmaceuticals to reduce the use of active pharmaceutical ingredients.	
	4. Gradually replace lighting and equipment in office spaces with more energy-efficient options.	

The Company has set 2024 as the baseline year and plans to disclose the progress of achieving these targets annually starting in 2024.

(VII) Fulfillment of the ethical corporate management and measures adopted:

Fulfillment of the ethical corporate management, deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and programs				No significant deviation.
(I) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorously and thoroughly implement such policies?	V		(I) The Company upholds incorrupt, transparent, and responsible management concepts and has established sound corporate governance and risk management systems. We also adhere to the essential spirits for duly implement ethical corporate management in compliance with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, relevant rules and regulations of TWSE/TPEx, or other laws and regulations related to business practices. The Company also established its "Ethical Corporate Management Best Practice Principles" according to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and duly execute such Principles in internal management and external business activities.	
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(II) The Company has established its Ethical Corporate Management Best Practice Principles and relevant measures to prevent unethical behaviors and activities with elevated risks. Unethical behaviors with elevated risks include: 1. Offer and receive bribes. 2. Provide illegal political donations. 3. Improper charitable donations or sponsorships. 4. Offer or accept unjustified presents, hospitality, or other improper benefits. 5. Misappropriation of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engage in unfair competition. 7. The R&D, procurement, manufacturing, provision, or	
(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	V			

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			sales of products and services directly or indirectly impair the rights, health, and safety of consumers or other stakeholders. (III) The Company has established its Ethical Corporate Management Best Practice Principles and guideline for reporting illegal and unethical, or dishonest behaviors. Whistleblowing cases are processed according to relevant requirements based on the materiality of circumstances. The Company has established a relevant whistleblowing mailbox and hotline for internal and external parties of the Company.	
II. Fulfillment of ethical corporate management (I) Has the Company evaluated business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties? (II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct? (III) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly? (IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit? (V) Has the Company regularly organized internal and external educational training on ethical management?	V V V V V		(I) The Company engages in business activities in a fair and transparent manner and duly considers the business integrity records of transaction counterparties. The Company has included corporate governance status in the evaluation of major suppliers. (II) The President Office is responsible for the supervision and execution of ethical corporate management policies and regularly reporting to the Board every year. The execution of the aforementioned policies in 2024 has been reported to the Board at the 7th meeting of the 5th Board of Directors on November 7, 2024. (III) A recusal system for Directors for the prevention of conflicts of interest is specified in the Company's "Rules of Procedure for Board of Directors Meeting." The Company's Directors shall exercise a high degree of self-discipline. Directors may state their opinions and answer to inquiries and shall recuse themselves from discussions and voting for proposals at the Board meetings when they have interests that may harm the Company's interests; they shall not exercise other Directors' voting rights on their behalf. (IV) The Company has established its accounting system and	No significant deviation.

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			internal control system for due implementations; internal auditors are responsible for the regular audits. (V) The Company regularly promotes ethical corporate management through education and training and internal meetings, and has implemented the following in 2023: 1. In each notice of the Board of Directors meeting, the directors and managers are reminded about the prevention of insider trading, emphasizing that they are prohibited to trade their shares during the 30-day closed period prior to the publication of the annual financial reports and the 15-day closed period prior to the publication of the quarterly financial reports. 2. During the onboarding process, new employees are provided with a pre-employment training program arranged by the HR department, which includes a comprehensive briefing on the Company's "Integrity Management" policy. 3. The Company's governance personnel and insiders attended an "Insider Equity Advocacy Session" organized by the TPEx. A total of two employees participated in the three-hour session. 4. On October 18, 2024, the Company held an "Integrity Management Promotion" session for directors, managers, and all employees. The session featured a presentation of the 2024 Global Integrity Survey Report conducted by Ernst & Young, which underscored the global trend of rising integrity standards, despite a noticeable increase in corporate misconduct. In Taiwan, the top three factors contributing to the enhancement of integrity standards were identified as: (1) More stringent guidance from management, (2) Heightened expectations from customers, and (3) Increased pressure from employees. Over 60% of Taiwanese companies reported that maintaining integrity standards has become	

Evaluation item	Operation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			increasingly difficult amid market conditions characterized by economic uncertainty and geopolitical threats.	
III. Status for enforcing whistleblowing systems in the Company (I) Has the Company established specified whistleblowing and incentive systems and convenient whistleblowing channels? Are appropriate personnel assigned to the accused party? (II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms? (III) Has the Company provided protection to whistleblowers against receiving improper treatment?	V V V		(I) The Company has provided whistleblowing channels. We ensure strict confidentiality of the identity of the whistleblower and the relevant content of the whistleblowing cases. In addition, investigations are conducted by dedicated personnel based on the content of the whistleblowing report. (II) The Company processes whistleblowing reports based on standard operating procedures for investigations and upholds confidentiality. (III) The Company protects whistleblowers from being mistreated according to standard operating procedures and confidentiality systems.	No significant deviation.
IV. Enhancing information disclosure Has the Company disclosed its Ethical Management Best Practice Principles and the results of its implementation on the Company's website and MOPS?	V		The Company has established the Ethical Corporate Management Best Practice Principles and discloses real-time information on MOPS in accordance with the laws and regulations.	No significant deviation.
V. Where the Company has established its own Ethical Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies," please describe any derivation from the Principles and its operations: No deviation.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management operations: (e.g., review and amend its Ethical Management Best Practice Principles) The Company has amended certain provisions in the "Ethical Corporate Management Best Practice Principles" on March 30, 2023 upon resolution from the Board of Directors meeting, based on the promotion of the "Corporate Governance 3.0: Blueprint for Sustainable Development" project initiated by the Financial Supervisory Commission (FSC).				

(VIII) Other important information that is sufficient to enhance the understanding of the operation of corporate governance shall also be disclosed

1. Employees' rights and care for employees:

   The Company treats employees with integrity, protects employees' legal rights in accordance with the Labor Standards Act, and establishes favorable relations with employees through a welfare system improving the stability of employees' lives and the healthy educational training system.

2. Investor relations

   The Company has established a spokesperson system and appointed dedicated personnel for operations related to investor relations and stock affairs.

3. Continuing education of Directors

   The Company has made arrangements for Directors to participate in courses related to corporate governance. In addition, we also provide Directors with timely updates of laws and regulations related to corporate governance. The attendance of the Company’s Directors regarding the Board meetings is normal; Directors shall not participate in voting for proposals at the Board meetings they have interests in that may harm the Company's interests.

4. Implementation of risk management policies and standards of risk assessment

   The Company implements relevant risk management based on the principle of stability. We have established a stringent internal control system to prevent risks. In addition to scheduled and unscheduled audits by internal audit departments on the level of implementation of the internal control system, the Company also purchased insurance policies. In addition, the Company has established "Ethical Corporate Management Best Practice Principles" and shall strengthen its corporate governance based on related regulations.

5. Status of licenses required by competent authorities held by personnel of the Company related to the transparency of financial information

Certificate	Number of persons
	Finance and accounting
Certified Public Accountant of the Republic of China	1
Certified Securities Investment Analyst	
International Certified Internal Auditor	
Certification in Control Self-Assessment	
Certified Public Bookkeepers	
Securities Firm Sales Representative	1

6. Participation of managers in continuing education and training related to corporate governance (2024)

Title	Name	Date of continuing education	Organizer	Course title	Number of hours of continuing education
President	Jin-Ding Huang	2024/5/13 to 2024/5/13	Securities and Futures Institute (SFI Taiwan)	Top-Down Approach to Corporate Sustainability Risk Management and Strategic Responses	3
		2024/8/8 to 2024/8/8	SFI Taiwan	AI Development and Cybersecurity Risk Management	3
Executive Vice President and CFO and Supervisor of Finance and Administration Department	Sarah Chang	2024/9/12 to 2024/9/13	Accounting Research and Development Foundation	Continuing Education Program for Accounting Executives of Issuers, Securities Firms, and Stock Exchanges	12
Corporate Governance Officer	Sarah Chang	2024/4/19 to 2024/4/19	Taiwan Investor Relations Institute (TIRI)	Comprehensive Analysis of Domestic and International M&A Practices	3
		2024/5/13 to 2024/5/13	SFI Taiwan	Top-Down Approach to Corporate Sustainability Risk Management and Strategic Responses	3
		2024/8/8 to 2024/8/8	SFI Taiwan	AI Development and Cybersecurity Risk Management	3
		2024/10/8 to 2024/10/8	Taipei Exchange (TPEx)	2024WIN: Harmonizing Digital Finance and Sustainable Finance Amidst the AI Wave	3

Title	Name	Date of continuing education	Organizer	Course title	Number of hours of continuing education
Manager and Supervisor of Internal Audit Office	Irene Chiu	2024/7/10 to 2024/7/10	The Institute of Internal Auditors-Chinese Taiwan	New Challenges for Internal Auditors – Analysis of Sustainability Information Disclosure, Management Policies, and Key Audit Points	6
		2024/12/18 to 2024/12/18	The Institute of Internal Auditors-Chinese Taiwan	Legal Risks in Corporate Management and Internal Auditors' Strategic Responses	6

(IX) Implementation Status of Internal Control System:

1. Internal Control Statement: Detailed information can be found on the Market Observation Post System (MOPS) under the following path: Individual Company > Corporate Governance > Corporate Regulations/Internal Control > Internal Control Statement Announcement. (URL: https://mops.twse.com.tw/mops/#/web/t06sg20)
2. The auditor's review report shall be disclosed for companies entrusting CPAs to perform project audits on their internal control systems: None.

(X) Major resolutions of shareholders' meeting and Board meetings in the most recent fiscal year and as of the publication date of the Annual Report:

1. Summary of proposals at the Shareholders' Meeting

Date	Name	Summary of Proposal (Note)
2024.6.21	2024 annual shareholders' meeting	I. Reporting items: 1. 2023 business report 2. Audit Committee review report on the 2023 final account statements and books 3. The accumulated losses and the execution report for the sound operation plan for Q4 in 2023 4. Proposal for the amendments to the Rules of Procedure for Board of Directors Meetings 5. Related party transactions report for the FY 2023 II. Ratification items: 1. Proposal for the 2023 business report and financial statements Implementation status: Voted and approved as proposed 2. Proposal for the 2023 loss compensation Implementation status: Voted and approved as proposed Extempore motion: None.

Note: All ratification and discussion items were approved by attending shareholders and passed as resolutions.

2. Summary of proposals at the Board meetings

Date	Name	Summary of Proposal (Note)
2024.3.14	4th Meeting 5th Board	Discussion proposals 1. Proposal for the approval of the 2023 business report and financial statements 2. Proposal for the approval of the 2023 table of loss compensation 3. Proposal for the approval of the accumulated losses and the execution report for the healthy operation plan for Q4 in 2023 4. Proposal for the amendments to certain provisions of the Company's "Articles of Incorporation" 5. Proposal for the amendments to certain provisions of the Company's "Other Management Controls – Board Meeting Operations Management Procedures" 6. Proposal for the establishment of "Sustainable Development Committee Charter" 7. Proposal for the approval of the "Internal Control System Effectiveness Evaluation" and "Statement of Internal Control System" 8. Proposal for the appointment of managerial personnel of the Company 9. Consolidated amendment to the current salary projects for Directors and Managers of the Company 10. Proposal for the adjustment of salaries for certain managerial personnel of the Company 11. Proposal to adjust the Company's organizational operation structure, along with revisions to the Company's organizational chart 12. Proposal for the Company's transactions with related parties. 13. Proposal for the establishment of matters related to the convening of 2024 annual shareholders' meeting 14. Proposal for the exercise of stock options certificate by the Company's employees for the issuance of ordinary shares
2024.5.13	5th Meeting 5th Board	Discussion proposals 1. Approval of the Company's 2024 Q1 Consolidated Financial Report 2. Proposal for the amendments to the Company's "Organizational Rules" 3. Proposal for the appointment of Pin Yan Huang as Chief Medical Officer 4. Proposal for the exercise of stock options certificate by the Company's employees for the issuance of ordinary shares 5. Proposal for the amendments to certain provisions of the "Organizational Rules" and "Delegation of Authority and Agent Management Regulations" of SENHWA BIOSCIENCES CORPORATION, the U.S. Subsidiary

Date	Name	Summary of Proposal (Note)
2024.8.8	6th Meeting 5th Board	Discussion proposals 1. Proposal for the approval of the Company's 2024 Q2 Consolidated Financial Report. 2. Proposal to adjust the Company's governance structure, along with revisions to the Company's Organizational Rules 3. Proposal for the exercise of stock options certificate by the Company's employees for the issuance of ordinary shares 4. Proposal for the Company's transactions with related parties.
2024.11.7	7th Meeting 5th Board	Discussion proposals 1. Proposal for the approval of the Company's 2024 Q3 Consolidated Financial Report 2. Proposal for the establishment of "Sustainable Information Management Procedures" and the "Sustainability Report Preparation and Verification Procedures" as Part of the Company's internal control system 3. Proposal for the amendments to certain provisions of the Company's "Internal Audit System" and the establishment of the "Other Management Controls – Management of Sustainable Information" 4. Proposal for the amendment to certain provisions of the "Regulations Governing the Prevention of Insider Trading" of the Company 5. Proposal for the amendments to certain provisions of the "Rules Governing Transactions with Group Companies, Specific Companies, and Related Parties" 6. Proposal for the approval of the FY 2025 annual budget of the Company and the U.S. subsidiary 7. Proposal to develop the FY 2025 audit plan of the Company and the U.S. subsidiary 8. Proposal to distribute the FY 2024 year-end bonus for managerial personnel of the Company 9. Proposal for the approval of the appointment of CPAs for reviewing or auditing the Company's financial statements for 2025 and the fee for CPAs. 10. Proposal for the exercise of stock options certificate by the Company's employees for the issuance of ordinary shares
2025.3.12	8th Meeting 5th Board	Discussion proposals 1. Proposal for the approval of the 2024 business report and financial statements 2. Proposal for the approval of the 2024 table of loss compensation 3. Proposal for the approval of the accumulated losses and the execution report for the healthy operation plan for Q4 in 2024 4. Proposal for the amendments to certain provisions of the Company's "Articles of Incorporation" 5. Proposal for the amendments to certain provisions of the Company's "Other Management Controls – Board Meeting Operations Management Procedures" 6. Proposal for the amendments to the Company's "Organizational Rules" 7. Proposal for issuance of new shares with employee rights restrictions 8. Proposal for the removing of the non-compete restriction imposed on the Company's directors and their authorized representatives 9. Proposal for the approval of the 2024 "Internal Control System Effectiveness Evaluation" and "Statement of Internal Control System" 10. Proposal for the establishment of matters related to the convening of 2025 annual shareholders' meeting 11. Proposal for the second changes in the cash capital increase fund utilization plan of the Company in 2020 12. Consolidated amendment to the current salary projects for Directors and Managers and definition of the scope of basic level employees of the Company 13. Proposal to report the appointment of an acting president 14. Proposal for annual adjustment of managerial compensation 15. Proposal for the Company's transactions with related parties 16. Proposal for the establishment of the record date for the share buyback and capital reduction for FY 2020 17. Proposal for the exercise of stock options certificate by the Company's employees for the issuance of ordinary shares

Note: All ratification and discussion items were approved by attending Directors and passed as resolutions. There was no additional proposal or extempore motion.

(XI) Resolutions of the Board meetings on which Directors or Supervisors have dissenting opinions or qualified opinions, and that are documented or issued through written statements for the most recent year and as of the publication date of the Annual Report: None.

IV. Information of Fees to CPA

Name of CPA firm	Name of CPAs		Audit period	Audit fees	Non-audit fees	Total	Note
PricewaterhouseCoopers, Taiwan	Shu-Fen Yu	Sheng-Wei Deng	From January 1, 2024 to December 31, 2024	1,470	-	1,470	-

(I) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons thereof shall be disclosed: None.

(II) Where the accounting fee paid for the year was 15% (or more) less than that of the previous fiscal year, the sum, proportion, and cause of the reduction shall be disclosed: None.

V. Information of Changing CPAs: None.

VI. The Company's Chairman, President, manager in charge of finance or accounting who has served in the CPA firm or its affiliated companies in the most recent year shall disclose their names, positions and the period of employment in CPA firm or its affiliated companies: None.

VII. Changes in transfer or pledge of shares made by Directors, Managers, and major shareholders holding more than 10% of the Company's shares in the most recent year and as of the publication date of the annual report:

(I) Changes in shareholdings of Directors, managers, and major shareholders:

1. Equity Transfer: For information on equity transfer transactions, refer to the Market Observation Post System (MOPS) > Individual Company > Equity Changes/Securities Issuance > Equity Transfer Data Query > Insider Shareholding Change Post-Event Report. (URL: https://mops.twse.com.tw/mops/#/web/query6_1)
2. Equity Pledge and Release: To track changes in equity pledging, access the Market Observation Post System (MOPS) > Individual Company > Equity Changes/Securities Issuance > Insider Pledge and Release > Insider Pledge and Release Announcement. (URL: https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

(II) Information on counterparties of equity transfers from Directors, managers, and shareholders with over 10% of shareholdings that are related parties: None.

(III) Information on counterparties of equity pledge from Directors, managers, and shareholders with over 10% of shareholdings that are related parties: None.

VIII. Information Disclosing the Spouses, Kinship Within the Second Degree and Relationship between Any of the Top 10 Shareholders:

April 27, 2025; Unit: Share; %

Name	Shareholder's shareholding		Spouse & minor's shareholding		Total shareholding in other's name		Titles or names and relations between top ten shareholders in terms of number of shares held, who are related parties or each other's spouses and relatives within the second degree of kinship		Remarks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name	Relationship	
Ding Li Development Ltd. Representative: Benny T. Hu	4,386,007	4.89	—	—	—	—	Panlabs Biologics Inc.	Same representative	—
							Hu Bee Hwa Investment Limited	The representatives are spouses of each other.	—
							Benny T. Hu	Representative	—
							YeunDer Co., Ltd.	The representatives are relatives within the second degree of kinship to each other	—
							Tong-Liang Wu	Relatives within the second degree of kinship of the representative	—
Panlabs Biologics Inc. Representative: Benny T. Hu	3,979,832	4.44	—	—	—	—	Ding Li Development Ltd.	Same representative	—
							Hu Bee Hwa Investment Limited	The representatives are spouses of each other	—
							Benny T. Hu	Representative	—
							Riviera Investment Ltd.	Hung-Ming Hsieh is the representative of the Company's corporate Director	—
							YeunDer Co., Ltd.	The representatives are relatives within the second degree of kinship	—
							Tong-Liang Wu	Relatives within the second degree of kinship of the representative	—
Hu Bee Hwa Investment Limited Representative: Hui-Wen Kuo	3,263,998	3.64	—	—	—	—	Ding Li Development Ltd.	Same representative	—
							Panlabs Biologics Inc.	Same representative	—
							Benny T. Hu	The representatives are spouses of each other	—
							YeunDer Co., Ltd.	The representatives are relatives within the second degree of kinship to each other	—
							Tong-Liang Wu	Relatives within the second degree of kinship of the representative	—
Benny T. Hu	1,822,161	2.03	—	—	—	—	Ding Li Development Ltd.	The representative himself	—
							Panlabs Biologics Inc.	The representative himself	—
							Hu Bee Hwa Investment Limited	Spouse of the representative	—
							YeunDer Co., Ltd.	The representatives are relatives within the second degree of kinship	—
							Tong-Liang Wu	Relatives within the second degree of kinship	—
Pointer Ventures Inc. Representative: I-Yen Lu	1,664,231	1.86	—	—	—	—	—	—	—
Chaang Her Industrial Corp. Representative: Guei Mei Kao	1,365,458	1.52	—	—	—	—	—	—	—
YeunDer Co., Ltd. Representative: Xue Fen Peng	1,365,458	1.52	—	—	—	—	Ding Li Development Ltd.	The representatives are relatives within the second degree of kinship to each other	—
							Panlabs Biologics Inc.	The representatives are relatives within the second degree of kinship to each other	—
							Hu Bee Hwa Investment Limited	The representatives are relatives within the second degree of kinship to each other	—
							Benny T. Hu	Relatives within the second degree of kinship of the representative	—
							Tong-Liang Wu	Spouse of the representative	—
Riviera Investment Ltd. Representative: Hung-Ming Hsieh	1,299,153	1.45	—	—	—	—	Panlabs Biologics Inc.	Hung-Ming Hsieh is the representative of the corporate Director	—
Chuan-Pu Investment Holding Co., Ltd. Representative: Jeff Chen	1,242,576	1.39	—	—	—	—	—	—	—
Tong-Liang Wu	1,157,304	1.29	—	—	—	—	Ding Li Development Ltd.	The representatives are relatives within the second degree of kinship to each other	—

Name	Shareholder's shareholding		Spouse & minor's shareholding		Total shareholding in other's name		Titles or names and relations between top ten shareholders in terms of number of shares held, who are related parties or each other's spouses and relatives within the second degree of kinship		Remarks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name	Relationship	
							Panlabs Biologics Inc.	The representatives are relatives within the second degree of kinship to each other	—
							Hu Bee Hwa Investment Limited	The representatives are relatives within the second degree of kinship to each other	—
							Benny T. Hu	Relatives within the second degree of kinship of the representative	—
							YeunDer Co., Ltd.	The representatives are spouses of each other	—

IX. The shareholding of the Company, the Company's Directors, managers and the business that is controlled directly or indirectly on the invested company, and the shareholding ratio is consolidated:

Data date: December 31, 2024/Unit: Thousand shares; %

Investee companies	Investments of the Company		Investments of Directors, managers, investee companies directly or indirectly controlled by the Company		Total Investments	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
Senhwa Biosciences Corporation	1,000	100%	—	—	1,000	100%

Chapter 3. Capital Overview Financing Status

I. Capital and Shares

(I) Sources of Share Capital

Unit: NT$ thousand; thousand shares

Year and Month	Issued Price	Authorized Capital		Paid-In Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share Capital	Capital Increase by Assets Other Than Cash	Others
March 2021	85.3 80.9	150,000	1,500,000	89,664	896,636	Exercise of employee stock options of NT$55 thousand	None	Note 1
June 2021	85.3 68.5	150,000	1,500,000	89,727	897,274	Exercise of employee stock options of NT$638 thousand	None	Note 2
September 2021	85.3	150,000	1,500,000	89,744	897,436	Exercise of employee stock options of NT$162 thousand	None	Note 3
March 2025	-	150,000	1,500,000	89,704	897,036	Treasury Shares Cancellation of NT$400,000	None	Note 4

Note 1. Jing-shou-shang-zi No. 11001065190 dated April 23, 2021.

Note 2. Jing-shou-shang-zi No. 11001124130 dated July 27, 2021.

Note 3. Jing-shou-shang-zi No. 11001189710 dated October 20, 2021.

Note 4. Jing-shou-shang-zi No. 1140048270 dated April 16, 2025.

Unit: Thousand of Shares

Types of Shares	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Registered Ordinary Shares	89,704	60,296	150,000	None

(II) List of Major Shareholders

April 27, 2025; Unit: Share

Shares Name of Major Shareholder	Number of Shares Held	Shareholding Percentage
Ding Li Development Ltd.	4,386,007	4.89%
Panlabs Biologics Inc.	3,979,832	4.44%
Hu Bee Hwa Investment Limited	3,263,998	3.64%
Benny T. Hu	1,822,161	2.03%
POINTER VENTURES INC.	1,644,231	1.86%
Chaang Her Industrial Corp.	1,365,458	1.52%
YeunDer Co., Ltd.	1,365,458	1.52%
Riviera Investment Ltd.	1,299,153	1.45%
Chuan-Pu Investment Holding Co., Ltd.	1,242,576	1.39%
Tong-Liang Wu	1,157,304	1.29%

(III) Dividend Policy and Implementation

1. Dividend Policy in the Company's Articles of Incorporation:
   Where the Company recorded earnings upon the final account, the Company shall make distribution according to the following order:
   (1) Pay all taxes in accordance with laws;
   (2) Compensate for losses from previous years;
   (3) Appropriate 10% of undistributed earnings as the statutory surplus reserve; however, when the statutory surplus reserve has reached the paid-in capital of the Company, the appropriation is exempted;
   (4) Appropriate or reverse special surplus reserve in accordance with laws;
   Shall there be remaining balances, together with the accumulated undistributed earnings, the Board of Directors shall prepare the proposal of earning distribution and submit the proposal to the Board of Shareholders for the resolution of distribution. To strengthen the financial structure of the Company and safeguard the interests of shareholders, the Company has adopted a balanced dividend policy in which the total dividends distributed for shareholders shall not be lower than 10% of the earnings available for distribution for the year. However, cash dividends shall not be lower than 10% of the total dividends to be distributed to shareholders.

2. Dividend distribution proposed (made) for the year
   As of the end of 2024, the Company recorded accumulated losses and has not distributed any dividend; therefore, the item is not applicable.

(IV) The effect of the proposed issuance of bonus shares at the shareholders' meeting on the Company's operating performance, earnings per share, and shareholders' ROI: Not applicable.

(V) Remuneration of employees and Directors

1. Percentage or range of remuneration paid to employees and Directors as set forth in the Company's Articles of Incorporation
   When the Company recorded profits for the year, the Company shall appropriate 10% of such profits as remuneration of employees, and the Board of Directors shall determine whether to distribute in shares or cash; the targets of distribution include employees of subsidiaries fulfilling certain conditions; based on the amount of profits above recorded by the Company, the Board of Directors may determine to appropriate no more than 2% as the remuneration of Directors. Proposals for the distribution of remuneration of employees and remuneration of Directors shall be submitted to the shareholders' meeting for report.
   For the amount of profits above, when the Company has accumulated losses, the Company shall preserve the amount for compensation, and then appropriate remuneration of employees and remuneration of Directors according to the ratio in the preceding paragraph.

2. The basis for estimating the amount of employees and Directors remuneration, for calculating the number of shares to be distributed as employees' compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
   The Company recorded accumulated losses for 2023; therefore, we had not estimated or distributed remuneration of employees or Directors.

3. Distribution of remuneration approved by the Board of Directors: None.

4. Actual distribution of remuneration for employees and Directors (including the number of shares distributed, the amount, and the share price) for the previous year, and where there were discrepancies with the recognized remuneration for employees and Directors, the amount, cause, and treatment of the discrepancy shall be described: None.

(VI) Status of repurchased shares by the Company: None.

II. Corporate Bonds: None.

III. Preferred Shares: None.

IV. Global Depository Receipts (GDRs): None.

V. Employee Stock Options:

(I) Employee stock options:

March 31, 2025

Type of employee stock options	1st of the 2018 Employee stock options		
Effective date of declaration and total unit	May 30, 2018 1,000 units (Note 1)		
Issuance (Processing) date	May 30, 2018	December 4, 2018	May 9, 2019
Issued unit	700 units	150 units	150 units
Remaining units for issuance	0 unit	0 unit	0 unit
Ratio of number of subscribable shares to the total number of issued shares	0.9407%	0.2016%	0.2014%
Period available for subscription	7 years	7 years	7 years
Method of performance	Issuance of new shares	Issuance of new shares	Issuance of new shares
Restricted subscription period and proportion (%)	Ratio of accumulated stock options available for exercise 50% upon 2 years 75% upon 3 years 100% upon 4 years		
Number of shares acquired upon execution	212,500 shares	5,000 shares	27,500 shares
Executed subscription amount	NT$18,126,250	NT$404,500	NT$1,883,750
Quantity of subscription not executed	220,000 shares	0 share	45,000 shares
Subscription price per share for subscription not executed	NT$85.3	NT$80.9	NT$68.5
Proportion of the quantity of subscription not executed to the total number of issued shares (%)	0.2453%	0%	0.0502%
Effects on shareholder equity	The stock options are issued by the Company to attract and retain required talents, provide incentives for employees, and improve employees' cohesion in the hope of jointly create interests of the Company and shareholders, generating positive effects on shareholders' interests.		

Note 1: The Company's 1st issuance of employee stock options in 2018 was approved, declared, and became effected by the Letter of Jin-guan-zheng-fa-zi No. 1070320141 dated May 30, 2018 from the Securities and Futures Bureau under the FSC.

(I) Names, acquisition, and subscription status of managers who have obtained employee stock options and employees with top ten subscribable number of shares under the employee stock options

March 31, 2025

	Title	Name	Quantity of subscription quantity obtained (shares)	Proportion of subscription quantity obtained to total issued shares	Executed				Not executed			
					Quantity of subscription (shares)	Price of subscription	Amount of subscription (shares)	Proportion of subscription quantity to total issued shares	Quantity of subscriptions (shares)	Price of subscription	Amount of subscription (shares)	Proportion of subscription quantity to total issued shares
Managers	Former President / CEO and Supervisor of the Clinical Operation Department	Tai-Sen Soong	395,000	0.44%	5,000	85.3	427	0.01%	165,000 (Note 1)	85.3 68.5	13,319	0.18%
	Former Chief Operating Officer and Supervisor of the Clinical Operation Department	Mei-Hui Kuo										
	Director of R&D Department	Chen-Fu Liu										
	CFO & Director of Finance and Administration Department	Sarah Chang										
	Former Internal Audit Manager	Maggie Lin										
Employees	Former employee	John Soong	490,000	0.55%	188,750	85.3 80.9 68.5	15,658	0.21%	85,000 (Note 2)	85.3	7,251	0.09%
	Former employee	Hshiou-Ting Liu										
	Director of subsidiary	Ruby Y. C. Wu										
	Former employee	Peter Su										
	Former employee	Phoebe Fan										
	Former employee of subsidiary	Daniel McCormick										
	President Office Executive Assistant	Gwen Chang										
	Project Manager	Kacy Huang										
	Former employee	Scott Li										
	Patent Manager	Justin Lai										
	Former employee	Jimmy Chen										

Note 1: A total of 225,000 shares became invalid: 105,000 shares due to resignation, and 120,000 shares due to retirement.
Note 2: A total of 216,250 shares became invalid: 216,250 shares due to resignation.

VI. Restricted Employee Shares: None.

VII. New Shares Issuance in Connection with Mergers & Acquisitions (M&A): None.

VIII. Financing Plans and Implementation:

Detailed information can be found on the Market Observation Post System under Single Company > Shareholding Changes/Securities Issuance > Fundraising > Fundraising Plan Execution.
(URL: https://mopsov.twse.com.tw/mops/web/bfhtm_q2)

Chapter 4. Operation Highlights

I. Business Activities

(I) Scope of business

1. Primary content:
   (1) Other Chemical Material Manufacturing.
   (2) Wholesale of Chemical Feedstock.
   (3) Wholesale of Other Chemical Products.
   (4) Wholesale of Drugs and Medicines.
   (5) Retail of Drugs and Medicines.
   (6) International Trade.
   (7) Intellectual Property.
   (8) Investment Consulting.
   (9) Management Consulting.
   (10) Medicine Inspection.
   (11) Biotechnology Services.
   (12) Research Development Service.
   (13) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business proportion

   The Company's main business is the development of novel drugs and special Active Pharmaceutical Ingredients (APIs). Novel drugs are in the stage of R&D, and there is no commercialized production and sales. Therefore, the Company's revenue in 2024 was primarily generated from the service income by providing technical advice and consulting services to a domestic biotechnology company.

3. Current products and services:

   The Company positioned itself as a new drug discovery company that develops new anticancer drugs with novel mechanisms to provide effective treating methods for cancers.

   Currently, the Company’s main development projects for novel drugs are novel small-molecule drugs for treating cancers: G-quadruplex stabilizer Pidnarulex (CX-5461) and inhibitor of protein kinase CK2 (casein kinase II) Silmitasertib (CX-4945). The major development of Pidnarulex (CX-5461) applies to the novel drugs for the treatment of breast cancer and other homologous repair deficiency (HRD) or solid tumors from BRCA1/2 gene mutation, while the development of Silmitasertib (CX-4945) applies to the novel drugs for the treatment of cholangiocarcinoma, basal cell carcinoma, and medulloblastoma. We have also commenced the expansion for the use of these drugs in other indications.

   The Company acquired its drug discovery projects from a U.S. biotech company through "asset acquisition" in 2013. As compared to the technology transfer model of other biotech companies, the Company adopted the asset acquisition model to acquire the complete decision-making power and achieve the global layout of intellectual property rights instead of merely limited in a particular area. Furthermore, we made a low upfront payment of signing bonuses and committed to the sharing of contingent benefits arising from external licensing in the future regarding the cost of acquisition. As compared to technologies acquired by other companies by way of licensing, such companies are exposed to the high milestone payment to the licensing companies upon any new clinical progress; the acquisition method adopted by the Company may reduce the financial burden of the cost of acquisition and control the decision-making power of the drug discovery.

4. New products (services) to be developed:

Product	Development stage	Drug usage and features
SHP01-1 G-quadruplex stabilizer Pidnarulex (CX-5461)	Drug discovery Solid tumor with BRCA1/2, PALB2 genetic defects or other HRD specific genetic defects (ovarian cancer, breast cancer, pancreatic cancer, and prostate cancer) Phase Ib/Expansion clinical trials	• G-quadruplex stabilizers/ achieving anti-cancer effects by stabilizing the G-quadruplex structure • Single-agent use • First in class
SHP01-2-A Inhibitor of protein kinase CK2 (casein kinase II) Silmitasertib (CX-4945)	Drug discovery Cholangiocarcinoma Phase I/II clinical trials	• Small-molecule drugs • Inhibitor of protein kinase CK2 (casein kinase II) • Drug combination therapy • First in class
	New Drug Development Target Indications: Neuroblastoma, Ewing Sarcoma, and Other Pediatric Solid Tumor Clinical Trial Phase: Phase I/II	• Small- molecule drugs • Inhibitor of protein kinase CK2 • Combination Drug Therapies • First in class
	Drug discovery Basal cell carcinoma Phase I/Expansion clinical trials	• SMO protein inhibitor of Hedgehog (Hh) pathway • Single-dose usage
	Drug discovery Medulloblastoma Phase I/II clinical trials	• SMO protein inhibitor of Hedgehog (Hh) pathway • Single-dose usage
	Drug discovery Community-acquired pneumonia Phase II clinical trials	• Small-molecule drugs • Inhibitor of protein kinase CK2 (casein kinase II) • Facilitate the formation of stress granule to inhibit the duplication and infection of the host's cells and concurrently reduce the pro-inflammatory cytokine IL-6 and mitigate the occurrence of cytokine storm, possessing a unique binary mechanism against viruses.

(II) Industry overview:

1. Current state and development of the industry:

Cancer is one of the leading causes of death from disease worldwide. In accordance with the "Cancer Statistics 2023" report in the United States, it is estimated that there will be 1.95 million new cancer cases (approximately 5,370 cases per day) and 609,820 cancer-related deaths (approximately 1,670 deaths per day) in the United States in 2023. When considering gender-specific statistics, approximately 1.01 million new cancer cases are estimated among males, with the most common cancers being prostate cancer, lung cancer, colorectal cancer, bladder cancer, and skin cancer. Among females, approximately 948,000 new cancer cases are estimated, with the most common cancers being breast cancer, lung cancer, colorectal cancer, cervical cancer, and skin cancer. Prostate cancer, lung cancer, and colorectal cancer together account for nearly half (48%) of all new cancer cases in males. Among females, breast cancer, lung cancer, and colorectal cancer make up 52% of all new cancer cases, with breast cancer alone accounting for 31% of new cancer cases among females.

Estimated New Cases

Males				Females		
Prostate	288,300	29%		Breast	297,790	31%
Lung & bronchus	117,550	12%		Lung & bronchus	120,790	13%
Colon & rectum	81,860	8%		Colon & rectum	71,160	8%
Urinary bladder	62,420	6%		Uterine corpus	66,200	7%
Melanoma of the skin	58,120	6%		Melanoma of the skin	39,490	4%
Kidney & renal pelvis	52,360	5%		Non-Hodgkin lymphoma	35,670	4%
Non-Hodgkin lymphoma	44,880	4%		Thyroid	31,180	3%
Oral cavity & pharynx	39,290	4%		Pancreas	30,920	3%
Leukemia	35,670	4%		Kidney & renal pelvis	29,440	3%
Pancreas	33,130	3%		Leukemia	23,940	3%
All Sites	**1,010,310**	**100%**		**All Sites**	**948,000**	**100%**

According to the "Cancer Statistics 2023" report in the United States, lung cancer is estimated to remain the leading cause of cancer-related deaths in 2023. Smoking continues to be the main cause of lung cancer, with approximately 81% of lung cancer deaths attributed to direct smoking. In addition, research reports predict that there will be 52,550 deaths due to colorectal cancer in 2023, and the incidence of colorectal cancer among individuals under 40 years old is rapidly increasing.

Estimated Deaths

Males				Females		
Lung & bronchus	67,160	21%		Lung & bronchus	59,910	21%
Prostate	34,700	11%		Breast	43,170	15%
Colon & rectum	28,470	9%		Colon & rectum	24,080	8%
Pancreas	26,620	8%		Pancreas	23,930	8%
Liver & intrahepatic bile duct	19,000	6%		Ovary	13,270	5%
Leukemia	13,900	4%		Uterine corpus	13,030	5%
Esophagus	12,920	4%		Liver & intrahepatic bile duct	10,380	4%
Urinary bladder	12,160	4%		Leukemia	9,810	3%
Non-Hodgkin lymphoma	11,780	4%		Non-Hodgkin lymphoma	8,400	3%
Brain & other nervous system	11,020	3%		Brain & other nervous system	7,970	3%
All Sites	**322,080**	**100%**		**All Sites**	**287,740**	**100%**

According to the latest global cancer data released by the International Agency for Research on Cancer (IARC) of the World Health Organization (WHO), in 2020, the statistics covered the latest incidence and mortality rates of 36 types of cancer in 185 countries worldwide, as well as the trends in cancer development. The data report showed that in 2020, there were 19.3 million new cancer cases and nearly 10 million deaths worldwide. It is estimated that 1 in every 5 people will be diagnosed with cancer during their lifetime, and 1 in 8 men and 1 in 11 women will die from cancer. The top ten cancers in terms of incidence are as follows: breast cancer, with 2.26 million cases; lung cancer, with 2.2 million cases; colorectal cancer, with 1.93 million cases; prostate cancer, with 1.41 million cases; gastric cancer, with 1.09 million cases; liver cancer, with 0.91 million cases; cervical cancer, with 0.6 million cases; esophageal cancer, with 0.6 million cases; thyroid cancer, with 0.59 million cases; and bladder cancer, with 0.57 million cases. These ten cancers account for 63% of all new cancer cases. The IARC predicts that the incidence rate of cancer will continue to increase, estimating that the number of new cancer cases worldwide will reach nearly 30 million by 2040. The aging population and the changes in lifestyles across the world have resulted in the constantly increasing prevalence of cancer; coupled with rising medical costs, it is estimated that the financial burden of cancer will increase by 50% by 2040, such circumstances materially affect citizens' living quality. Regardless of developed countries or developing countries, cancer treatment is an imminent and inevitable issue.

In response to the above challenges, the number of novel cancer drug launches approved by the competent authorities in Europe and the U.S. has surged rapidly in recent years. According to the 2022 Biotechnology Industry in Taiwan published by the Ministry of Economic Affairs, although the global healthcare industry continued to be affected by the COVID-19 pandemic in 2021, resulting in a reduced frequency of plant inspections by healthcare authorities in various countries, the inspection activities gradually returned to normal in the second half of the year.

The US FDA approved 55 new drugs for marketing in 2023. When categorized by therapeutic areas, oncology medications remained ranked first, accounting for approximately 22% of the total number of drug approvals. They were followed by medications for genetic diseases at 11%, neuroscience at 7%, infectious diseases at 5%, and ophthalmology at 5%. Other approved drugs included medications for autoimmune diseases, women's health, cardiovascular diseases, nephrology, gastroenterology, and dermatology. In 2023, the U.S. FDA approved 20 first-in-class innovative drugs, accounting for approximately 36% of the total number of drug approvals. To accelerate the approval of new therapies and promote the development of drugs targeting rare diseases, the U.S. FDA has introduced several expedited review programs, including Orphan Drug designation (for conditions affecting fewer than 200,000 people in the U.S.), Fast Track, Breakthrough Therapy, Priority Review, and Accelerated Approval. These initiatives aim to streamline the review process, enabling faster access to new treatments for patients. In 2023, out of 55 new drugs approved, 42 benefited from at least one of these expedited pathways. Specifically, 28 drugs (approximately 51%) were granted Orphan Drug status, 16% received Breakthrough Therapy designation, 56% were assigned Priority Review, 45% obtained Fast Track designation, and 16% were approved under the Accelerated Approval pathway.

In January 2025, the U.S. FDA published the report Advancing Health Through Innovation: New Drug Therapy Approvals 2024, which highlighted the approval of 50 new drugs in 2024. Oncology drugs continued to dominate the therapeutic landscape, comprising approximately 30% of the new drug approvals. Medications

for genetic disorders accounted for 10%, neurological treatments for 16%, and infectious disease therapies for 12%. The remaining approvals targeted areas such as immunology, women's health, cardiovascular diseases, metabolic conditions, and dermatology. Of the 50 newly approved drugs, 24 were classified as first-in-class, representing 48% of the total. Additionally, 26 drugs (52%) received Orphan Drug designation; 36% were granted Breakthrough Therapy status; 56% qualified for Priority Review; 44% received Fast Track designation; and 14% were approved under the Accelerated Approval pathway.

According to the survey and analysis conducted by IQVIA, it is estimated that the top three medication categories worldwide in 2027 are oncology drugs, immunosuppressants, and antidiabetic drugs. Among them, with the development of innovative therapies, oncology drugs are projected to grow at a CAGR of 13-16%, and the market size is expected to reach US$ 377 billion by 2027, as shown in the table below.

Top 10 Treatment Medication Categories Worldwide in 2027

Unit: US$100 million, %

Pharmaceutical field	Projected sales amount in 2027	CAGR for 2023-2027
Oncologics	3,770	13-16
Immunosuppressants	1,770	3-6
Anti-Diabetics	1,680	3-6
Cardiovascular	1,260	1-4
Respiratory	920	3-6
Central Nervous System	870	2-5
Infectious disease	740	2-5
GU sexual health	580	2-5
GI products	520	3-6
Mental health	480	0-3

Source: 2023 Biotechnology Industry in Taiwan published by MOEA

According to the statistics in 2023 Biotechnology Industry in Taiwan published by MOEA, among the top 10 best-selling drugs worldwide in 2022, the sales of COVID-19-related medications were particularly significant. This includes Comirnaty®, a vaccine developed by Pfizer in collaboration with BioNTech for the prevention of COVID-19. Comirnaty® secured the highest sales globally for 2021 and 2022, with sales reaching US$ 40.341 billion in 2022. In addition, 2 out of the top ten best-selling drugs worldwide are related to cancer treatment. Through increasing indications, the sales of Keytruda®, a newly launched drug for advanced melanoma produced by Merck & Co, have reached US$209.37 billion in 2022, reaching a new record high. It has become the top-selling oncology drug in the world.

Top 10 Brand Drugs and Sales Worldwide in 2023

Unit: US$100 million, %

Name of brand drugs/suppliers	Main indications	Sales amount in 2022	Sales amount in 2023	Growth rate from 2022 to 2023
Keytruda (Merck & Co)	Cancer immunotherapy	209.37	250.11	19.5
Comirnaty (Pfizer/BioNtech)	COVID-19 vaccine	559.13	153.05	-72.6
Humira (AbbVie)	Rheumatoid arthritis, Crohn's disease, psoriasis, juvenile idiopathic arthritis, etc.	212.37	144.04	-32.2
Ozempic(Novo Nordisk)	Type 2 Diabetes	84.0	138.92	65.38
Eliquis (Bristol-Myers Squibb/Pfizer)	Anticoagulant	117.89	129	9.42
Eylea(Regeneron/ Bayer/Santen)	Exudative macular degeneration, retinal vein occlusion (RVO)	130.31	128.76	-1.2
Biktarvy(Gilead Sciences)	HIV	103.90	118.5	14.1
Dupixent (Sanofi)	Moderate to Severe Eczema	87.36	115.9	32.7
Stelara(Johnson & Johnson/Mitsubishi Tanabe Pharma)	Psoriasis	97.23	108.58	11.7
Opdivo (BMS/Ono)	Cancer Immunotherapy	92.49	100.09	8.2

Source: Taiwan Bio Industry Organization – 2024 Biotech Industry Development Data Monitoring

Currently, "Pidnarulex (CX-5461) G-quadruplex structural stabilizer," the drug discovery project of Senhwa in progress, damages or crushes the DNA of cancer cells by stabilizing the G-quadruplex structure, coupled with patients with genetic defects of BRCA or HR, to achieve the effect of synthetic lethality to effectively inhibit the growth of cancer cells. Apart from completing the breast cancer clinical trials in Canada, Senhwa continues to further target patients with genetic defects of BRCA or HR diagnosed with breast cancer, ovarian cancer, pancreatic cancer, prostate cancer, and other cancers to conduct next phrase of clinical trials in Canada and the U.S.

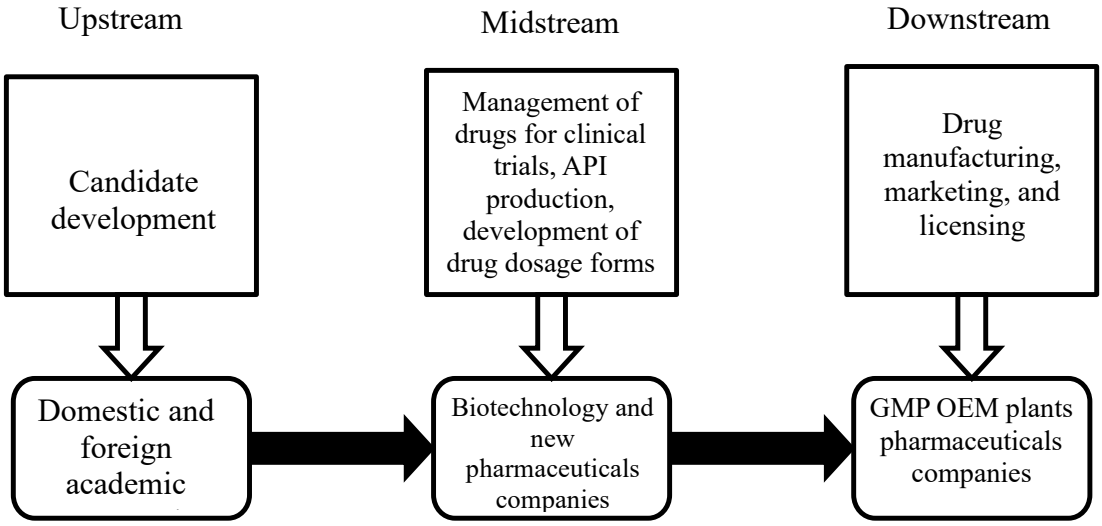
Project "Silmitasertib (CX-4945) development of an inhibitor of protein kinase CK2 (casein kinase II)" is used for clinical trials of cholangiocarcinoma. We achieved the target in advance during the interim analysis of phase II clinical trials in February 2020. Concurrently, Senhwa worked with the Stanford University research team and discovered that CX-4945 is a crucial regulator of the hedgehog signal pathway, inhabits and regulates protein genes (e.g., Gli) downstream of the Hh pathway. Therefore, we have expanded the use of CX-4945 to two new indications, namely, medulloblastoma and basal cell carcinoma, which are cancers caused by the abnormal Hh pathway.

Both drug discoveries have explicit and verifiable targets and comply with the international novel drug development trend of precision medication.

2. The correlation among the upstream, midstream and downstream sections of the industry:

The biotech and new pharmaceuticals industry has a wide range of development fields. In general, from the R&D stage in the laboratory to clinical development and approval for marketing, on average, only four out of every 100 novel drugs are successfully launched. The average R&D time is 10 to 15 years, with capital expenditure amounting to approximately US$873 million. Due to the long time consumed by drug discoveries, professional academic research institutions, biotech companies, or large-scale pharmaceuticals companies are responsible for the R&D, technology provision, clinical trials, or production and manufacturing in different development stages. The correlation between the upstream, midstream, and downstream is shown in the following figure; each process represents a significant part in the drug development; therefore, the entire industry chains have their distinctive specialties and interdependency.

Correlation with upstream, midstream, and downstream sections of the biotechnology and new pharmaceuticals industry



The upstream of the novel drug industry chain is dedicated to candidate development, which is mainly derived from academic research results on novel drug products with potentials, including small-molecule compounds, large-molecule protein antibodies, and Chinese herbal medicine. After academic research institutes found curative effects by conducting pre-clinical animal tests and toxicity tests, they develop independently or transfer to midstream biotech and new pharmaceuticals companies for development. The midstream of the industry chain is primarily responsible for pre-clinical trials and exploration of the drugs, management of drugs for clinical trials, synthesis and production of APIs, and development of dosage forms, including human clinical trials from phase I to phase III. After completing phase III clinical trials, they may apply for a drug license for the launches and marketing of drugs, and engage downstream OEM plants, distributors, and international pharmaceuticals companies for production, manufacturing, and marketing. The downstream of the industry chain consists of GMP OEM plants (those complying with the Good Manufacturing Practice), pharmaceuticals distributors, and distributors.

The novel drug development business of the Company is in the midstream of the new pharmaceuticals industry, and the Company strategically evaluates and technically transfers new drug candidates, while the Company focuses on clinically validated development. The strategy substantially reduces development time, mitigates risks, and increases product development experiences. We are primarily responsible for developing candidates through (A) pre-clinical trials, (B) phase I, II, and III human clinical trials, and (C) new drug application (NDA) to achieve our development prospects of commercializing and industrializing technologies through verification and added value.

3. Various development trend of products:

(1) R&D trend of anticancer drugs

Since the 1950s, traditional clinical trials of novel drugs have been divided into approximately three phases. Phase I clinical trial conducts pharmacokinetics, assures safety, and finds the dosage for phase II; phase I generally requires the inclusion of 20 to 80 subjects. Phase II clinical trial explores the effectiveness of the drug and reassures the safety; phase II generally requires the inclusion of 100 to 200 subjects. Many pharmaceuticals companies commence multiple phase II clinical trials to explore the curative effects of drugs for different cancer. Phase III clinical trial further confirms the effectiveness and safety of the drugs by recruiting more subjects and groups; phase III generally requires the inclusion of 300 to 600 subjects. The traditional drug discovery process generally takes more than ten years. The slow drug discovery speed is unlikely to cope with the cancer prevalence.

Over the past decade, due to the advancement of genome sequencing and various tests, it is easier to find compatible groups for targeted drugs. Therefore, after the dosage is confirmed from phase I, targeted drugs are used in multiple expansion cohorts by utilizing small-scale clinical trials to explore the effectiveness of targeted drugs for different ethnic groups and cancers. According to the statistics of research, drugs with expansion cohorts conducted among the 381 novel drugs for cancers from 2006 to 2011 have higher success rates in phase II (51% vs. 28%) and higher rates of acquiring drug permits within 5 years (22% vs. 5%). Therefore, the U.S. FDA announced an exposure draft for new cancer-targeted drugs and biopharmaceuticals in the hope of accelerating the development of drugs and reducing the costs of drug discoveries.

For instance, Keytruda (Pembrolizumab; Merck Sharp & Dohme Corporation) from Merck was granted the title of Investigational New Drug (IND) from the U.S. FDA in December 2010. Phase I clinical trials for the drug initially included 18 subjects with melanoma for safety trials and commenced expansion cohorts. A total of 8 amendments were made to the protocol and 10 groups of expansion cohorts. Pembrolizumab successfully used such small-scale clinical trials of expansion cohorts to find melanoma groups that were difficult to treat, namely, patients who could not have tumors removed or spreading melanoma after the front-line drug Ipilimumab was used. FDA granted the first drug permit to Pembrolizumab in September 2014. In addition, Cemiplimab, co-developed by Sanofi and Regeneron, was granted the title of IND and began phase I clinical trials in March 2015. After confirming the safety and dosage, conducted 25 groups of expansion cohorts (mono and combo therapy in various solid tumor types) were conducted. It was discovered that Cemiplimab has favorable curative effects for advanced cutaneous squamous cell carcinoma. A Phase II clinical pivotal trial was conducted immediately after phase I to confirm the curative effects of expansion cohorts. Therefore, FDA granted the first drug

permit to Cemiplimab in September 2018.

The aforementioned clinical trials have received drug permits within four years of development, indicating the advantage of adopting expansion cohorts in drug discovery for cancers. In August 2018, FDA has also announced newly drafted guidelines for expansion cohorts -the "Use in First-In-Human Clinical Trials to Expedite Development of Oncology Drugs and Biologics Guidance for Industry Guideline." FDA wishes to shorten the development time and costs of drugs. In the future, after completing the selection of maximum tolerated dose (MTD) and recommended phase 2 dose (PR2D) in phase I clinical trial, multiple small-scale expansion cohorts may be conducted for cancer-targeted drugs. Expansion cohorts may accelerate the verification of the drug's effectiveness for different groups of patients, or confirm the effectiveness for different molecular characteristics and genotypes. Each cohort approximately requires merely 20 to 30 subjects, and companies may commence the discussion related to the design of pivotal trials with the FDA after confirming the effective groups for the targeted drugs. After completion, companies may apply for drug permit licenses to shorten the time for drug discovery. The clinical design invoking new rules reduces half of the time required by the traditional clinical design, which could accelerate the launches of novel drugs and benefit the development of small-scale biotech companies.

(2) Trends in research and development of targeted therapy

Cancer treatments include chemotherapy, targeted therapy, immunotherapy, hormonal therapy, etc. In the past, doctors would administer the same drugs to patients with the same type of cancer. However, different patients carry different "oncogene" in their bodies, the results of taking the same drugs vary from person to person. In recent years, the rapid development of molecular biology has led to a more sophisticated understanding of tumor biology, which has led to the emergence of "targeted drugs," which are able to inhibit or disrupt the survival mechanism of specific cancer cells. Targeted drugs not only optimize the therapeutic effect, but also reduce the side effects of the drugs on patients. The “traditional chemotherapy” is a non-specific cytotoxic attack on cells with faster hyperplasia. When the growth of cancer cells is slower than normal cells, chemotherapy drugs would affect the physiological functions of normal cells and cause side effects. The “targeted therapy” targets cancer cells based on their distinct markers to block the growth of cancer cells. Therefore, the “targeted therapy” has treating advantages over the “traditional chemotherapy”. At present, most cancer-treating methods mainly rely on traditional chemotherapy. Since 2011, the trials using biomarkers to predict patients' responses on average accounted for 15% of clinical trials. Before new medical technologies are developed, we are required to create more effective cancer-treating methods. Senhwa's drug discovery focuses on the development target of "cancer-targeted drugs." Senhwa's development of new drugs is to focus on innovative molecule targets in order to inhibit the growth of cancer cells. The Company is committed to improve the effects of drugs in wiping out cancer cells and reduce the side effects of drugs. The Company’s clinical design opts for relevant indications that have significant reactions to candidates and focuses on cancer and diseases that can only use traditional chemotherapy drugs for treatment at the current stage, or cancer patients who have developed resistance to existing standard therapies. We hope that better treatment opportunities may be introduced by Senhwa's targeted drugs, and for the new drugs to replace traditional chemotherapy and become the front-line treatment drugs.

(3) Trends in research and development of combination therapy

The treatment method of cancer with the combined use of drugs is a potential development path for targeted therapy in the future. The traditional R&D process of combination therapy was to first prove the activity of a singular dose on sensitive indications and search for feasible combinations based on experience. The method is time-consuming and costly; moreover, it may miss opportunities of finding combinations with curative effects. Another reasonable method for the combined use of drugs is to develop a new drug targeting a common crucial protein in the signaling pathway of multiple cancers and form synergistic effect with the approved drugs that manifest effects on such pathways.

Senhwa Biosciences is prioritizing the development of its pipeline drug candidate CX-4945, as part of a combination therapy for cholangiocarcinoma. CX-4945 functions by inhibiting protein kinase CK2, effectively disrupting cancer cells' ability to employ alternative pathways for DNA repair. When used alongside chemotherapy drugs, this mechanism can heighten tumor cells' sensitivity to chemotherapy, increase apoptosis rates, and strengthen the overall therapeutic impact of the treatment.

4. Competition:

Senhwa's ongoing drug discovery project "G-quadruplex stabilizer" is planned to be applied to breast cancer and solid tumors of other homologous repair deficiency (HRD) or BRCA1/2 genetic mutations. The project "Development of inhibitor of protein kinase CK2 (casein kinase II)" is planned to be applied to biliary tract cancer and basal cell carcinoma. The target market at the current stage is analyzed as follows:

(1) Pidnarulex (CX-5461)

A. Breast Cancer

Breast cancer is one of the most common cancers occurred to women. Breast cancer accounts for 7% to 10% of all cancer occurrences worldwide, and is also the most frequently diagnosed cancer for females. Technology development uncovered certain unique genes exclusive to breast cancer, such as BRCA1 and BRCA2. BRCA1 and BRCA2 are mutated genes associated with breast cancer and ovarian cancer found in the 1990s. According to the definition generally accepted by geneticists, females who carry the BRCA1 or BRCA2 mutated genes have a 60% to 85% chance of developing breast cancer throughout their lives. According to Senhwa's clinical trials results, CX-5461 can be effectively used on cells with homologous repair deficiency (HRD) or BRCA1/2 genetic mutations to achieve the target of effectively inhibiting the growth of cancer cells by the synthetic lethality mechanism, complying with the new trend of precision medication. The data from the San Antonio Breast Cancer Symposium (SABCS) in 2014 shows that approximately 48% of patients with triple-negative breast cancer carry the HRD or BRCA1/2 genetic mutation.

The clinical study design will use genetic testing to diagnose and screen breast cancer patients with BRCA (breast cancer-sensitive gene) or relevant genetic defects or mutations, coupled with the mechanisms of CX-5461, to precisely wipe out cancer cells. In addition, CX-5461 has no genotoxicity and does not suppress DNA replication, protein translation, or transcription of RNA polymerase II, which makes it possible for CX-5461 to be developed into a more effective product with breakthrough curative effects and secure the market competitive strength.

Breast cancer remains the most common cancer diagnosed among women

globally. According to a report released by Straits Research on March 4, 2025, the global market for breast cancer therapies was valued at USD 34.25 billion in 2024 and is anticipated to expand from USD 37.3 billion in 2025 to USD 80.34 billion by 2033, with a compound annual growth rate (CAGR) of 8.90%. Key blockbuster drugs in the breast cancer segment include Enhertu, Kadcyla, Ibrance, Tecentriq, and Zoladex sustained-release formulations, as well as Perjeta, and Keytruda, which are specifically indicated for the treatment of triple-negative breast cancer (TNBC).

Roche has always been the leader in the field of breast cancer drugs, as Herceptin, Perjeta, and Kadcyla are all developed by Roche. They have been the stars of targeted therapy drugs for breast cancer ever since being approved by the U.S. FDA in 1998, 2012, and 2014, respectively. Perjeta and Herceptin act on different protein sites. Clinical evaluation confirms that Perjeta and Herceptin have complementary effects, and when used in combination with Docetaxel for the treatment of metastatic HER2-positive metastatic breast cancer patients who have not been treated with anti-HER2 or chemotherapy, they can prolong the patient's time of progression-free survival.

In 2018, the US FDA approved a specific treatment for breast cancer that targets mutations in the BRCA gene. Lynparza (Olaparib) is a PARP inhibitor indicated for patients with HER2-negative breast cancer that has spread (metastasized) and who have previously undergone chemotherapy. The FDA also approved the BRCA Analysis CDx genetic test to identify breast cancer patients with BRCA gene mutations. AstraZeneca's Lynparza (Olaparib) is the market leader among PARP inhibitors. In addition to its indication for breast cancer and ovarian cancer, this is mainly due to its approvals for pancreatic cancer in December 2019 and prostate cancer in May 2020. The sales of Lynparza in 2020 amounted to US $1.78 billion, while in 2022, its sales reached US $37.2 billion. Its sales far exceed those of other PARP inhibitors such as Zejula by GlaxoSmithKline, Rubraca by Clovis Oncology, and Talzenna by Pfizer.

Market Sales of Drugs that Mainly Target Breast Cancer

Unit: US Billions

Drug Name	Drug Category	Indication	Manufacturer	2023 Global Sales
Keytruda (Pembrolizumab)	PD-1 Immune Checkpoint Inhibitor	Multiple cancers, including TNBC	Merck (MSD)	$25.011
Enhertu (Trastuzumab deruxtecan)	Antibody-Drug Conjugate (ADC)	HER2-positive breast cancer	AstraZeneca / Daiichi Sankyo	$2.566
Kadcyla (Ado-trastuzumab emtansine)	Antibody-Drug Conjugate (ADC)	HER2-positive breast cancer	Roche	$1.824
Ibrance (Palbociclib)	CDK4/6 Inhibitor	HR+/HER2- breast cancer	Pfizer	$4.708
Verzenio (Abemaciclib)	CDK4/6 Inhibitor	HR+/HER2- breast cancer	Eli Lilly	$3.912
Kisqali (Ribociclib)	CDK4/6 Inhibitor	HR+/HER2- breast cancer	Novartis	$2.080
Herceptin (Trastuzumab)	Anti-HER2 Monoclonal Antibody	HER2-positive breast cancer	Roche	$2.698
Perjeta (Pertuzumab)	Anti-HER2 Monoclonal Antibody	HER2-positive breast cancer	Roche	$4.311
Lynparza (Olaparib)	PARP Inhibitor	BRCA-mutated breast cancer	AstraZeneca / Merck	$2.976
Tecentriq (Atezolizumab)	PD-L1 Immune Checkpoint Inhibitor	Triple-Negative Breast Cancer (TNBC)	Roche	$1.652

Note: The statistics are based on the sales of the drug on the market, and it therefore includes sales for other indications.

Source: PharmaTEC

CX-5461 was selected as a drug for treating breast cancer by the Canadian SU2C-CBCF Breast Cancer Dream Team in January 2016. CX-5461 may achieve the target of effectively inhibiting the growth of cancer cells by the synthetic lethality mechanism through stabilizing the G-quadruplex structure, which is a targeted therapy method. In the future, Senhwa will continue the follow-up trials. If smooth progress of clinical trials is recorded, it is likely to be used for patients with BRCA1/2 or homologous repair deficiency (HRD) and enter the market of targeted drugs for treating breast cancer.

B. Pancreatic Cancer

Pancreatic cancer is among the most aggressive malignancies, often progressing without noticeable symptoms in its early stages, leading to a high rate of late-stage diagnoses and a dismal prognosis. According to GLOBOCAN 2022, the global incidence of pancreatic cancer is approximately 500,000 new cases annually, with the United States accounting for roughly 64,000 cases and Taiwan reporting around 3,000 cases each year. The complexity of early detection and the limited efficacy of available treatments contribute to extremely poor survival outcomes, with a global five-year survival rate ranging from 5% to 10%. In the United States, the rate is slightly higher at 12%, while in Taiwan, it is estimated at 9%, underscoring the severe lethality of this disease. Current therapeutic approaches for pancreatic cancer include surgical resection, systemic chemotherapy, targeted molecular therapy, and immunotherapy.

Treatment Approach	Patient Profile	Common Medications/Techniques	Key Benefits	Limitations/Adverse Effects
Surgical Resection	Early-stage pancreatic cancer (only 15-20% of cases are operable)	- Whipple procedure (pancreaticoduodenectomy) - Distal pancreatectomy	The sole potentially curative intervention	- High risk of recurrence (~80%) - Requires adjuvant chemotherapy
Chemotherapy	Advanced/metastatic or inoperable patients	- FOLFIRINOX (5-FU, irinotecan, oxaliplatin, leucovorin) - Gemcitabine + nab-paclitaxel (Abraxane)	- Demonstrates survival extension - FOLFIRINOX offers higher potency	- Severe side effects (nausea, fatigue, myelosuppression) - Not recommended for frail or elderly patients
Targeted Therapy	Patients with specific genetic mutations	- Erlotinib (Tarceva) (EGFR mutations) - Olaparib (Lynparza) (BRCA1/2 mutations)	- Targeted efficacy based on genetic markers	- Limited to a subset of patients - Requires confirmatory genetic testing
Immunotherapy	Patients with MSI-H/dMMR mutations (only 1-2% of pancreatic cancer cases)	- Pembrolizumab (Keytruda) (PD-1 inhibitor)	- Precision treatment for mutation-specific cases	- Limited applicability - Monotherapy shows limited efficacy
Clinical Trials/Future Therapies	Applicable across all stages (experimental)	- Tumor vaccines - CAR-T cell therapy - PD-1/PD-L1 inhibitors in combination with chemotherapy	- Potential to introduce novel therapeutic options	- Experimental; efficacy remains unproven - Ongoing research and clinical validation required

Given the substantial difficulties in early-stage diagnosis and the suboptimal outcomes of existing therapies, ongoing clinical trials are aggressively pursuing novel treatment avenues for pancreatic cancer. Among the emerging strategies are tumor vaccines targeting pancreatic cancer-specific antigens and combination immunotherapies that integrate PD-1/PD-L1 inhibitors with chemotherapy, both of which hold significant promise. One noteworthy candidate, **CX-5461**, operates through multiple mechanisms: it inhibits RNA polymerase I, triggers DNA damage, interferes with G4 structures, and disrupts homologous recombination (HR) repair pathways. This multifaceted mode of action positions CX-5461 as a potentially effective treatment for pancreatic cancer patients with KRAS mutations, BRCA mutations, or HRD. Should forthcoming clinical trials validate the efficacy of combining CX-5461 with PD-1/PD-L1 inhibitors, the drug may play a pivotal role in the evolving landscape of pancreatic cancer precision medicine.

C. Ovarian Cancer

Ovarian cancer ranks as one of the deadliest gynecological cancers. According to GLOBOCAN 2020 data, around 314,000 new cases of ovarian cancer are diagnosed globally each year, leading to approximately 207,000 deaths. While its incidence is notably higher in Western countries and comparatively lower in Asia, it remains a major health threat to women worldwide. The 5-year survival rate for ovarian cancer varies significantly depending on the stage at diagnosis:

Stage I Cancer is confined to the ovaries: 90%

Stage II Cancer has spread to the pelvic cavity: 70-80%

Stage III Cancer has spread to the peritoneum or lymph nodes: 30-50%

Stage IV Distant metastasis: 15-20%

Due to the lack of clear symptoms in the early stages, over 70% of ovarian cancer cases are diagnosed at advanced stages (Stage III-IV), contributing to an overall 5-year survival rate of approximately 49%. Treatment strategies for ovarian cancer are primarily determined by factors such as cancer stage, histological type, and genetic mutations (e.g., BRCA1/2). The current standard of care includes surgery, chemotherapy, targeted therapy, and immunotherapy.

Treatment Method	Indication	Drug Name	Mechanism of Action	Target Population
Surgery	Early and Advanced Ovarian Cancer	-	Surgical removal of tumors and affected organs	Applicable to most patients
Chemotherapy (Platinum and Taxane-based)	Early and Advanced Ovarian Cancer	Cisplatin, Carboplatin + Paclitaxel	Inhibits DNA replication and cell division	Standard first-line regimen
PARP Inhibitors (Targeted Therapy)	BRCA-Mutated or HRD-Positive Ovarian Cancer	Olaparib (Lynparza), Niraparib (Zejula), Rucaparib (Rubraca)	Prevents DNA repair in cancer cells, leading to cell death	Suitable for patients with BRCA1/2 mutations or HRD-positive status
Anti-Angiogenic Therapy (Targeted Therapy)	Advanced and Recurrent Ovarian Cancer	Bevacizumab (Avastin)	Inhibits VEGF to block tumor blood vessel formation	High-risk recurrent cases
Immunotherapy (Checkpoint Inhibitors)	MSI-H/dMMR Ovarian Cancer	Pembrolizumab (Keytruda), Dostarlimab (Jemperli)	Stimulates immune response against tumor cells	MSI-H/dMMR patients
Hormone Therapy	Low-Grade Serous or Endometrioid Ovarian Cancer	Letrozole (Femara), Tamoxifen	Reduces estrogen levels to slow tumor progression	ER-positive ovarian cancer patients

Immunotherapy has shown limited efficacy in the treatment of ovarian cancer, but it holds promise for specific subtypes, particularly those with MSI-H or dMMR. PD-1/PD-L1 inhibitors such as Pembrolizumab and Dostarlimab have received approval for treating advanced or recurrent ovarian cancer characterized by microsatellite instability-high (MSI-H) or mismatch repair deficiency (dMMR). However, surgery combined with chemotherapy remains the standard treatment approach for ovarian cancer. For patients with BRCA mutations or homologous recombination deficiency (HRD), PARP inhibitors have become an essential targeted therapy, while immunotherapy is currently reserved for specific patient subtypes. CX-5461 exerts its therapeutic effects by inhibiting RNA polymerase I, inducing DNA damage, disrupting G4 structures, and interfering with homologous recombination (HR) repair. This mechanism shows promise for ovarian cancer patients with KRAS mutations, BRCA mutations, or HRD. If future clinical trials validate the efficacy of combining CX-5461 with PD-1/PD-L1 inhibitors, the treatment could potentially enhance survival rates and quality of life for ovarian cancer patients.

(2) Silmitasertib (CX-4945)

A. Biliary tract cancer

According to GlobalData and medical journals in Taiwan, the treatment of biliary tract cancer remains an “unmet medical need”. It is considered to be a rare disease in the West but it occurs more frequently in Asia. Apart from specific target drugs such as Pemazyre (FGFR2 gene fusion), Truseltiq and Tibsovo (IDH1 mutation) that target specific biomarkers, most of the first-line treatments for biliary tract cancer are chemotherapy, but the effectiveness of chemotherapy is rather poor. The four more important chemotherapeutic modalities on the market are:

(A) Gemcitabine in combination with Capecitabine
(B) Gemcitabine
(C) Gemcitabine in combination with Cisplatin
(D) Gemcitabine in combination with Oxaliplatin (GEMOX)

The effectiveness/safety of the four types of treatment is shown in the table below. Gemcitabine and Cisplatin may achieve more significant effects in treatment. The annual cost of therapy is approximately US$14,200.

Treatment of Gallbladder Cancer	Gemcitabine + Capecitabine	Gemcitabine	Gemcitabine + Cisplatin	Gemcitabine + Oxaliplatin
Number of competitors in the market	4 major competitors			
Efficacy				
Safety Profile				
Patient Satisfaction				
Physician Satisfaction				
ACOT	$18,900	$21,100	$14,200	$7,800
Competitive Strength				

Current Competition in the Bile Duct Cancer Therapeutics Market is Moderate

High Impact Medium Impact Low Impact

Data source: GlobalData, Bile Duct Cancer Therapeutics - Pipeline Assessment and Market Forecasts to 2019 (2012 report, published on January 2012).

Annual Cost of Therapy (ACOT)

It is difficult to detect biliary tract cancer in an early stage, and it is often discovered at the advanced stage; only 30% of patients have the opportunity to adopt surgical treatment; the death rate is relatively high. Chemotherapy or radiation therapy are considered for patients who cannot receive surgeries; however, such treatments mostly aim to alleviate symptoms and improve the living quality. Unless the malignant cholangiocarcinoma can be completely wiped out in surgery, the survival rate of patients is relatively low. The average five-year survival rate is merely 20%

On September 2, 2022, the US FDA approved durvalumab (Imfinzi, AstraZeneca) in combination with gemcitabine and cisplatin for the treatment of adult patients with locally advanced or metastatic BTC. The efficacy of Durvalumab was evaluated in the TOPAZ-1 trial (NCT03875235), a randomized, double-blind, placebo-controlled, multicenter study, which enrolled 685 patients with locally advanced unresectable or metastatic BTC who had not previously received systemic therapy for advanced disease and whose diagnosis was confirmed by histology. The results of the TOPAZ-1 Phase III trial were published at the 2022 American Society of Clinical Oncology Gastrointestinal Cancers Symposium (ASCO GI). The combination of Durvalumab with Gemcitabine and cisplatin showed an overall survival rate of 12.8 months and a median progression-free survival of 7.2 months. The researchers evaluated an overall response rate (ORR) of 27%. In terms of safety, Imfinzi in combination with chemotherapy showed good overall tolerability and did not increase the rate of medication discontinuation due to adverse events compared to chemotherapy alone. In July 2022, according to the clinical data from the TOPAZ-1 trial, the combination of Imfinzi with chemotherapy was included in the NCCN Clinical Practice Guidelines in Oncology (NCCN Guidelines®) as the first-line treatment option for locally advanced or metastatic BTC.

The complicated adjustment and control mechanisms of protein kinase CK2 resulted in the high barrier regarding the developing technologies of drugs. CX-4945 developed by the Company interrupts the backup mechanism of cancer cells to repair their DNA by inhibiting the protein kinase CK2. Therefore, CX-4945 can reinforce the treating effects when used in combination with chemotherapy drugs. When the results and performance of clinical trials are as estimated, CX-4945 is likely to become a significant front-line drug for the treatment of biliary tract cancer.

For the phase I/II human clinical trials by using Silmitasertib (CX-4945), a novel drug under development by the Company, in combination with Gemcitabine and Cisplatin in the front-line treatment for cholangiocarcinoma, PFS (P-value <0.05), the interim analysis of primary trial indicator, has reached the statistically significant differences in October 2020; therefore, the trial was ended in advance. For the medication group of the trial, a total of 88 patients were included, and 55 patients at least completed a complete course of treatment (21 days), and they are defined as the modified Intent to Treat (mITT) patient group, whose clinical data and the data of patients merely adopting chemotherapy without taking pills in phase II experiment shown a nearly doubled difference in the primary trial indicator (PFS) during the interim analysis, achieving the statistically significant differences; the trial achieves its targets in advance. The experimental results demonstrate that the use of Silmitasertib (CX-4945) in combination with Gemcitabine and Cisplatin in the front-line treatment for cholangiocarcinoma have brought benefit for the patients in terms of clinical observative indicators, and therefore, its strength has been verified.

Based on the results of the interim analysis for phase I/II human clinical trials regarding the treatment of cholangiocarcinoma for the use of Silmitasertib (CX-4945) in combination with Gemcitabine and Cisplatin, such treatment has curative effects and developmental potentials for patients with locally advanced or metastatic cholangiocarcinoma. As compared to the BT22 clinical trial, Silmitasertib (CX-4945) triggers fewer hematologic adverse events. After treatment, 66% of patients recorded lower tumor index CA 19-9. Senhwa completed an EOP meeting with the US FDA in April 2023 regarding the Phase 1/2 trial for CCA based on its clinical results. The US FDA recommended that the Company consider the impact of Imfinzi's approval for this indication. As a result, the Company plans to conduct trials using Silmitasertib (CX-4945) in combination with other therapies to explore the treatment efficacy, including but not limited to BTC.

B. Basal cell carcinoma (BCC)

BCC has an annual increase of 4 million new cases in the U.S.; most of the cases are benign BCC, which can either be surgically removed due to its low degree of metastasis, or be treated with radiotherapy, cryotherapy, laser, 5-Fu ointment, and other local treatment when patients cannot receive surgically. However, a small number of patients (about 0.5% of patients) who have locally advanced (laBCC) or metastasis tumors (mBCC) require further systemic therapy. In the past, without the options of surgery and radiotherapy, chemotherapy is adopted for laBCC or mBCC. Monotherapy using Cisplatin or combined programs is usually adopted. Nonetheless, the therapeutic effect of chemotherapy was never proved in any clinical trials. Therefore, the international guidelines do not recommend chemotherapy for the treatment of advanced BCC.

In 2012, the U.S. FDA approved the first targetted drug for the treatment of BCC - Erivedge® (vismodegib), which is a hedgehog pathway inhibitor. At present, Erivedge-typed drugs are the standard treatment for laBCC and mBCC patients who are currently inoperable and have ineffective radiotherapy. According to GlobalData, Vismodegib's global sales in 2018 amounted to CHF 258 million (equivalent to approximately US$260 million). In addition, according to the research report of Coven & Co., Vismodegib's peak sales will reach US$533 million by 2022. In 2015, the U.S. FDA approved the second targeted drug for the treatment of BCC: Odomzo® (Sonidegib). The acting mechanism of Sonidegib is the same as that of Vismodegib, i.e., both are used as a hedgehog pathway inhibitor. Therefore, when patients have drug resistance to either of the drug, they are unable to use the other drug. Odomzo, after being successfully developed by Novartis in 2015, was sold to Sun Pharma, an Indian pharmaceutical company, in 2016 with a signing bonus that amounted to US$175 million and undisclosed milestone payments. According to GlobalData, Sonidegib's global sales would reach US$330 million in 2019, and the peak sales are estimated to be US$711 million by 2025. Patients using Vismodegib usually relapse after approximately 5 to 12 months, and for patients who have relapsed, Libtayo, an injection which was approved only in 2021, is the only available treatment. Libtayo injection is indicated for the treatment of locally advanced basal cell carcinoma (laBCC) in patients who have previously received hedgehog pathway inhibitor (HHI) treatment or are not suitable for HHI treatment. It is currently the only drug approved in the United States specifically for the treatment of advanced cutaneous squamous cell carcinoma (cSCC) and laBCC or metastatic BCC (mBCC) in patients who are not suitable for HHI treatment. Libtayo (Cemiplimab-rwlc) was studied in an open-label, multicenter, non-randomized Phase II clinical trial. The trial focused on patients with laBCC or mBCC who had either shown no progress with or were intolerant to prior treatment with HHI. The study revealed that in patients with advanced laBCC who had no progress with or were intolerant to HHI treatment, Libtayo showed an overall ORR of 29%, and 79% of the responders maintained their response for at least 6 months. The ORR for patients with mBCC was 21%, with all responders maintained their response for at least 6 months.

CX-4945, which acts as a Gli protein inhibitor downstream of smoothened (hedgehog pathway), is a multi-target Gli protein inhibitor that is less likely to generate drug resistance. When the clinical trial results are as expected, CX-4945 is likely to become a new generation drug for BCC and may gain a foothold as a first-line treatment drug when being used in combined therapy. The enrollment for the Phase I clinical trial of CX-4945 for laBCC has been completed in August 2023, and it is expected that the clinical trial summary report will be completed in 2024.

C. Neuroblastoma

Neuroblastoma is a rare and highly aggressive pediatric cancer that arises from immature nerve cells in the sympathetic nervous system. It predominantly affects young children and accounts for approximately 15% of pediatric cancer-related deaths. While advances in treatment have significantly increased survival rates for patients at low and intermediate risk, high-risk neuroblastoma continues to present a major challenge due to poor responsiveness to therapy, resulting in a high rate of recurrence. The five-year survival rate for high-risk patients remains low, at approximately 40-

50%, and even with intensive treatment, the risk of relapse is substantial. In Taiwan, around 10 to 15 new cases of high-risk neuroblastoma are diagnosed annually. Treatment options for relapsed neuroblastoma are limited, and most existing therapies have only modest efficacy. Moreover, severe side effects from current treatment approaches negatively impact patients' quality of life. While some patients may initially respond to radiotherapy and immunotherapy, resistance often develops, leading to tumor relapse. Anti-GD2 immunotherapy (such as Dinutuximab) frequently induces severe neuropathic pain, reducing patient tolerance. Additionally, ALK mutations occur in only about 8% of patients, which limits the effectiveness of ALK inhibitors, while the high heterogeneity of other gene mutations prevents the development of a universally effective targeted therapy. Consequently, neuroblastoma remains an area of significant unmet medical need. Research has shown that elevated CK2 activity in neuroblastoma cells enhances MYCN gene stability, facilitating rapid tumor growth. CX-4945, a CK2 inhibitor, disrupts the AKT/mTOR signaling pathway, reducing MYCN protein stability and increasing tumor cell susceptibility to DNA damage. When used in combination with chemotherapy agents such as Temozolomide and Irinotecan, CX-4945 can boost tumor cell sensitivity to chemotherapy, promote apoptosis, and lower the risk of developing drug resistance. The Phase I clinical trial of CX-4945 for neuroblastoma commenced in September 2024. Should the clinical outcomes align with expectations, CX-4945 could become a promising new-generation therapeutic option for neuroblastoma through combination treatment strategies.

D. Community-acquired pneumonia (CAP)

CAP is defined as an acute lower respiratory tract infection affecting individuals who have not been hospitalized or have been hospitalized for less than 48 hours. Clinically, the causative factors include bacteria, viruses, and atypical pathogens, such as Streptococcus pneumoniae, influenza virus and Mycoplasma pneumoniae, etc. CAP is a common lung infection that can be infected through daily community activities (not during hospital care). The symptoms of CAP can be severe and even fatal, especially for the elderly and individuals with health issues. The common pathogens of CAP in Taiwan resemble those found in foreign countries, primarily caused by Streptococcus pneumoniae, Mycoplasma pneumoniae, Chlamydia pneumoniae, Klebsiella pneumoniae, and Haemophilus influenzae. For patients with severe pneumonia, consideration should be given to the possibility of infection caused by Pseudomonas aeruginosa or multiple drug-resistant organisms (MDROs). Pneumonia caused by different pathogens exhibits similar clinical symptoms, making them difficult to distinguish based on clinical manifestations. Hence, microbial testing is necessary for accurate diagnosis. For certain patient populations that are frequently exposed to external medical environments and treatments, or have underlying comorbidities, the risk of developing CAP caused by MDROs may be higher. CAP is typically treated with antibiotics. However, in the post-pandemic era, the increase in various viral and bacterial infections due to "immunity debt", coupled with the current lack of antibiotic diversity and their misuse, has resulted in drug resistance. This may lead to a situation where no effective treatments are available in the future.

CX-4945 is a small molecule drug and a first-in-class novel drug in the market. It was initially discovered for its ability to inhibit the activity of CK2

protein kinase, which regulates various physiological pathways. Research has shown that CK2 acts as a regulatory factor of the TBK1/IFN 3 axis, mediating viral immune evasion from the IFN response. By inhibiting CK2, the response of IFN-α and IFN-β can be enhanced, thereby initiating the host defense mechanism against viral infections. Furthermore, inhibiting NF-κB activation in macrophages and its subsequent secretion of cytokines such as IL-1, IL-6, and IL-10 helps to reduce the occurrence of immune storms. In addition to the SARS-CoV-2 virus, numerous studies have identified CK2 as a viral target in lung diseases-related viruses such as Rotavirus and Respiratory Syncytial Virus (RSV; which causes bronchiolitis and pneumonia in infants and the elderly). Inhibiting CKs is a therapeutic strategy that is not limited to specific viral infections but is applicable to different DNA and RNA viruses. In February 2024, the Company initiated a clinical trial of Silmitasertib (CX-4945) in combination with other therapies to explore the treatment of CAP.

In the face of a worldwide aging society and lifestyle changes, which have led to the increasing prevalence of cancer, coupled with the ongoing rise in healthcare costs, severely impacting people's quality of life. Regardless of whether in developed or developing countries, cancer treatment remains an urgent and unavoidable issue. Following the outbreak of the COVID-19 pandemic, experts from various countries have repeatedly warned about the "tsunami of immunity debt". Therefore, there are unmet medical needs in both cancer and infectious diseases.

(III) Technology and R&D Overview:

1. R&D investment in the most recent year up to the publication date of this Report:

Unit: NT$ thousand

Items	2024	2025 Q1
R&D expenses	243,736	43,626

2. Successfully developed technologies or products in the most recent year and as of the publication date of this Report:

Significant R&D results of the Company in the most recent five years:

(1) Progress and results of clinical trials of novel drugs

Product	Development progress (indication)	Development results
CX-4945	Phase II clinical trials has been completed (Cholangiocarcinoma)	1.In February 2014, the U.S. FDA approved the phase II human clinical trials concurrently at multiple clinical trial centers across the U.S. for the “phase I/II clinical trials of CX-4945 in combination with Gemcitabine and Cisplatin for treating patients with cholangiocarcinoma.” 2.In June 2014, human clinical trials were officially commenced in the U.S. 3.In December 2014, we filed a novel drug clinical trial application to the Ministry of Food and Drug Safety (MFDS) of the Republic of Korea for using CX-4945 treating cholangiocarcinoma. 4.In January 2015, we received approval from MFDS of the Republic of Korea for phase I/II human clinical trials. 5.In October 2015, we received approval from Taiwan Food and Drug Administration (TFDA) for phase I/II human clinical trials.

Product	Development progress (indication)	Development results
		6.In February 2016, we received an approval letter from the Research Ethics Committee of China Medical University Hospital for human trials. 7.In December 2016, we received Orphan Drug Designation from the U.S. FDA for the treatment of cholangiocarcinoma. 8.In January 2017, we were invited to attend the ASCO Gastrointestinal Cancers Symposium and use posters to publish results of the phase I clinical trials on treating cholangiocarcinoma with the novel cancer drug CX-4945 under development. 9.In May 2018, we officially commenced the phase II randomized study for the treatment of cholangiocarcinoma; the first subject was included at the Mayo Clinic in the U.S. 10.In October 2018, we included five new hospitals in Taiwan to conduct clinical trials, so as to accelerate the inclusion of subjects and the implementation of the trials. 11.In 2019, the Company completed the data analysis for 50 patients in phase I, the results were positive. 12.In October 2020, the international multi-center phase I/II human clinical trial for cholangiocarcinoma using the novel drug Silmitasertib (CX-4945) recorded the achievement of targets during the interim analysis and ended the trial ahead of schedule. The preparation of the closing report for clinical trials is in process. 13.In January 2022, we received the notification of Orphan Drug Designation from the U.S. FDA for the treatment of biliary tract cancer. 14.The clinical study report (CSR) for the phase I/II human trial of CCA has been officially submitted to the US FDA in August 2022. At the same time, the clinical trial closing-out is conducted in accordance with the regulatory requirements of the TFDA and Korea. 15.The results of the phase I/II human clinical trial for CCA were published in the international journal Hepatology in September 2022. 16.The EOP meeting with the US FDA regarding the Phase 1/2 trial for CCA was completed in April 2023, and will consider the US FDA recommendations to conduct trials using Silmitasertib (CX-4945) in combination with other therapies to explore the treatment efficacy, for other indications but not limited to CCA.
CX-4945	The enrollment for the Phase I clinical trials of expansion and data analysis has been completed (basal cell carcinoma)	1.In November 2018, the human clinical trial using the Company's novel drug CX-4945 for the treatment of BCC, a new indication of skin cancer, was approved by the U.S. FDA. 2.In April 2019, the clinical trial in humans using CX-4945 for the treatment of basal cell carcinoma (BCC), skin cancer, was launched and has successfully enrolled the first patient. 3.In May 2020, the Phase I clinical trial design of Silmitasertib (CX-4945) targeting advanced BCC (a skin cancer) was selected for presentation at the ASCO's annual meeting, which took place in Chicago, Illinois, from May 29 to June 2, 2020. 4.In August 2020, we commenced the phase I stage II human clinical expansion cohort trials, and the

Product	Development progress (indication)	Development results
		inclusion of the first subject and the drug administration in accordance with the course of treatment was completed on August 12, 2020. 5. The positive clinical data of Silmitasertib (CX-4945) for the treatment of advanced basal cell carcinoma was selected and presented at the 2022 Annual Meeting of the AAD in March 2022. 6. The new drug of the Company, Silmitasertib (CX-4945) has completed the administration of the first dose to the last patient in the human clinical trial for the treatment of skin cancer - basal cell carcinoma in the United States, and the enrollment has been completed. 7. In August 2023, the administration of the last dose (LPLV) to the last patient in the human clinical trial of Silmitasertib (CX-4945) for the treatment of skin cancer - basal cell carcinoma in the United States was completed, and data locking and analysis will be performed. 8. In April 2025, the data analysis for the Phase I/dose expansion clinical trial of Silmitasertib (CX-4945), a new therapeutic candidate for basal cell carcinoma, was completed.
CX-4945	Phase I/II clinical trials in progress (medulloblastoma)	1. In May 2018, Senhwa collaborated with the medical research team of Stanford University and signed a cooperation agreement with the PBTC to jointly develop and organize the phase I/II human clinical trials for the treatment of pediatric malignant brain tumors. PBTC included the cooperation project as the focus of 2018. The project received funding from PBTC to execute the clinical project and sponsorships from the Cancer Therapy Evaluation Program (CTEP) operated by the National Cancer Institute (NCI); it is estimated to invest in over US$3 million. The trial concurrently includes subjects from 12 prestigious children's hospitals and cancer centers subordinated to PBTC across the U.S. 2. In January 2019, the human clinical trial using CX-4945 for the new indication of pediatric brain tumors, medulloblastoma, was approved by the U.S. FDA. 3. In July 2019, the phase I/II human clinical trials for the treatment of pediatric brain tumors, medulloblastoma (MB), officially commenced in the U.S. and included the first subject. 4. In July 2020, the use of Silmitasertib (CX-4945) for the treatment of pediatric MB received the qualification of "Rare Pediatric Disease Designation (RPD)" from the U.S. FDA. 5. In August 2021, the new drug was granted Fast Track Designation status by the U.S. FDA. 6. In December 2021, the new drug received the notification of Orphan Drug Designation from the U.S. FDA.
CX-4945	Phase II clinical trials is terminated (COVID-19)	1. In March 2020, QBI-UCSF selected a list of 69 compounds through an analysis of 332 compounds highly related to the interactions between the COVID-19 virus and human protein. In particular, Silmitasertib (CX-4945) may adjust and control the activity of protein kinase CK2 in the hosts' cells and in turn facilitate the formation of stress granule and create a better anti-virus environment for the hosts'

Product	Development progress (indication)	Development results
		cells, to block the spreading of viruses within the human body and reduce the infection of the hosts' cells, and thus was selected as a potential treating drug. The discovery in the research on COVID-19 was valued and published in May 2020 by Nature, the international authoritative science journal. 2. In April 2020, the Company and the NIAID under the U.S. NIH formally signed a cooperation agreement to commence a series of clinical trials by using the novel drug Silmitasertib(CX-4945) in anti-COVID-19 clinical trials. 3. In April 2020, the Institute for Antiviral Research, Utah State University (IRA-USU), the U.S., carried out a screen test regarding the potential drugs for anti-SARS-CoV-2. It selected 3 potential drugs with strong curative effects to combat the COVID-19 virus from 1,670 approved or clinical drugs worldwide, and Silmitasertib (CX-4945) got the nod. 4. In June 2020, the team comprises 80 top-notch international scientists from the U.S., Germany, France, and the U.K. led by QBI-UCSF published significant research on COVID-19 viruses and received high attention from the biomedicine industries worldwide. The research found that COVID-19 viruses transform normal cells into "zombie" cells by "seizing" the human protein kinase CK2 to accelerate and spreading of viruses more effectively. Meanwhile, when studying the complicated process of phosphorylation of COVI-19 virus, the general switch for the series of processes was found, namely, the human protein kinase CK2. The science team, therefore, made use of Senhwa's Silmitasertib, an inhibitor for CK2, for testing. The experimental results showed that Silmitasertib completely wiped out all COVID-19 viruses. The vital progress in the research on COVID-19 was valued and published by "Cell," the international authoritative cell science journal, and reported by multiple international mainstream media. 5. In August 2020, the Company signed a cooperation memorandum with one of the largest medical systems, Banner Health in the U.S., to apply for the EAIND for the novel drug Silmitasertib (CX-4945) and IIT for the treatment of patients with COVID-19. Furthermore, we formally signed a cooperation memorandum with CARE, Georgia, to apply for using the novel drug Silmitasertib (CX-4945) in the IIT for the treatment of patients with COVID-19. 6. In August 2020, the novel drug Silmitasertib (CX-4945) was approved by the U.S. FDA for the emergency treatment provided to COVID-19 patients; we became the first biotech company in Taiwan whose novel drug is used in the human clinical trials for COVID-19. The COVID-19 patient who received the first emergency treatment using Senhwa's novel drug Silmitasertib (CX-4945) worldwide fully recovered after 5 days of treatment and was discharged from the hospital on September 3 (U.S. time). 7. In August 2020, our cooperation partner, CARE, Georgia, the U.S., applied for the phase II human

Product	Development progress (indication)	Development results
		clinical trials for COVID-19 to the U.S. FDA. 8. In November 2020, our partner Banner Health Medical Institution, the U.S., applied for the phase II human clinical trials for COVID-19 to the U.S. FDA and received approval for the execution in the same month. 9. In November 2020, our cooperation partner, CARE, Georgia, the U.S., applied for the phase II human clinical trials for COVIE-19 to the U.S. FDA and officially received the approval for the execution. 10. In December 2020, the phase II human clinical trials of Silmitasertib(CX-4945) was formally commenced for the treatment of COVID-19; the first subject was included at CARE, Georgia, the U.S. 11. In January 2021, formally commenced the phase II human clinical trials for the treatment of COVID-19 patients with severe symptoms; the first subject was included. 12. In May 2021, in response to the severe COVID-19 pandemic in Taiwan, the new drug Silmitasertib (CX-4945) was approved through emergency use authorization by Taiwan's Ministry of Health and Welfare for the treatment of patients with severe symptoms of COVID-19 who applied for compassionate use. 13. In August 2021, the phase II human clinical trials of Silmitasertib (CX-4945) for the treatment of COVID-19 patients with moderate symptoms was completed in the U.S. Preliminary clinical data analysis showed statistically significant and clinically meaningful results compared with the control group, with Silmitasertib significantly accelerating recovery as clinically defined and without any serious adverse events (SAEs) in patients treated with Silmitasertib. Silmitasertib demonstrates a high level of safety and good tolerance. This data was selected for public presentation at the ISIRV-WHO conference in 2021. 14. In June 2022, the Company received notification from the clinical partner, Banner Health, an American healthcare institution, it has been decided to terminate the clinical trial of Silmitasertib (CX-4945) for the treatment of severe COVID-19 due to difficulties in enrolling patients with severe COVID-19. The relevant data will be reviewed by Independent DMC. 15. In January 2023, the Company's partner, Banner Health, an American healthcare institution submitted the CSR of the Silmitasertib for the treatment of severe COVID-19 to the US FDA. 16. In February 2023, the Company applied to the Taiwan FDA for Phase II IND approval of Silmitasertib (CX-4945) as a treatment for hospitalized patients with COVID-19 who may experience cytokine storms or severe inflammatory responses caused by the SARS-CoV-2 virus. 17. In April 2023, the TFDA approved the Phase II clinical trial of the Company's new drug, Silmitasertib (CX-4945), for treating hospitalized patients with COVID-19 who may experience cytokine storms or severe inflammatory responses

Product	Development progress (indication)	Development results
		caused by the SARS-CoV-2 virus. 18. In November 2023, the patient enrollment for the Phase II clinical trial of the Company's new drug, Silmitasertib (CX-4945), for treating moderate and severe hospitalized patients with COVID-19 was officially initiated, and the first patient has been enrolled. 19. In January 2024, due to strategic considerations, the Company decided to send a letter to National Cheng Kung University Hospital, prematurely terminating the Phase II clinical trial of the new drug Silmitasertib (CX-4945) for treating single, moderate and severe hospitalized patients with COVID-19.
CX-4945	Phase II clinical trials is terminated (CAP)	1.In October 2023, the Company has applied to the U.S. FDA for multicenter Phase II human clinical trial IND approval of the candidate new drug, Silmitasertib (CX-4945), for the treatment of community-acquired pneumonia (CAP) caused by pan-viral infections. 2.In November 2023, the Company's new drug Silmitasertib (CX-4945) has passed the 30-day IND review by the U.S FDA, and the Phase II human clinical trial for CAP caused by pan-viral infections will be initiated. 3.In December 2023, the Company has applied to the TFDA for multicenter Phase II human clinical trial approval of the new drug, Silmitasertib (CX-4945), for the treatment of CAP caused by pan-viral infections and received approval from the TFDA for the execution in the same month. 4.In March 2024, the patient enrollment for the Phase II clinical trial of the Company's new drug, Silmitasertib (CX-4945), for the treatment of CAP caused by coronavirus or influenza virus was officially initiated, and the first patient has been enrolled. 5.In March 2025, the Company decided to early terminate patient enrollment for the Phase II clinical trial targeting community-acquired pneumonia due to strategic consideration.
CX-4945	Clinical Trial for Recurrent Pediatric Solid Tumors (Investigator-Initiated Trial, IIT) in progress (Neuroblastoma)	1.In July 2024, the Company’s investigational drug Silmitasertib (CX-4945) was selected by the Beat Childhood Cancer Research Consortium, in collaboration with the Penn State Health Children’s Hospital , as a candidate for an investigator-initiated clinical trial aimed at treating recurrent pediatric solid tumors. An IND application was subsequently submitted to the U.S. FDA. 2.In August 2024, Silmitasertib (CX-4945) was officially selected by the Beat Childhood Cancer Research Consortium, in partnership with Penn State Health Children’s Hospital, as an investigational drug for a clinical trial targeting recurrent pediatric solid tumors. The trial was granted FDA approval to proceed. 3.In September 2024, Silmitasertib (CX-4945) received Rare Pediatric Disease (RPD) designation from the U.S. FDA for the treatment of neuroblastoma. 4.In October 2024, Silmitasertib (CX-4945) was granted Orphan Drug Designation (ODD) by the U.S. FDA for the treatment of neuroblastoma.

Product	Development progress (indication)	Development results
		5.In November 2024, the clinical trial for Silmitasertib (CX-4945) targeting refractory/recurrent pediatric solid tumors (IIT) was officially initiated, and the first patient was successfully enrolled.
CX-5461	Phase I expansion clinical trial closed (breast cancer)	1. In October 2015, CX-5461 was selected as the drug used by the 2015 SU2C-CBCF Breast Cancer Dream Team. 2. In March 2016, we signed a Clinical Trials Agreement with Queen's University at Kingston in the style and cause of the NCIC Clinical Trials Group and received approval from Health Canada for the execution of phase I/II human clinical trials. 3. In March 2016, Health Canada, the Canadian competent authority of medicine and health care, issued a no objection letter to the Company's clinical trial partner, CCTG, and authorized the use of CX-5461 in phase I/II human trials for treating solid tumors and breast cancer. 4. In January 2017, CX-5461 was published in the renowned SCI science journal, Nature Communications. It was discovered in an animal experiment that CX-5461 may damage or crush the DNA of cancer cells by stabilizing the G-quadruplex structure; CX-5461 is the first clinical novel drug that reacts to G-quadruplex. 5. In March 2018, the chief management officer of the Company's partner, CCTG, published the results of phase I clinical trials of the Company's novel breast cancer drug CX-5461 at the 16th Targeted Anticancer Therapies (TAT 2018) organized by the European Society of Medical Oncology by way of an oral report. 6. In April 2019, dose-escalation in phase I clinical trial for breast cancer was completed in Canada, and the main evaluation indicator was achieved. 7. In December 2019, CCTG, the Company's partner, published the results of Pidnarulex (CX-5461)'s phase I clinical trials in combating advanced solid tumors by way of posters and briefing at the Spotlight Presentation of SABCS; the results were positive. 8. The results of the Phase I clinical trial for CX-5461 were published in the international journal Nature Communications in June 2022.
CX-5461	Phase I expansion clinical trial in progress (breast cancer, ovarian cancer, prostate cancer, and other solid tumors)	1. In December 2020, the execution of the human clinical curing effect expansion cohort trial for patients with specific genetic defects and multiple solid tumors was approved by the U.S. FDA and Health Canada. 2. In September 2021, the new drug was used for the treatment of multiple entities with specific genetic defects. The human clinical efficacy scale-up cohort trial for oncology has been officially launched and the first subject has been included.

Product	Development progress (indication)	Development results
		3. In January 2022, the U.S. FDA granted the new drug Fast Track Designation (FTD) for the treatment of breast and ovarian cancers with specific genetic defects. 4. In September 2024, the efficacy expansion cohort study of Pidnarulex (CX-5461), targeting multiple solid tumors characterized by BRCA2 and/or PALB2 gene defects, was selected for presentation at the European Society for Medical Oncology (ESMO) Annual Meeting.
CX-5461	Phase I clinical trial is terminated (prostate cancer)	1. In July 2020, Pidnarulex (CX-5461) won the final selection of the PCF-Pfizer Global Challenge Awards, receiving joint sponsorship for clinical funding from Pfizer and the Prostate Cancer Foundation (PCF) in the United States. It will be used in combination with Pfizer's marketed PARP inhibitors for the treatment of prostate cancer in human clinical trial. 2. In September 2021, the Company signed a clinical collaboration agreement with the Peter MacCallum Cancer Centre (PMCC) in Melbourne, Australia. Pidnarulex (CX-5461) will be used in combination with Pfizer's PARP inhibitors for the treatment of prostate cancer in human clinical trial. 3. In June 2022, the human clinical trial for the treatment of prostate cancer using the combination of the Company's new drug Pidnarulex (CX-5461) and Pfizer's PARP inhibitor, Talazoparib, received approval from the Human Research Ethics Committee (HREC) in Australia to proceed. 4. In September 2022, the PMCC completed the Site Initiation Visit (SIV) and commenced patient screening for the clinical trial. 5. In October 2022, the human clinical trial for the treatment of prostate cancer using the combination of the Company's new drug Pidnarulex (CX-5461) and Pfizer's PARP inhibitor, Talazoparib, was officially initiated, and the enrollment of the first patient was completed. 6. In April 2025, the Company was informed by its clinical partner, the Peter MacCallum Cancer Centre (PMCC) in Australia, that the clinical study initiated by PMCC involving the combination of the Company’s investigational drug Pidnarulex (CX-5461) and Pfizer’s PARP inhibitor had been terminated.
CX-5461	Collaboration with the NExT Program in the United States In progress	1. In December 2022, the Company received notification that the new drug Pidnarulex (CX-5461) has been successfully selected to participate in a five-year collaborative development program under the NIH-sponsored NExT Program. The clinical expenses will be funded by NIH, aiming to expedite the development of Pidnarulex for market approval. 2. In March 2023, the Company has officially signed a five-year collaboration agreement with the NCI,

Product	Development progress (indication)	Development results
		a division of the NIH in the United States. This collaboration aims to jointly advance the unmet medical needs of cancer-related human clinical trials of the new drug, Pidnarulex (CX-5461). 3.In September 2024, Pidnarulex (CX-5461) was selected for a five-year cancer research program sponsored by the U.S. National Cancer Institute (NCI) to conduct a pharmacokinetic pilot study in patients with advanced solid tumors. An IND application was submitted to the U.S. FDA. 4.In October 2024, Pidnarulex (CX-5461) was officially approved by the U.S. FDA to proceed with the pharmacokinetic pilot study under the five-year NCI-sponsored cancer research program for patients with advanced solid tumors.

(2) Patent portfolio of novel drug products

The major implementation status of the Company's patent management plan is as follows:

For many new drug development companies, patent layout is an important part of their new drug development plans. Patent strategy involves a series of steps taken by a company to strengthen its industry leadership and protect its hard-earned advancements or inventions in its specific technical field. Senhwa's intellectual property protection strategy is built upon the characteristics of its new drugs, designed to create the optimal combination of patent protection. In addition to substance patents, both CX-4945 and CX-5461 have comprehensive patent coverage. Senhwa has been actively involved in implementing a patent application strategy to continuously improve and expand the intellectual property positions and domains of CX-4945 and CX-5461. Furthermore, by leveraging its expertise and capabilities in intellectual property technology, Senhwa acquires and implements patents, protects trade secrets, and collaborates with others to obtain technology licenses as necessary. This ensures that the Company's products do not infringe upon the intellectual property rights of others during the product development process and aftermarket launch.

To establish a solid intellectual property portfolio, Senhwa has implemented mechanisms to encourage innovation and motivate employees to submit invention applications. At the same time, a systematic patent and intellectual property management system has been established to control the quantity and quality of patent applications. Senhwa has dedicated intellectual property professionals who maintain close communication and engage in technical exchanges with patent firms and patent competent authorities in major local and international markets. This facilitates patent examiners in gaining a deeper understanding of Senhwa's technological content, improving review efficiency, and obtaining high-quality patent protection. Senhwa has submitted numerous Patent Cooperation Treaty (PCT) patent applications, and a significant number of these applications have been approved and granted patent rights.

The R&D Department applies for patent rights when the R&D results are generated. In addition, external patent agencies are also engaged to conduct patent portfolio planning from time to time; in addition, we regularly update the patent application status statements and examine the intellectual property (IP) maintenance expenses. Meanwhile, the current status of patents is reported in the Business Report of the Board meetings quarterly.

As of March 31, 2025, Senhwa has a total of 211 patents, of which 159 patents received licenses and 52 patents are pending.

A. Project CX-5461: A total of 101 patents received licenses; 28 patents are pending.
B. Project CX-4945: A total of 39 patents received licenses; 24 patents are pending.
C. Project SHP01-2-B: A total of 19 patents received licenses.

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

1. Short-term development plans

(1) Candidate CX-5461:

(a) Complete the clinical trial for solid tumors with specific genetic defects (breast cancer, ovarian cancer, prostate cancer, and others)
(b) Collaborate with the National Cancer Institute (NCI) under the NIH-sponsored NExT Program, expediting the development of Pidnarulex for market approval.
(c) Plan combination therapy trials: Launch clinical studies evaluating CX-5461 in combination with immune checkpoint inhibitors (e.g., PD-1/PD-L1 antibodies) to investigate the therapeutic potential of the combined regimen.
(d) Seek regional strategy alliances or licensed partners

(2) Candidate CX-4945:

(a) Complete the Phase I/Expansion clinical trial for the novel drug in the treatment of basal cell carcinoma (BCC)
(b) Assist the Pediatric Brain Tumor Consortium (PBTC) in executing phase I/II clinical trials using CX-4945 for the treatment of malignant brain tumors, along with clinical trials at the Penn State HealthChildren's Hospital for refractory and recurrent pediatric solid tumors.
(c) Development of new drug formulations and strategies for patent term extension.
(d) Seek regional strategy alliances or licensed partners

2. Long-term development plans

(1) The Company estimates to maintain at least two clinical trial development projects and will continue to select novel cancer drug projects with development potentials to ensure the inclusion of candidates with potentials at any time.
(2) Senhwa adopts the research and development strategy of international multicenter clinical trials to speed up patient enrollment and increase efficiency in clinical trials.
(3) Senhwa focuses on the global market as its overall development policy and will actively seek broader alliances.
(4) We adhere to the business philosophy of pursuing excellence in the hope of achieving sustainable corporate operation and growth.

II. Market and Sales Overview

(I) Market Analysis:

1. Sales (provision) regions of the major products (services)

Senhwa's ongoing drug discovery project "G-Quadruplex Stabilizer" is to be applied to therapy of breast cancer and solid tumors with other HRD or BRCA1/2 mutated genes. The "CK2 Protein Kinase Inhibitor Development" project is planned to explore potential therapeutic applications in cancer treatment,

specifically targeting cholangiocarcinoma and basal cell carcinoma, as well as in antiviral therapies for hepatitis B (HBV) and human immunodeficiency virus (HIV). The following market analysis outlines the current focus areas:

(1) Breast cancer

Breast cancer can be divided into carcinoma in situ and invasive cancer. Carcinoma in situ accounts for 15% to 20% of all cases. Invasive carcinoma is further subdivided based on its origin into ductal carcinoma, lobular carcinoma, inflammatory breast cancer and metastatic or recurrent breast cancer. Among them, ductal carcinoma is the most common, accounting for more than 80% of the overall breast cancer, whereas inflammatory breast cancer, characterized by lymphatic spread, is the rarest form, accounting for just 1-3% of cases.

Breast cancer risk factors include gender, race, age, genetics, family history, obesity, alcohol drinking, lack of exercise, menopause hormone replacement therapy, exposure to microbes, early menstruation, late birth, or not giving birth. According to data of the World Cancer Research Fund, a study in Brazil found that about 22% of breast cancer can be prevented by not drinking alcohol, maintaining exercise habits, and proper body weight. Breast cancer treatment includes topical therapy (surgical resection and radiotherapy) and systemic therapy (such as hormonal therapy, chemotherapy, and targeted therapy). With the advancement of drugs and treatments, breast cancer treatment at present is more effective than in the past, resulting in improvement in overall survival rate of breast cancer patients. Early detection and early treatment also make the 5-year survival rate of patients with stage 0 or stage 1 breast cancer to reach 95% to 100%.

Recent advancements in molecular biomedical technology have enabled the classification of breast cancer into four distinct subtypes (please refer to the following table) based on key molecular markers, including Estrogen-Receptor (ER), Progesterone Receptor (PR), and Human Epidermal Growth Factor Receptor 2 (HER2)). as the major evaluation basis; different subtypes have varied treatment principles. The four subtypes are Luminal A, Luminal B, HER2-positive, and triple-negative/basal-like breast cancers. Although the proportion of the four subtypes is slightly different in different countries, Luminal A is the most common breast cancer, approximately accounting for 50% to 60%; Luminal A also is the breast cancer with the most favorable prognosis. Due to the establishment of these molecular indicators, the development of treatment drugs for breast cancer has gradually moved toward targeted therapy.

Major subtype of breast cancers	Feature	Percentage
Luminal A	ER+ and/or PR+, HER2-, low Ki67	50-60%
Luminal B	ER+ and/or PR+, HER2+ (or HER2- with high Ki67)	15-20%
HER2-positive	ER-, PR-, HER2+	15-20%
Triple-negative/basal-like	ER-, PR-, HER2-	15%

Source: Orrantia-Borunda E, Anchondo-Nuñez P, Acuña-Aguilar LE, et al. Subtypes of Breast Cancer. In: Mayrovitz HN, editor. Breast Cancer [Internet]. Brisbane (AU): Exon Publications; 2022 Aug 6. Chapter 3

Breast cancer is the most common malignant tumor among women worldwide. At present, there is an annual increase of more than one million new cases of breast cancer around the world. According to the data of World Cancer Research Fund International (WCRF), the new breast cancer cases worldwide in 2020

were about 2.3 million patients, accounting for 12% of all new cancer cases, and 30% of new cancer cases in women. According to GlobalData, the HER2+ breast cancer market in the U.S., France, Germany, Italy, Spain, UK, China and Japan is expected to grow at a CAGR of 1.5%, from US$10.4 billion in 2020 to US$12.1 billion in 2030, while the global market for HER2-positive ductal carcinoma is expected to grow from US$5.4 billion to US$10.6 billion from 2015 to 2025.

The Breast Cancer Research Foundation (BCRF) reports that about 5% to 10% of ductal carcinoma cases may be associated with a known genetic mutation inherited from the mother or the father. Mutations in the BRCA1 and BRCA2 genes are the most common. On average, women who carry a BRCA1 mutation have a 72% lifetime risk of developing ductal carcinoma. For women with BRCA2 mutations, the risk is 69%. Breast cancers that are positive for BRCA1 or BRCA2 mutations tend to be more common in younger women. Additionally, mutations in these genes significantly elevate the risk of ovarian cancer in women and prostate cancer in men.

The phase II TBCRC 048 study, an investigator-initiated clinical trial, evaluated the efficacy of Olaparib in metastatic breast cancer patients with sBRCA1/2 mutations or germline (g) and somatic (s) mutations in HR-related genes other than BRCA1/2. The findings revealed that tumor reduction responses were observed only in patients with sBRCA1/2 mutations (overall response rate [ORR] of 50%) or gPALB2 mutations (ORR of 82%). Approximately 1% of breast cancer patients are estimated to carry germline PALB2 mutations, which also substantially increase the risk of developing pancreatic cancer.

(2) Cholangiocarcinoma (CCA)

Cholangiocarcinoma (CCA) is a type of liver cancer that arises from malignant growth in the epithelial cells lining the bile ducts, which transport bile from the liver to the intestines. CCA can occur at any point along the bile duct system and is classified based on its location as intrahepatic cholangiocarcinoma (ICC) or extrahepatic cholangiocarcinoma (ECC), with ECC further divided into perihilar and distal subtypes. Epidemiologically, CCA is the second most common primary liver malignancy after hepatocellular carcinoma, comprising about 10-15% of liver cancers. Of these, 5-10% are intrahepatic, while 90-95% are extrahepatic. The 5-year survival rate is approximately 2-15% for ICC and 2-30% for ECC. Cholangiocarcinoma typically progresses slowly, with early symptoms often being nonspecific or absent. Symptoms usually become apparent once the tumor obstructs the bile ducts, presenting as painless jaundice, itching, pale stools, dark urine, upper abdominal pain, anorexia, weight loss, fever, or nausea and vomiting. The cancer may also spread through lymphatic pathways.

(3) Basal cell carcinoma (BCC)

Basal cell carcinoma is one of the most common skin cancers, occurring more often in those aged over 40 years old; the number of new cases in the U.S. is approximately 4.3 million per year, claiming 3,000 lives. Most basal cell carcinoma can be surgically resected or treated with radiation, but about 10% of them cannot be treated with the said methods due to locally advancement or metastasis of BCC. Those patients develop drug resistance after clinical treatment for six to seven months at the earliest; patients are running out of options for drugs to use.

According to the market analysis report of Transparency Market Research, the global potential business opportunities related to BCC drugs and therapies

possess a staggering development potential which grows at a CAGR of 9.2% from 2017 to 2025.

(4) Anti-Infective: HBV and HIV Treatment Market Analysis

Despite advances in global health, the prevalence of infectious diseases remains a pressing concern, especially chronic viral infections like HBV and HIV, which continue to present significant public health challenges worldwide.

A. Hepatitis B Drug Market Overview

According to the World Health Organization (WHO), approximately 296 million people globally are living with chronic hepatitis B infection, with an adult infection rate of around 3.8%. In 2019, hepatitis B accounted for an estimated 820,000 deaths, primarily resulting from complications such as cirrhosis and liver cancer. Regionally, the highest disease burden is concentrated in Africa and the Western Pacific, where adult infection rates reach 7.5% and 5.6%, respectively. Notably, the Western Pacific region alone represents 45% of the global chronic HBV population.

In terms of age distribution, the incidence of new chronic infections among children under 5 years old has declined significantly, from 4.7% in 2000 to 0.9% in 2022, largely due to global vaccination efforts. Currently, over 190 countries have incorporated the hepatitis B vaccine into routine childhood immunization schedules, resulting in an infant vaccination coverage rate of approximately 85%. However, coverage of the birth dose remains relatively low, with a global average of just 43%.Regarding treatment, WHO estimates that only 10.5% of those with chronic HBV infection are aware of their infection status, and just 22.9% of diagnosed patients receive treatment. This underscores substantial gaps in the accessibility of HBV diagnosis and treatment, particularly in resource-constrained regions.

B. HIV Drug Market Analysis

By the end of 2022, an estimated 38.9 million people globally were living with HIV, including 1.8 million children under the age of 14. While the incidence of new infections has been steadily declining, approximately 1.3 million new cases were reported in 2022—a 43% reduction from the 2.3 million new cases recorded in 2010. In terms of mortality, AIDS-related deaths fell to approximately 630,000 in 2022, down significantly from 1.6 million in 2010, largely due to the increased availability and adoption of antiretroviral therapy (ART).

Despite these advances, treatment adherence remains a critical challenge for ART. ART regimens require lifelong adherence, with strict daily dosing schedules, posing a substantial burden for many patients. Research indicates that globally, 20-30% of patients struggle to adhere to their prescribed medication schedules. Factors affecting adherence include drug-related side effects, social stigma, cultural barriers, limited access to healthcare, and complex dosing regimens. Non-adherence not only undermines treatment efficacy but also increases the likelihood of developing drug-resistant strains. Furthermore, the emergence of drug resistance in ART treatment is an escalating concern. WHO reports that 10-15% of patients on first-line therapy experience treatment failure, with more than half of these cases involving drug resistance. In regions with limited resources, inadequate viral load monitoring often delays the identification of treatment failure, heightening the risk of transmitting resistant viral strains. In some areas, the prevalence of transmitted drug resistance (TDR) has already surpassed the

10% warning threshold, further complicating effective treatment efforts.

2. Market share:

Generally, the “drug life cycle” is approximately 20 years owing to the influences from the research and development schedule, product characteristics, patent protection, development of similar drugs from competitors, and changes in the medical environment to the marketing of generic drugs with the same substances after the patent expires. Once a biotechnology drug passes clinical trials and is commercialized, the Company may enjoy a gross profit of more than 80% in the 20-year patent protection period as the product will gain market shares in potential markets for certain diseases. Generally, a product with a higher monopoly in technology would have a higher market share.

Senhwa is mainly focused on drug discovery for treating cancer. The candidate drugs CX-5461 and CX-4945 currently being developed shall be separately used for developing treatments for breast cancer, cancers with homologous repair deficiency (HRD) or tumors from BRCA1/2 genetic mutations, and cholangiocarcinoma and basal cell carcinoma. However, as all candidate drugs developed by the Company are in the clinical trial stage and not yet sold on the market, the market share cannot be assessed.

3. Supply and demand and growth of future market:

(1) Growth in the cancer drug market

Cancer is one of the major causes of death worldwide. According to the survey of the World Health Organization (WHO), 19.3 million persons were diagnosed with cancers worldwide in 2020, representing a significant increase of 34.49% from 14.35 million persons in 2013. The number of persons who passed away due to cancers was close to 10 million persons, representing a growth of 19.6% from 8.36 million persons in 2013. The International Agency for Research on Cancer (IARC) of WHO estimated that the occurrence rate of cancers is likely to continue increasing; by 2040, newly developed cancers would reach nearly 30 million cases worldwide. The aging population and the changes in lifestyles across the world have resulted in the constantly increasing prevalence of cancer, coupled with rising medical costs; such circumstances materially affect citizens' living quality. Regardless of developed countries or developing countries, cancer treatment is an imminent and inevitable issue. In terms of the scale of the global cancer market, according to EvaluatePharm's survey, the top three therapeutic drugs in 2026 around the world are estimated to be cancer drugs, hypoglycemic drugs and immunosuppressive agents, with the market size of cancer drugs increasing from US$145.4 billion in 2019 to US$311.2 billion in 2026, representing a CAGR of 11.5%.

(2) Growing trend of the breast cancer drug market

The global breast cancer drug market is projected to witness significant growth, expanding from approximately USD 28 billion in 2023 to USD 45 billion by 2030, reflecting a compound annual growth rate (CAGR) of 7.2%. This substantial increase is largely attributable to advancements in precision medicine, particularly in targeted therapies for HER2-positive and hormone receptor-positive breast cancers. Key targeted therapies, including Trastuzumab (Herceptin) and its biosimilars, as well as Pertuzumab (Perjeta), remain pivotal to market growth. CDK4/6 inhibitors such as Palbociclib (Ibrance) and Ribociclib (Kisqali) continue to drive market expansion. Additionally, the successful commercialization of new-generation antibody-drug conjugates (ADC), such as Enhertu, has further bolstered market prospects. Immunotherapy

is also gaining traction in the treatment of breast cancer, particularly for triple-negative breast cancer (TNBC). The expanded indications for PD-1/PD-L1 inhibitors like Pembrolizumab (Keytruda) are injecting fresh momentum into the market. Despite pricing pressures from the introduction of biosimilars, the expanded access to treatment has effectively contributed to overall market growth.

Moreover, the growing demand in emerging markets represents another significant growth driver. The expansion of health insurance coverage in countries like China and India, combined with rising breast cancer incidence rates in these regions, is expected to spur regional market expansion. Additionally, advancements in early diagnosis techniques are facilitating timely intervention, further boosting the demand for breast cancer drugs.

(3) Growing trend of the cholangiocarcinoma drug market

The cholangiocarcinoma treatment market is experiencing steady growth, with the global market projected to reach around USD 3 billion by 2024. This growth is fueled by factors including an aging population, advances in diagnostic technology, and the continuous emergence of new treatment options. The market is anticipated to sustain a compound annual growth rate (CAGR) of 7-8% between 2025 and 2030. Regionally, the Asia-Pacific market leads with the largest share of approximately 40%, attributed to its higher incidence rates. North America follows with a 30% share, Europe holds about 20%, and the remaining regions make up roughly 10%. Based on these trends, the global cholangiocarcinoma treatment market is expected to surpass USD 4.5 billion by 2030. Drug therapies dominate the market, accounting for roughly 45-50% of the overall market, while surgical treatments represent 25-30%. With the continued advancement of innovative approaches such as precision medicine and immunotherapies, the market is poised for further expansion.

(4) Basal cell carcinoma (BCC) Drug Market Growth Trends

According to a GlobalData market analysis report, the global basal cell carcinoma drug market reached approximately USD 3.5 billion in 2024. It is expected to grow at a compound annual growth rate (CAGR) of 6.5-7%, potentially surpassing USD 5 billion by 2030. In terms of drug categories, Hedgehog Pathway Inhibitors command the largest market share, around 45%, led by key drugs such as Vismodegib and Sonidegib, which are primarily prescribed for advanced or metastatic cases. Topical treatments, including Fluorouracil (5-FU) ointment and Imiquimod cream, follow with roughly 30% of the market. Immune checkpoint inhibitors account for about 15%, mainly used for advanced-stage patient therapy. Together, these drug categories create a comprehensive treatment framework capable of addressing the needs of patients across different disease stages.

(5) Anti-Infection — Growth Trends in the HBV and HIV Drug Markets

In the global hepatitis B drug market, nucleos(t)ide analogues (NAs) dominate with about a 75% market share, reaching approximately USD 2.6 billion in sales in 2023. Tenofovir and Entecavir are the leading drugs, representing roughly 35% and 30% of the market, with annual sales of USD 1.2 billion and USD 1.05 billion, respectively. Their favorable tolerability and lower rates of drug resistance make them the preferred choice among physicians and patients. Interferon-based therapies account for around 20% of the market, with sales near USD 700 million, but their share has steadily declined. This decline is primarily due to the enhanced effectiveness and reduced side effects of nucleos(t)ide

analogues, which have largely replaced interferons as first-line treatments. The remaining 5%, approximately USD 175 million, consists of other emerging therapies such as immunomodulators and functional cure-related drugs currently in clinical trials. This segment is anticipated to grow rapidly over the next few years.

In 2024, the global HIV drug market reached approximately USD 45 billion and is projected to grow at a compound annual growth rate (CAGR) of 5% between 2025 and 2030. Fixed-dose combinations (FDCs) dominate the market, representing about 45% of the total share, primarily driven by Gilead and GSK/Pfizer's ViiV Healthcare. Long-acting injectables are emerging as a key growth area, expected to expand at over 15% annually in the next five years, thanks to improved patient adherence and greater convenience of administration. Despite these advances, the biggest R&D challenge remains the inability to fully eradicate viral reservoirs in the body. While current antiretroviral therapies effectively suppress viral replication, latent viruses persist, preventing a complete cure. Furthermore, the high complexity and cost of clinical trials continue to pose substantial hurdles for the development of new HIV treatments.

4. Competitive niche:

(1) "G-quadruplex structural stabilizer (CX-5461)" and "inhibitor of protein kinase CK2 (casein kinase II) (CX-4945)" are the first in class that is capable of expanding the curative effects, safety, life cycle, and treatment range of cancer therapy provided for favorable treatment of cancer patients.

(2) CX-5461 has no genotoxicity and does not suppress DNA replication, protein translation, or transcription of protein kinase CK2. According to previous research results, CX-5461 only activates the p53 in cancer cells and does not activate the p53 in normal cells, namely, it selectively targets cancer cells to destroy them without significant impacts on the functions of normal cells. The product is highly beneficial and can be widely applied.

SENHWA Biosciences' most recent internal research indicates that CX-5461 can be effectively used on cells with BRCA1 or BRCA2 genetic mutations to achieve the target therapy of effectively inhibiting the growth of cancer cells by the synthetic lethality mechanism. It is a type of targeted therapy with mechanisms similar to PAPR inhibitors. The use of PAPR inhibitors to treat breast cancer or ovarian cancer patients with BRCA-1/2 defects has been partially verified in clinical trials. However, the efficacy of PARP inhibitors in breast cancer patients is not significant, only delaying PFS and having no significant improvement in OS data. Therefore, CX5461 still has a great chance of being favored by breast cancer patients with abnormal BRCA1 or BRCA2 genes. For ovarian cancer, PARP inhibitors can maintain the efficacy for patients responsive to Cisplatin, or be used as a third- and fourth-line therapy. However, seeing that nearly half of ovarian cancer patients are not responsive to Cisplatin, and that patients developing drug-resistance for using PARP inhibitors still have no drugs for their therapy, CX5461, which is in line with the new trend of precision medicine, has a great opportunity for being used by ovarian cancer patients with abnormal BRCA1 or BRCA2 genes.

(3) The development for the treatment for metastatic or inoperable cholangiocarcinoma has remained stagnant for many years as no effective treatment can be provided to patients. On September 2, 2022, the US FDA approved durvalumab (Imfinzi, AstraZeneca) in combination with gemcitabine and cisplatin for the treatment of adult patients with locally advanced or metastatic BTC. The combination of Durvalumab with Gemcitabine and

cisplatin showed an overall survival rate of 12.8 months and a median progression-free survival of 7.2 months. SENHWA Biosciences' candidate CX-4945 potent inhibition of protein kinase CK2 with outstanding specificity. Results from completed phase I and 2 clinical trials confirm its favorable safety profile and tolerability, including the absence of bone marrow toxicity in patients on long-term treatment. Moreover, CX-4945 significantly improves the effectiveness of chemotherapy and treatment outcomes, highlighting its strong competitive edge.

(4) CX-4945 functions as a protein kinase CK2 inhibitor. Preclinical research has identified CK2 as a key regulator within the Hedgehog signaling pathway, particularly influencing proteins and genes downstream of Smoothened (SMO), such as Gli. Senhwa's team used CX-4945 in the experimental treatment of mice with BCC and drug resistance to Vismodegib by adopting the PDX model; it is found that CX-4945 can effectively inhibit the growth of tumors. CX-4945, which acts as a Gli protein inhibitor downstream of smoothened (hedgehog pathway), is a multi-target Gli protein inhibitor that is less likely to generate drug resistance. When the clinical trial results are as expected, CX-4945 is likely to become a new generation drug for BCC.

(5) CX-4945 has received orphan drug designation for multiple indications from the U.S. FDA, and the novel drug launches for CX-4945 may be accelerated by adopting the "orphan drug" strategy. Orphan drugs refer to the drugs that treat rare diseases. Drugs that are certified as orphan drugs can obtain drug licenses in a shorter period of time by way of Fast Track reviews, which reduces the time required for development and costs.

(6) The Company has clear targets and our management team possesses healthy international viewpoints and extensive experiences in business management.

(7) The Company's core products are protected by a range of intellectual property rights, including primary patents, derivative patents, patents for new formulations, new indications, and combination therapies.

5. Favorable and unfavorable factors to the development prospects and countermeasures:

Drug discovery is a typical technology industry with high investment, high risks, and high profits. In addition to the requirement of huge amounts of investment, drug discovery also faces multiple variables arising from uncertainties; such uncertainties include whether the drugs can achieve success in clinical research and whether products can be accepted by the market. The favorable and unfavorable factors and counter measures are analyzed as follows:

(1) Favorable factors

A. Business model: Senhwa Biosciences focuses on midstream clinical development in the new drug development process, and is supplemented by pre-clinical research and development validation, by adopting an integrated resource model for its projects. The model allows us to integrate and make good use of upstream and downstream resources in the domestic and international biotech and pharmaceuticals industry, disperse risks of drug discovery, and increase R&D efficiency.

B. Advantages of the R&D team: Senhwa Biosciences's R&D team fully understands the immense gap between basic research and novel drug candidates. Therefore, we directly introduced niche candidates for added-value development. By doing so, the Company can prevent premature

investments or investment in projects with high failure rates while mitigating development risks.

C. Intellectual property rights protection: Senhwa Biosciences's candidates have comprehensive intellectual property protection for new substances and we have multiple patents approved. In the future, we continue to apply for invention patents related to new manufacturing processes and new indications according to our R&D plans to strengthen intellectual property rights protection.

D. High profitability potential arising from drug discovery: For candidate CX-5461, Senhwa Biosciences has developed and applied its use for the treatment of breast cancer and other solid cancers with HRD or BRCA1/2 mutated genes, which possesses immense market potentials. Meanwhile, CX-4945 is being prioritized for rare diseases such as cholangiocarcinoma and medulloblastoma, both of which have received orphan drug designation from the U.S. FDA. This designation grants seven years of market exclusivity upon drug approval, enabling exclusive commercial benefits. Given that most rare diseases currently have no effective treatments, pharmaceutical companies that develop therapies in these areas typically secure long-term, high-margin profits.

E. Full discretion on drug development: Senhwa Biosciences's drug discovery projects were obtained through an asset acquisition model. As compared to the technology transfer model of other biotech companies, the Company adopted the asset acquisition model to acquire the complete decision-making power and achieve the global layout of intellectual property rights.

(2) Unfavorable factors and countermeasures

A. Drug discoveries require substantial investments in time and capital.

Countermeasures:

The Company's operating model primarily focuses on the development of novel drugs during the stage of clinical trials that attach attention to the curative effects of the trial drugs on humans, with fewer investments in early-stage drug discovery or laboratory cell research. The development model is generally considered to have faster growth and fewer risks.

B. Lack of professional talent.

Countermeasures:

The Company employs senior biotech talents and professional medical consultants in different fields to ensure that the Company is able to inherit the original technology transfer smoothly in a short period of time. We also organize and promote various projects and work with suppliers and international Contract Research Organizations (CROs) to establish stable partnerships with continual interactions.

(II) Significant usage and manufacturing processes of the Company's major products:

1. Product usage

The Company's main products are small molecule anticancer drugs. CX-5641 is planned to be applied to breast cancer and solid tumors of other HRD or BRCA1/2 genetic mutations, and CX-4945 is planned to be used as the treatment drugs for cholangiocarcinoma and BCC, with potential expansion into additional indications in the future.

Internal clinical trial data from Senhwa Biosciences indicate that CX-4945 modulates inflammatory factors and immune cells. Consequently, the R&D team is actively exploring CX-4945's potential application in anti-infective therapies.

2. Production process

Senhwa Biosciences's main R&D products are small molecules, and we currently outsource production. Outsourcing services in the global biotech and pharmaceuticals industry has been the dominant trend since the 1980s. To reduce costs and improve efficiency, the Company have adopted a strategy of a global division of work for the manufacturing of our clinical drugs, including raw materials, active pharmaceutical ingredients (API), or drug products (DP), which are manufactured or produced by outsourced contractors who are suitable suppliers to provide us with customized process services.

(III) Supply status of main raw materials:

The Company's primary scope of business is drug discovery. Any revenue generated is the service income of the Company arising from providing services to customers; the major costs are service costs arising from providing the said services to customers. Therefore, the description item is not applicable.

(IV) Names of customers who accounted for more than 10% of purchases (sales) for any given year within the most recent two years, their purchases (sales) amount and proportion, and the reasons for changes (increase or decrease) shall be described:

1. Names of customers who accounted for more than 10% of purchases (sales) for any given year within the most recent two years:

The Company's primary scope of business is the development of novel drugs and special cultures. In nature, any revenue generated is the service income of the Company arising from providing services to customers; the major costs are service costs arising from providing the said services to customers. Therefore, the description item is not applicable.

2. List of customers accounting for 10% or more of the Company's total sales in either of the most recent two years:

Unit: NT$ thousand; %

Year	2023				2024				2025 Q1			
Items	Name	Amount	Percentage to the net sales for the year (%)	Relation with the issuer	Name	Amount	Percentage to the net sales for the year (%)	Relation with the issuer	Name	Amount	Percentage to the net sales for the year (%)	Relation with the issuer
1	Company A	1,000	100.00	Affiliated company	Company A	1,000	100.00	Affiliated company	Company A	250	100.00	Affiliated company
	Net sales	1,000	100.00		Net sales	1,000	100.00		Net sales	250	100.00	

The Company's primary scope of business is the development of novel drugs and special cultures. The Company provides cooperation partners with product development consultancy services and recognizes service income according to the terms of the collaborative development contract.

III. Average years of service, average age and distribution of academic qualifications of employees for the most recent two years up to the publication date of the Annual Report:

Unit: Person

Year		At the end of 2023	At the end of 2024	March 31, 2025
Number of employees	Management personnel	10	10	9
	Research and technical staff	20	16	17
	Other employees	12	14	13
	Total	42	40	39
Average age (years old)		44.14	43.37	42.78
Average years of service (years)		4.53	4.84	5.14
Distribution of academic qualification	PhD	19.05%	20.00%	17.95%
	Master	35.71%	30.00%	30.77%
	University and college	38.10%	45.00%	43.59%
	Senior high school	7.14%	5.00%	7.69%
	High school and below	—	—	—
	Total	100.00%	100.00%	100.00%

IV. Expenditure on Environmental Protection

(I) In the most recent year and as of the publication date of the Annual Report, the losses suffered due to the environmental pollution (including compensation and environmental protection audit results that violate environmental protection regulations, the punishment date, the punishment document number, the provisions of the regulations violated, the content of the regulations violated, and the punishment content shall be stated), and the estimated current and future amounts that may incur and countermeasures: None.

(II) Future countermeasures (including improvement measures) and possible expenses (including the estimated amount of potential losses, punishments, and compensation due to the failure in adopting the countermeasures; where the amount may not be reasonably estimated, the facts that the amount may not be reasonably estimated shall be described): The Company is a drug discovery company, and there is no circumstance of environmental pollution.

V. Labor Relations

(I) List the Company's employee benefits measures, continuing education, training, retirement system, and implementation status, and labor-capital agreements and measures to protect employees' interests:

1. Employee benefits and implementation status:

To seek sustainable corporate operations and growth, the Company deeply believes that employees are the most significant assets of the Company. To maintain harmonious labor-capital relations and protect employees' interests, the Company has established relevant management rules, including appointment and dismissal, work hours, attendance, leave application, incentive and punishment, and promotion, with operations subject to relevant laws and regulations promulgated by the government. The Company also provides labor insurance, National Health Insurance and allocates labor retirement pension for all employees, and organizes employee benefits matters to allow employees' interests to be fairly and reasonably handled through the above channels.

The Company has established the following employee welfare measures:

(1) Labor Insurance and National Health Insurance: All employees of the Company are enrolled in the Labor Insurance and National Health Insurance according to the requirements under relevant laws and regulations.

(2) Group Insurance: The Company provides employees with life insurance, accident insurance, accident medical insurance, hospitalization medical insurance, and occupational accident insurance. The Company also offers optional group insurance plans for employees' dependents and employer

liability insurance. Business travel insurance is provided for employees who are on a business trip, offering additional protection.

(3) Festival bonus/subsidies/entertainment: Employees are entitled to subsidies of a fixed amount for travel, health inspection each year, and subsidies for marriage, funerals, and celebrations. The Company also provides relief funds for hospitalized employees and subsidies for fertility, birthday celebrations, year-end party, and bonuses for three major Chinese holidays. We also organize year-end parties each year and dinner parties from time to time.

(4) Employee stock options: Employee stock options are issued in accordance with the "Regulations for the Issuance and Subscription of Employee Stock Options" after obtaining the approval of the Board of Directors.

2. Employee's continuing education and training:

(1) New employees:

On a new employee's first day, HR will conduct an orientation session, providing an overview the Company, work regulations, working environment, introductions to supervisors and colleagues, workplace safety and health guidelines, computer operation, and information security protocols.

(2) On-the-job training:

In response to the targets and human resources development of the organization, improve employees' quality, professional abilities, and work efficiency, current employees may participate in various professional skill training and studying programs based on their functions and business requirements after being approved. Focusing on cultivating professional technical talents, the Company provides convenient and diverse learning channels and opportunities to employees to improve their academic skills for their primary scope of work, accelerating the achievement of tasks.

3. Employee retirement system and implementation status:

To care for employees' retirement life and allow them to focus on their work worry-free, all employees are enrolled under Labor Insurance and National Health Insurance in accordance with the laws. The Company complies with the following provisions under the Labor Pension Act:

(1) Employees of the Company who have reached the age of 60 may retire at their own request.

(2) Compulsory retirement: The Company shall not compel an employee to retire unless the employee meets one of the following conditions:

- The employee has reached the age of 65. If an employee has reached the age of 65, the Company may, at its discretion, extend the period of service to the age of 70 if the Company deems it necessary for the employee to continue the service and the said employee agrees to do so. If necessary, a further extension shall be otherwise granted.
- The employee is mentally or physically incapacitated to perform the job duties. For workers whose job duties involve special characteristics such as being in dangerous environment, strong physical strength required, etc., the Company may request approval from the central competent authority to adjust the age specified in the first subparagraph of the preceding paragraph. However, the age shall not be less than 55.

(3) Standard of paying pension:

The Company contributes 6% of the employees' gross salary to the employees'

individual pension accounts; for the employees who voluntarily contribute to the pension fund, the voluntary contribution rate will be deducted from the employees' monthly salary to the individual pension account of the Labor Insurance Bureau.

4. Protective measures for employees' interests and maintenance status:
In addition to establishing its management rules as required by laws and regulations to clearly define various labor conditions and protect employee rights, the Company also holds labor-management meetings on a quarterly basis in accordance with legal requirements, ensuring that employees' rights and interests are fairly and reasonably addressed through the aforementioned channels.

(II) Any losses suffered by the Company in the most recent year and as of the publication date of the Annual Report due to labor-management disputes (including any violations of Labor Standards Act in the labor inspection results, the punishment date, the punishment document number, the provisions of the regulations violated, the content of the regulations violated, and the punishment content shall be stated), and the estimated current and future amounts that may incur and countermeasures; where the amount may not be reasonably estimated, the facts that the amount may not be reasonably estimated shall be described:

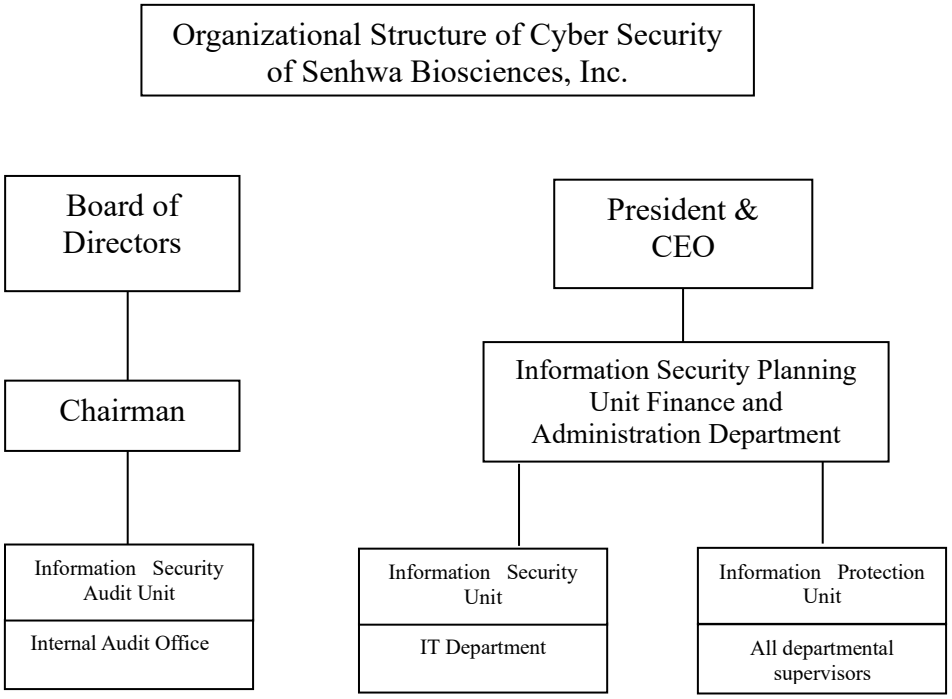
Since its inception, the Company has consistently viewed its employees as its most valuable asset and is committed to supporting their long-term development. The labor-management relationship has remained stable, with no major labor disputes reported.

VI. Cyber Security

The Company gradually invests in cyber security equipment and manpower every year in compliance with laws and regulations to ensure the safety of the Company's cyber security and to maintain the foundation of sustainable operation, to comply with domestic and foreign cyber security laws and regulations.

(I) Cyber security management strategies and framework

1. Organizational structure of information security of the Company
The Company's information security operation is shown in the following diagram. The Head of the Administration and Finance Department supervises the Company's Information Technology (IT) Department, which is responsible for the management, planning and implementation of cyber security, to build up a comprehensive cyber security and protection capability and to promote cyber security awareness among employees.



2. Cyber security management strategies

The Company's information security strategy focuses on three dimensions: information security protection, compliance with laws and regulations, and the use of information technology, covering from the compliance with internal cyber security management regulations to the prevention of cyber security risks through information technology.

(1) Information security protection network

The Company has constructed an internal information security network and joined Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) to obtain timely information on security notifications to ensure that hacking, information theft, network disaster and computer virus can be effectively prevented. The main protection measures include: Protection against computer viruses, hackers, information leaking, data loss and anomalies of host computers.

(2) Data security management

The Company's website data is entrusted to a third party to be maintained with a security and backup mechanism, which is not linked to the Company's internal information and is able to prevent the leaking of business secrets. In addition, the security design of system management, including network segmentation, access control, vulnerability scanning and other security protection policies, continues to enhance the system reliability.

Security updates are performed regularly on both personal computers and information systems, and vulnerability scans are performed on major information systems of the Company to fix vulnerabilities.

In response to external attacks such as distributed denial-of-service (DDoS) attacks, advanced persistent threats (APT) and social engineering attacks, a multi-functional firewall has been deployed to strengthen the defense mechanism. The cyber security team regularly reviews the maintenance log files, and conduct vulnerability scanning and remediation through various types of detection technologies to ensure the security of service usage.

(3) Effectiveness of information security and training on personal data protection

The Company continues to invest in information security and personal data protection, including security infrastructure, enhanced information security equipment, and education and training to strengthen employees' information security concepts, and to promote information security awareness and personal data protection regulations through meetings, bulletin boards, and internal groups, such as not opening suspicious files and e-mails easily, avoiding social engineering attacks, and notifications of the latest cyber security incidents.

(4) Resources invested in information security

The Company has budgeted for information security every year and has purchased or rented the following software and hardware equipment to help maintain information security.

Protection items	Software and hardware equipment
Disaster prevention	HA (High Availability) host backup architecture
	VMWare web hosting software
	MS365 cloud services rental
	Acronis & Synology backup software
Hacking prevention	Fortinet Firewall
	MS365 MFP multi-factor authentication
Virus prevention	PCCillin antivirus software
	Forticlient antivirus software
Leaking prevention	idealsVDR Virtual Data Room

(II) Major information security incidents

1. Throughout fiscal year 2024 and up to the publication date of this annual report, the Company has not encountered any significant information security incidents. The Company will continue to refine our skills in hacker prevention and virus detection measures.

Statistics of information security incidents	2024
Number of major information security incidents	0
Losses incurred because of major information security incidents	0

2. Potential impact and countermeasures

In the event of a major information security incident, the Company will be able to resume data access operations within the shortest possible time without affecting the Company's operations since we keep multiple backup copies of important data locally and off-site.

VII. Important Contracts:

Nature of contracts	Parties involved	Starting and ending date of contracts	Main contents	Restrictive terms
Asset acquisition agreement	Foreign Company A	From April 30, 2013, to the completion of relevant products' development	Information on multiple global patents, specialized skills, trial drugs, and clinical information for the purchase of novel drugs. Upon contract-signing, the Company is required to pay a certain consideration for purchase. In the future, when the Company successfully utilizes the aforementioned target to grant licenses to third parties or sells drugs to generate relevant income, the Company will provide royalties at a certain ratio based on the income generated thereof.	Confidentiality and Non-Disclosure Clause


Success
Solution
Business Strategy
SOCIAL NETWORK
Jul
Aug
Sep
Oct
Nov
Dec

Chapter 5. Review of Financial Conditions, Operating Results, and Risk Management

I. Financial Condition:

(I) IFRS - Consolidated Financial Statement

Unit: NT$ thousand

Items \ Year	2024	2023	Differences	
			Amount	Ratio (%)
Current assets	1,034,839	1,336,142	(301,303)	(22.55)
Property, plant and equipment	17,198	14,372	2,826	19.66
Intangible assets	139	231	(92)	(39.83)
Other assets	13,781	12,586	1,195	9.49
Total assets	1,065,957	1,363,331	(297,374)	(21.81)
Current liabilities	31,088	42,888	(11,800)	(27.51)
Non-current liabilities	7,837	3,287	4,550	138.42
Total liabilities	38,925	46,175	(7,250)	(15.70)
Share capital	897,436	897,436	0	0.00
Capital surplus	469,577	765,883	(296,306)	(38.69)
Retained earnings (for making up losses)	(293,874)	(296,306)	2,432	(0.82)
Other equity	(46,107)	(49,857)	3,750	(7.52)
Total shareholders' equity	1,027,032	1,317,156	(290,124)	(22.03)

Changes reaching 20% and the amount of changes reaching NT$10 million and above for the most recent two years:

1. The reduction in current assets and liabilities mainly resulted from continued R&D expenditures and a decrease in accrued R&D expenses as of the end of the reporting period.
2. The decrease in capital surplus: It was primarily due to the unappropriated accumulated deficit for the FY 2023.

(II) IFRS - Parent Company Only Financial Statement

Unit: NT$ thousand

Items \ Year	2024	2023	Differences	
			Amount	Ratio (%)
Current assets	999,601	1,304,006	(304,405)	(23.34)
Investment using equity method	59,793	55,053	4,740	8.61
Property, plant and equipment	6,773	13,994	(7,221)	(51.60)
Intangible assets	139	231	(92)	(39.83)
Other assets	13,478	12,317	1,161	9.43
Total assets	1,079,784	1,385,601	(305,817)	(22.07)
Current liabilities	52,410	65,159	(12,749)	(19.57)
Non-current liabilities	342	3,286	(2,944)	(89.59)
Total liabilities	52,752	68,445	(15,693)	(22.93)
Share capital	897,436	897,436	0	0.00
Capital surplus	469,577	765,883	(296,306)	(38.69)
Retained earnings (for making up losses)	(293,874)	(296,306)	2,432	(0.82)
Other equity	(46,107)	(49,857)	3,750	(7.52)
Total shareholders' equity	1,027,032	1,317,156	(290,124)	(22.03)

Changes reaching 20% and the amount of changes reaching NT$10 million and above for the most recent two years:

1. The decline in current assets mainly stems from continued R&D spending.
2. The decrease in capital surplus: It was primarily due to the unappropriated accumulated deficit for the FY 2023.

II. Financial Performance

(I) Comparative Analysis of Business Performance

1. IFRS - Consolidated Financial Statement

Unit: NT$ thousand; %

Items \ Year	2024	2023	Increase (decrease) in amount	Changes (%)
Operating income	1,000	1,000	0	0.00
Operating costs	(523)	(448)	(75)	16.74
Operating gross profit (gross loss)	477	552	(75)	(13.59)
Operating expenses	(306,668)	(311,663)	4,995	(1.60)
Operating loss	(306,191)	(311,111)	4,920	(1.58)
Non-operating gains and expenses	13,727	16,066	(2,339)	(14.56)
Net loss before tax	(292,464)	(295,045)	2,581	(0.87)
Income tax gains (expenses)	(1,281)	(1,261)	(20)	1.59
Net loss for this period	(293,745)	(296,306)	2,561	(0.86)
Other comprehensive income	3,621	144	3,477	2,414.58
Changes reaching 20% and the amount of changes reaching NT$10 million and above for the most recent two years: None.				

2. IFRS - Parent Company Only Financial Statement

Unit: NT$ thousand; %

Items \ Year	2024	2023	Increase (decrease) in amount	Changes (%)
Operating income	1,000	1,000	0	0.00
Operating costs	(523)	(448)	(75)	16.74
Operating gross profit (gross loss)	477	552	(75)	(13.59)
Operating expenses	(308,502)	(302,600)	(5,902)	1.95
Operating loss	(308,025)	(302,048)	(5,977)	1.98
Non-operating gains and expenses	14,280	5,742	8,538	148.69
Net loss before tax	(293,745)	(296,306)	2,561	(0.86)
Income tax expenses	—	—	—	—
Net loss for the period	(293,745)	(296,306)	2,561	(0.86)
Other comprehensive income	3,621	144	3,477	2,414.58
Changes reaching 20% and the amount of changes reaching NT$10 million and above for the most recent two years: None.				

(II) Estimated sales volume and its basis: The Company's primary scope of business is the development of novel drugs and special APIs. Therefore, the description item is not applicable.

(III) Possible impact on the Company's financial operations in the future and response plans: None.

III. Cash Flow

(I) Analysis and description of the changes in cash flow in the most recent year:

Unit: NT$ thousand

Items \ Year	2024	2023	Increase (decrease) ratio (%)
Net cash outflow from operating activities	(294,219)	(294,396)	(0.06)
Net cash inflow (outflow) from investing activities	6,705	2,786	140.67
Net cash inflow (outflow) from financing activities	(8,725)	(8,828)	(1.17)
Effects of exchange rates	3,401	109	3,020.18
Total (net cash inflow (outflow))	(292,838)	(300,329)	(2.49)

Analysis of changes:

1. Operating activities: The cash outflow from operating activities in 2024 decreased by NT $177 thousand as compared to 2023, primarily due to the decrease in expenses payable based on the progress of research and development.
2. Investing activities: The net cash inflow from investing activities in 2024 increased by NT $3,919 thousand as compared to 2023, primarily due to reduced spending on property, plants, and equipment.
3. Financing activities: The net cash outflow from financing activities in 2024 decreased by NT $103 thousand as compared to 2023, primarily reflecting principal repayments on leased assets.

(II) Remedial measures for cash deficit and analysis of liquidity: None.

(III) Cash liquidity analysis for the following year:

Unit: NT$ thousand

Opening cash balance	Net cash flow from operating activities for the year	Net cash flow from investment activities for the year	Net cash flow from financing activities for the year	Cash inflow for the year	Cash surplus (deficit) Cash surplus (deficit)	Measures for cash deficit	
						Investment plan	Financing plan
1,025,970	(458,628)	—	1,060,237	601,609	1,627,579	—	—

Cash flow analysis:

1. Net cash flow from operating activities for the year: It is primarily due to estimated expenses incurred for the daily operations and R&D of the Company and the U.S. subsidiary.
2. Net cash flow from investment activities for the year: None.
3. Net cash flow from financing activities for the year: It is primarily due to the planned cash capital increase.
4. Remedial measures and liquidity analysis for expected cash deficit: The Company has plentiful of cash on hand and therefore is not applicable to such an analysis.

IV. Effect of Major Capital Expenditure in 2024 on Financial Operations:

The Company had no material capital expenditure in 2024.

V. Investment Policy for the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

(I) Investment policy for the most recent year: The Company’s investment policies are subject to the requirements for drug discoveries. The Company duly evaluates the policies' investment benefits and executes such policies after it is passed by adopting an appropriate investment decision-making process. Based on such principles, the Company only invested in Senhwa Biosciences Corporation (the "U.S. Senhwa") as of the publication date of the Annual Report; the Company's investment profits recognized using the equity method in 2024 was NT$ 990 thousand.

(II) Main causes for profits or losses from the investments during the most recent year and improvement plans:

U.S. Senhwa assists the Company in novel drug clinical trials. The Company pays technical service fees to U.S. Senhwa, and U.S. Senhwa recruits multiple professional doctors within relevant fields to assume significant positions; such doctors have participated in the design and R&D of various drugs; therefore, they established an operating model related to the design, execution, monitoring, and analysis for U.S. Senhwa. In the future, U.S. Senhwa may leverage on such experiences and expand its businesses to other targets of services.

(III) Investment plan for the following year: The Company has no other investment plan for the following year.

VI. Risk Management:

(I) The effects of changes in interest rates and exchange rates and inflation on the Company's profit or loss, and the future countermeasures:

1. The effects of changes in interest rates on the Company's profit or loss, and future countermeasures:

The Company has no bank borrowings, and our interest income for 2024 and 2023 was NT $6,108 thousand and NT $7,641 thousand, respectively. The Company's primary scope of business is drug discovery; interest income has limited effects on the Company's profit or loss. However, the Company will closely monitor changes in market interest rates and adopt relevant countermeasures to mitigate the effects of changes in interest rates on the Company's profit or loss.

2. The effects of changes in exchange rates on the Company's profit or loss, and the future countermeasures:

The Company's primary scope of business is drug discovery; exchange (losses) gains are primarily arising from foreign currency deposits. Net exchange (losses) gains of the Company in 2024 and 2023 were NT $(1,192) thousand and NT $486 thousand, respectively, which had insignificant effects on the Company's profit or loss. The Company's Finance Department will closely monitor the trend of exchange rates and plan ahead for securing an appropriate amount of foreign currencies to mitigate risks of changes in foreign currencies.

3. Effects of inflation on the Company profits or loss and future countermeasures:

The Company's primary scope of business is drug discovery; the effects of inflation on its technologies, expenses, and costs required for R&D are limited. However, the Company will keep abreast of the effects of inflation and maintain healthy cooperating relationships with suppliers to reduce the effects of inflation.

(II) Policies for engaging in high-risk, high-leverage investments, loans to others, endorsement and guarantee, and derivative transaction, the main causes for profit or loss, and the future countermeasures:

1. As of the publication date of the Annual Report, the Company has not engaged in any high-risk, high-leverage investments, loans to others, endorsement or guarantee, or derivative transaction.

2. The Company has established its "Procedures for the Acquisition and Disposal of Assets," "Procedures for Loans to Others," and "Procedures for Endorsements and Guarantees" that have been passed by the Board of Shareholders as resolutions. In the future, the Company will operate according to relevant procedures so established when necessary.

(III) Future R&D Projects and R&D expenses expected to be invested:

R&D Project	Content/Progress
SHP01-1/ G-quadruplex stabilizer (CX-5461)	U.S./Canada: Currently, phase Ib/ expansion clinical trials for breast cancer, ovarian cancer, prostate cancer, and other solid tumors in the U.S. and Canada are being conducted in the United States and Canada. U.S.: Collaborating with the NCI on the NExT Program.
SHP01-2-A/ Development of inhibitor of protein kinase CK2 (casein kinase II)	U.S.: Complete the phase I expansion clinical trials for BBC U.S.: Cooperate with PBTC to complete the phase I/II clinical trials for MB Taiwan and the United States: Conducting Phase II clinical trials for CAP.

The expenses for the above drug discoveries are paid according to the progress of R&D projects; the amount expected to be invested in 2025 is approximately NT$400 million.

(IV) Effects of changes in domestic and foreign significant policies and laws on the Company's financial operations, and countermeasures:

The Company will actively cooperate with and utilize incentive measures provided by the government based on the Executive Yuan's "Action Plan for Strengthening the Biotechnology Industry," "Diamond Promotion Plan for the Biotechnology Industry," Act for the Development of Biotech and New Pharmaceuticals Industry, and the Cross-Strait Clinical Trial Cooperation Pilot Program which facilitates the development of the domestic biotech industry. The Company's SHP01-1: development of G-quadruplex stabilizer (CX-5461) and SHP01-2: development of inhibitor of protein kinase CK2 (casein kinase II) (CX-4945) obtained incentives from the government for the biotech industry. The Company is qualified as a biotech and new pharmaceuticals company and qualified for biotech and new pharmaceuticals investment programs. In the future, the Company will continue to closely monitor changes in domestic regulations and changes in regulations related to the review and registration of drug discovery in Asian and the U.S. markets to reduce the effects of such changes.

(V) Effects of changes in technology and industry on the Company's financial operations, and the countermeasures:

The Company is a biotech company dedicated to drug discovery. The novel drugs developed by the Company are mainly small-molecule novel drugs against cancer. It has high technical barriers, and the indications we focus on have fewer competitors. The Company possesses niche advantages for drug discoveries. Therefore, changes in technology or industry have limited effects on the Company's finance. The Company will closely observe the effects of changes in technology or industry on the Company, examine product R&D, and adjust resources allocation at any time to minimize the effects of changes in the future industrial environments.

(VI) Effects of changes in the corporate image on the corporate crisis management and countermeasures:

The Company's shareholders have strong backgrounds, and the management team has extensive educational backgrounds and experiences and an excellent reputation; the Company upholds the business style of ethical corporate management and is abide by laws and regulations. Senhwa shall continue to strengthen corporate governance and remain committed to maintaining the Company's positive image

to attract outstanding international talents and build a world-class new drug development company. There have been no cases that affect the Company's corporate image or operations since the founding of the Company.

(VII) Estimated benefits and possible risks for mergers and acquisitions (M&A) and countermeasures:

As of the publication date of the Annual Report, the Company has no M&A plan.

(VIII) Estimated benefits and possible risks for the expansion of plants and countermeasures:

As of the publication date of the Annual Report, the Company has no plant expansion plan.

(IX) Risks associated with concentrated purchases or sales, and countermeasures:

The Company's primary scope of business is drug discovery; all products are to be developed or during the stage of clinical trials; therefore, the Company has no risk associated with concentrated purchases or sales. In addition, the patents attributed to G-quadruplex stabilizer (CX-5461) and inhibitor of protein kinase CK2 (casein kinase II) (CX-4945) developed by the Company are valid in multiple countries. In the future, royalties from foreign licensing will also be sources of profits for such novel drugs, which shall disperse the risk of drug discovery.

(X) Effects and risks arising from significant transfer or exchange of equity held by Directors or major shareholders with over 10% of shareholdings, and countermeasures:

For the most recent year and as of the publication date of the Annual Report, there is no significant transfer of equity held by Directors or major shareholders with over 10% of shareholdings.

(XI) Effects and risks of changes in ownership on the Company, and countermeasures:

As of the publication date of the annual report, the Company's management remains stable, and there is no change in ownership.

(XII) For any litigation or non-litigation, the Company and its Directors, President & CEO, substantial representative, or major shareholders with over 10% of shareholdings, and subsidiaries shall be disclosed. For litigation, non-litigation, or administrative dispute having confirmed judgment or currently in process with results that may have significant effects on the Company's shareholders' interests or securities price for the most recent two years and as of the publication date of the Annual Report, the fact of disputes, target amount, starting date of the litigation, primary parties involved, and the processing status as of the publication date of the Annual Report shall be disclosed:

1. For litigation, non-litigation, or administrative dispute of the Company having confirmed judgment or currently in process with results that may have significant effects on the shareholders' interests or securities price for the most recent two years and as of the publication date of the Annual Report, the fact of disputes, target amount, starting date of the litigation, primary parties involved, and the processing status as of the publication date of the Annual Report shall be disclosed: None.

2. For litigation, non-litigation, or administrative dispute of the Company's Directors, President & CEO, substantial representative, or major shareholders with over 10% of shareholdings, and subsidiaries having confirmed judgment or currently in process with results that may have significant effects on the

shareholders' interests or securities price for the most recent two years and as of the publication date of the Annual Report: None.

3. Circumstances stated under Article 157 of the Securities Exchange Act occurred to the Company's Directors, Supervisors, President & CEO, substantial representative, and major shareholders with over 10% of shareholdings for the most recent two years and as of the publication date of the Annual Report and the Company's processing status: None.

(XIII) Other significant risks and countermeasures:

1. Drug discovery has extended timetable and high capital requirements:

Drug discovery is limited to the issued of use safety by humans. The timetable for its R&D to the clinical stage may span for as long as 10 to 15 years. However, as production value and added-value created by the biotech and new pharmaceuticals industry are relatively high, and it is a knowledge-oriented industry; therefore, the global pharmaceutical industry continues to record stable growth. The government of the R.O.C. has established various action plans since 1980 to actively develop the biotech and pharmaceuticals industry. Despite a wide range of talented individuals and the support of government policies, the majority of biotech companies are still small-to-medium OEM pharmaceutical manufacturers that produce healthy food, generic drugs, and other small-molecule drugs. The supply chain lacks special generic drugs and more profitable innovative drugs that are developed independently. The biotechnology industry is characterized by high R&D expenditures, high risk, and long industrial value chains. Therefore, the R&D and launches of new drugs are fundamentally different from other industries due to the costly R&D expenses and time-consuming R&D and manufacturing processes.

Countermeasures:

(1) Focus on drug discovery and application to shorten the time required for drug discovery and avoid risks

For the research and development (R&D) of drugs, research focuses on the explorations, functions, and mechanisms of drugs, which possess academic innovation. Development refers to the industrialization or commercialization of drugs with applicable value for treatment, including the manufacturing, toxicity research, and observation of the clinical effects of drugs. The Company’s drug discovery is mainly based on the subsequent development after technology transfer, which reduces the R&D cost of new drug discovery and shortens the time required for drug discovery.

(2) Adop the portfolio management strategy of novel drugs to reduce risks in drug discovery

The Company balances the human resources management capacity and has established a portfolio management strategy of novel drugs that maintain 2 to 3 clinical trials for novel drugs at all times to significantly reduce the risk of failure associated with having a single clinical trial for novel drugs. Relevant knowledge, experiences, and judging abilities are required for seeking new candidates for human clinical trials.

(3) Actively cooperate with renowned international institutions for them to sponsor the fundings for clinical trials

The Company's novel drug projects under development have received sponsorships from a number of internationally renowned institutions, e.g., CX-5461 used in phase I clinical trial for the treatment of hematologic

cancers received the funding applied by the PMCC from the Australian Government. The Company only bears the cost of drugs and blood analysis fees required for the trial without paying for management fees and related expenses related to clinical medication to the clinical center. In addition, CX-5461 was selected as the drug used by the Canada SU2C Breast Cancer Dream Team in 2015 and won a funding subsidy of approximately NT$220 million. The Company also signed a cooperation agreement with the PBTC in 2018 to jointly organize and execute phase I/II clinical trials using CX-4945 for the treatment of malignant child brain cancer. Senhwa is responsible for providing drugs for the trial that is sponsored by the CTEP of NCI. It is estimated that more than US$3 million will be invested.

On December 1, 2021, the Company received notification from the National Cancer Institute (NCI), a division of the National Institutes of Health (NIH) in the United States, that Pidnarulex (CX-5461), a novel drug under development, has undergone rigorous evaluation by the Special Emphasis Panel (SEP) and Internal Committee. This evaluation consisted of three rounds of review over a period of nearly six months. Pidnarulex (CX-5461) stood out among numerous project applications worldwide and was successfully selected to participate in the NIH-sponsored NCI Experimental Therapeutics Program (NExT). The project will be led by the NIH and be responsible for the execution of the future clinical trial design and development direction of Pidnarulex (CX-5461). In addition, the NIH will provide funding for the major clinical expenses. This collaborative R&D project is expected to span a period of five years. This cooperation model will significantly reduce the Company's drug discovery costs.

2. Cyber security risk assessment

(1) Taking into account factors such as the control environment, risk assessment, control activities, information and communication, and monitoring, among others, the Company has established an internal control system for information management and internal control self-assessment operations, including the functions of risk management and internal monitoring.

(2) Cyber security management audit

The Company has included the information security inspection and control operations as an annual audit item. The audit department shall perform audits at least once a year. Also, the Company carries out the self-inspection operations for its internal control system associated with risk each year; in particular, the self-inspection operations for its internal control system associated with information circulation also include cybersecurity inspection control.

VII. Other Important Matters: None.

Chapter 6. Special Disclosures

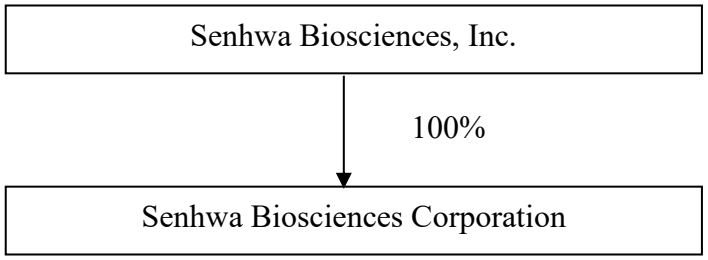
I. Summary of Affiliated Companies:

(I) Consolidated business report of affiliates

1. Overview of affiliates

(1) Organizational table of affiliates (as of December 31, 2024):

Senhwa Biosciences Corporation is a subsidiary established through investment by the Company. As of the publication date of the Annual Report, the Company retains 100% of shares in the subsidiary.



2. Name, date of establishment, address, paid-in capital, and primary scope of business of the affiliates:

Name of company	Date of incorporation	Address	Paid-in capital	Primary scope of business
Senhwa Biosciences Corporation	April 25, 2013	10509 Vista Sorrento Parkway, Suite 201, San Diego, CA92121	US$2,000 thousand	Clinical and technical support services for novel drugs

3. Information on the same shareholders of companies that the Company is presumed to have a controlling and subordinate relation: None.

4. When industries covered by all affiliates' scope of business are related to the scope of business of affiliates, the distribution of work shall be explained:

5. Senhwa Biosciences Corporation assists the Company in strategy formulation and project execution of clinical trials related to novel drugs. In addition, it also assists the parent company in participating in conferences related to national pharmaceuticals management authorities and relevant coordination and contacts.

6. Name of the Directors, Supervisors, and Presidents of affiliates, and their shareholdings or capital contributions to such companies

Name of company	Title	Name and representative	Shareholding	
			Number of shares	Shareholding percentage
Senhwa Biosciences Corporation	Director	Pin Yan Huang	—	—
	President & CEO	Pin Yan Huang	—	—

7. Business overview of affiliates:

December 31, 2024; Unit: NT$ thousand

Name of company	Paid-in capital	Total assets	Total liabilities	Net value	Operating income	Operating profit or loss	Profit or loss for the period (after tax)	Earnings per share (NT$) (after tax)
Senhwa Biosciences Corporation	59,123	71,113	11,320	59,793	48,165	1,749	990	0.99

(II) Consolidated Financial Statement of Affiliates Companies:

For more details, please visit the "Related Party Transactions" section under "Single Company" > "Electronic Document Download" on the Market Observation Post System (MOPS) website.

(URL: https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(III) Affiliates report: Not applicable.

II. Private Placement Securities in the Most Recent Year and as of the Publication Date of the Annual Report: None.

III. Other Important Matters: None

Chapter 7. Matters that Have Significantly Affected Shareholders' Equity and Prices of the Securities Pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act in the Most Recent Year: None.

Senhwa Biosciences, Inc.

Chairman Benny T. Hu