

PharmaEngine, Inc.

Insider Trading Prevention and Management Measures

Article 1 Purpose of the Measures

In order to establish effective management for preventing insider trading within PharmaEngine Inc. (the “Company”), the Measures are formulated in accordance with the provisions of the Securities and Exchange Act and the Regulations Governing Establishment of Internal Control Systems by Public Companies issued by the Financial Supervisory Commission to ensure compliance.

Article 2 Applicability

The scope of application of the Measures includes:

1. The Company’s directors, managers, and natural persons designated to exercise representative duties as stipulated in Article 27, Paragraph 1 of the Company Act.
2. Shareholders holding more than 10% of the Company’s shares.
3. Persons who have obtained information based on their profession or a control relationship.
4. Persons who have not reached 6 months since losing the identities stated in the preceding three subparagraphs.
5. Persons who have obtained information from those listed in the preceding four subparagraphs.

Additionally, in accordance with Paragraph 5 stated in the same Article, the Company’s directors, managers, or shareholders holding more than 10% of its shares, including their spouses, minor children, and those holding shares in other people’s names, are also subject to the Measures.

Definition:

- I. Insiders: According to the regulations stipulated in the Securities and Exchange Act regarding insiders, the scope of insiders includes the Company’s directors, managers, and shareholders who hold more than 10% of the total shares.
The related parties of insiders include:
 - (1) The insiders’ spouses, minor children, and individuals who hold shares in other people’s names
 - (2) The representative of a juristic person director, the representative’s spouse, minor children, and individuals who hold shares in other people’s namesAll of the above are considered insiders of the Company.
- II. Insider trading regulations apply to: In addition to the aforementioned insiders, insider trading regulations also apply to individuals who have obtained the Company’s significant internal information due to their status, profession, or control relationship, as well as recipients of information who have received such information from insiders.

Article 3 Insider Information Filing

1. The Company’s stock affairs unit (including institutions entrusted with stock affairs) shall establish and maintain a file of information on insiders and shareholders holding

more than 10% of the shares.

2. Each insider and shareholder holding more than 10% of the shares shall, in accordance with the legal provisions and timelines, report to the stock affairs unit regarding any changes in share ownership on a monthly basis or at the time of occurrence for public disclosure and reporting procedures.
3. When a new insider is appointed or relieved of duty, they shall complete the Immediate Reporting System for New (Resigned) Insiders within 2 days of the occurrence of the event. Additionally, directors and managers shall sign a declaration acknowledging their understanding of the relevant laws and regulations regarding insiders within 5 days from their appointment, and the signed declaration shall be kept on file by the Company. A copy of the declaration by the directors shall be submitted to the Taipei Exchange within 10 days from the date of appointment for record-keeping purposes.

Article 4 Scope of Coverage of Material Inside Information

The scope of material inside information includes:

1. In accordance with Article 36-1 of the Securities and Exchange Act, significant financial transactions such as the acquisition or disposition of assets by the Company, engaging in derivative trading, providing loans to others, endorsing or guaranteeing for others, and disclosing financial forecasts are included.
2. In accordance with Article 7 of the Securities and Exchange Act Enforcement Rules, the matters specified are:
 - (1) Situations involving insufficient deposit for returned checks, refusal to transact, or other circumstances indicating a loss of creditworthiness.
 - (2) Situations where lawsuits, non-litigious disputes, administrative sanctions, administrative litigation, preservation procedures, or enforcement proceedings have a significant impact on the Company's finances or operations.
 - (3) Significant production reduction or complete or partial shutdown, leasing of the Company's factories or major equipment, and pledging of all or a major portion of assets that have an impact on the Company's operations.
 - (4) Situations falling within any of the provisions specified in Article 185, Paragraph 1 of the Company Act.
 - (5) When a court issues an order, pursuant to Article 287, Paragraph 1, Subparagraph 5 of the Company Act, prohibiting the transfer of its stocks.
 - (6) When there is a change in the chairperson of the board, general manager, or one-third or more of the directors.
 - (7) When there is a change in the certified public accountant. However, if the reason for the change is an internal adjustment within the accounting firm, it is not included.
 - (8) Significant matters such as the signing, modification, termination, or cancellation of important memorandums, strategic alliances or other business cooperation plans, or major contracts, significant changes in business plans, completion of new product development, successful development of tested products and transition to mass production phase, acquisition of other companies, acquisition or transfer of patent rights, trademark rights, copyright, or other intellectual property rights that have a significant impact on the Company's finances or operations.
 - (9) Other significant matters that are sufficient to affect the Company's continued

operations.

3. As defined in the Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act (December 22, 2010), it refers to information related to the Company's finances or business that has a significant impact on its stock price or the investment decisions of legitimate investors.
 - (1) Matters specified in Article 7 of the Securities and Exchange Act Enforcement Rules.
 - (2) Significant matters including the Company's major offering, issuance, or private placement of any equity-type securities, capital reduction, merger, acquisition, division, stock exchange, conversion or transfer, investment plans carried out directly or indirectly, or significant changes to the aforementioned matters.
 - (3) Significant matters including the Company's restructuring, bankruptcy, dissolution, or application for delisting of its stocks or termination of trading on over-the-counter markets, or significant changes to the aforementioned matters.
 - (4) When the directors of the Company are subject to a temporary suspension of their powers, resulting in the inability of the board of directors to exercise its functions, or when all independent directors of the Company are removed from their positions.
 - (5) When a disaster, collective protests, strikes, environmental pollution, or other significant events occur, causing significant damage to the Company, or when relevant authorities order the Company to suspend operations, cease business, shut down, or revoke relevant licenses.
 - (6) When related parties of the Company or its major debtors or their joint guarantors experience dishonored checks, file for bankruptcy, undergo restructuring, or encounter other significant similar events; or when the principal debtors of the Company's endorsements or guarantees are unable to repay matured promissory notes, loans, or other debts.
 - (7) When the Company experiences significant internal control fraud, irregular transactions, or asset-stripping.
 - (8) When the Company ceases partial or entire business transactions with its major customers or suppliers.
 - (9) The Company's financial reports have one of the following conditions:
 - (A) Failure to announce or report in accordance with the provisions of Article 36 of the Securities and Exchange Act.
 - (B) If errors or omissions occur in the prepared financial reports, they shall be corrected and restated in accordance with Article 6 of the Securities and Exchange Act Enforcement Rules.
 - (C) When an accountant issues an audit or review report containing an opinion other than an unqualified or modified unqualified opinion. The same does not apply, however, in cases where the certified public accountant issues a qualified audit or review report for the reason of annual amortization of losses, as permitted by law, or for the reason that an amount of long-term equity investment and profit/loss presented in the first-quarter, third-quarter, or semi-annual financial report is calculated based on financial statements of the investee company that have not been audited or reviewed by an accountant.
 - (D) The accountant issues an audit or review report with a significant doubt about the going concern assumption.

- (10) A significant discrepancy between financial forecasts already publicly disclosed and actual figures or between updated (or corrected) financial forecasts and original forecasts.
 - (11) The Company's operating income or income before tax shows a significant change from the same period of the previous year or a significant change compared with the previous period that is not caused by seasonal factors. The Company repurchases its own shares.
 - (12) The Company has the following accounting items that do not affect the current period's income but result in a significant change in the current period's net worth:
 - (A) Conducting asset revaluation.
 - (B) End-of-period valuation of financial instruments.
 - (C) Foreign currency translation adjustments.
 - (D) Financial instruments accounted for using hedge accounting.
 - (E) Net losses not recognized as retirement fund costs.
 - (13) Inability to achieve the fundraising plan to repay corporate bonds.
 - (14) The Company repurchases its own shares.
 - (15) Conducting or terminating a public tender offer for securities issued by public companies.
 - (16) Acquisition or disposal of significant assets by the Company.
 - (17) Issuance of overseas securities by the Company, involving significant events that shall be immediately disclosed or reported in accordance with the laws and regulations of the listing country's government and its securities exchange market rules.
 - (18) Other matters related to the Company's finances or business that have a significant impact on its stock price or the investment decisions of legitimate investors.
4. According to Article 157-1, Paragraph 4 of the Securities and Exchange Act, information that affects the supply and demand of the securities in the market and has a significant impact on its stock price or the investment decisions of legitimate investors refers to the following:
- (1) Securities that are traded on the centralized securities exchange market or over-the-counter market and are subject to a public tender offer or suspension of a public tender offer.
 - (2) Any significant change in the shareholding of the Company or its controlling company.
 - (3) Events or circumstances occur in the trading of securities on the centralized securities exchange market or over-the-counter market, such as bidding, auctioning, major default in delivery, change of the original trading method, or suspension, limitation, or termination of trading.
 - (4) Other events or circumstances that affect the market supply and demand of the securities have a significant impact on the Company's stock price or the investment decisions of legitimate investors.

Article 5 Measures for the Confidentiality and Prohibition of Trading of

Material Information

Measures for the Confidentiality and Prohibition of Trading of Material Information:

1. Directors, managers, and employees of the Company shall conduct their duties with the

duty of care and loyalty of a good administrator, as well as the principle of honesty and good faith. They may be required to sign confidentiality agreements.

2. Directors, managers, and employees who are aware of significant internal information of the Company shall not disclose such information to others.
3. Directors, managers, and employees of the Company are prohibited from inquiring or collecting significant undisclosed internal information unrelated to their duties from individuals who have knowledge of such information within the Company. They are also prohibited from disclosing to others any significant undisclosed internal information of the Company that they become aware of for reasons other than the performance of their duties.
4. Adequate protection shall be provided when files and documents containing significant internal information of the Company are transmitted in writing. When transmitted via email or other electronic means, appropriate security technology such as encryption or electronic signatures must be employed.
5. To ensure the establishment of the firewalls specified in the preceding two paragraphs, the Company takes the following measures:
 - (1) Implement appropriate firewall control measures and conduct regular or irregular testing as needed.
 - (2) Enhance the storage and confidentiality measures for files and documents containing significant undisclosed internal information of the Company.
6. External organizations or individuals involved in the Company's mergers and acquisitions, important memoranda, strategic alliances, other business collaboration projects, or the signing of significant contracts shall be required to sign a confidentiality agreement and shall not disclose any significant internal information of the Company that they become aware of to others.
7. Directors, managers, and employees who become aware of significant internal information of the Company, as well as external organizations or individuals engaged in business transactions with the Company, are prohibited from buying or selling the Company's stocks or other equity-type securities that are listed or traded on the over-the-counter market before the public disclosure of the information or within 18 hours after its public disclosure.
8. In accordance with Article 10, Paragraphs 3 and 4 of the Corporate Governance Best Practice Principles, to protect the shareholders' rights and interests and ensure their equal treatment, it is prohibited for insiders of the Company to engage in trading of securities using undisclosed information in the market. This regulation includes stock trading control measures from the date insiders of the Company become aware of the contents of its financial reports or relevant results. Measures include, without limitation, prohibiting a director from trading shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

Article 6 Handling the public disclosure of significant news

1. The Company shall adhere to the following principles when disclosing significant internal information to the public:
 - (1) The disclosure of information shall be accurate, complete, and timely.
 - (2) The disclosure of information shall be based on appropriate grounds.

- (3) Information shall be disclosed fairly.
2. The handling of significant internal information of the Company is delegated to responsible units based on financial, operational, or legal categories. These responsible units are responsible for receiving and carrying out consultations, deliberations, and providing recommendations related to the specific matter to the higher-level decision-makers.
3. The disclosure of significant internal information of the Company, unless otherwise specified by law or regulations, shall be handled by the Company's spokesperson or deputy spokesperson acting in such capacity in confirmed sequential order. When necessary, it may be directly handled by the person in charge of the Company. The statements made by the Company's spokesperson and deputy spokesperson shall be limited to the scope authorized by the Company. The Company's personnel other than its responsible person, spokesperson, and deputy spokesperson may not disclose significant internal information to the public without authorization.
4. The disclosure or reporting of significant information by the Company shall follow the operational procedures and controls of public information reporting in the internal control system. After disclosure or reporting, a copy of relevant documents shall be retained and kept by designated personnel or units. Appropriate preservation and control methods shall be established for future verification and reference.
5. The Company shall retain the following records for external information disclosure:
 - (1) The personnel, date, and time of information disclosure.
 - (2) The method of information disclosure.
 - (3) The content of the disclosed information.
 - (4) The content of the delivered written information.
 - (5) Other relevant information.

Article 7 Internal control procedures and internal education and promotion

1. The Measures are incorporated into the internal control system of the Company. Internal auditors shall regularly or irregularly assess its compliance as appropriate and prepare audit reports to urge and ensure the implementation of insider trading prevention and management operations.
2. The Company shall provide regular or irregular education and promotion on the Measures and related laws and regulations to directors, managers, and employees as needed.
3. New directors, managers, and employees shall be provided with timely education and promotion.

Article 8 Supplementary Provisions

The Measures are implemented after the board of directors grants the approval. The same procedure shall be followed when the Measures are amended. If there are any matters not covered by the Measures, they shall be handled in accordance with the relevant laws and regulations.

Enactment Date: The Board of Directors approved the formulation and implementation on May 17, 2011

Date of First Amendment: The Board of Directors approved the amendment on



August 6, 2021

Date of Second Amendment: The Board of Directors approved the amendment on July 26, 2022