





GRAPE KING BIO

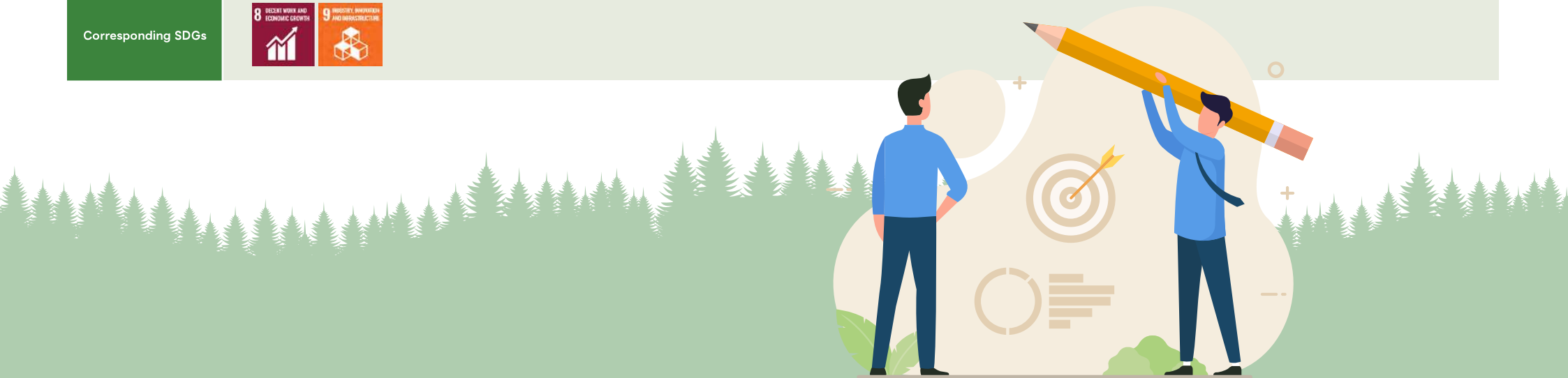
# CH1 Ethical Governance

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## Sustainability Targets

Short-, Medium-, and Long-Term Goals and Current-Year Achievement Status	Corporate Governance
Progress achieved in 2025	<ul style="list-style-type: none"> <li>● Corporate Governance Evaluation In the 2025 (12th) Corporate Governance Evaluation, there were 8 new indicators and 3 revised indicators. The existing scores were maintained.</li> <li>● Established the "ESG Steering Committee" and the "Risk Management Committee" to continuously strengthen Board functions and enhance sustainable development performance and risk management.</li> </ul>
Short-term Targets for 2026-2027	<ul style="list-style-type: none"> <li>● In 2026, the evaluation has been transformed ESG Evaluation, comprising three major aspects: Environmental (E), Social (S), and Governance (G). A total of 17 indicators were added and revised. The weighting of the environmental and social aspects increased compared to previous years. We will continue to pursue improvement and strengthen our competitiveness in sustainable development.</li> </ul>
Mid-term Targets for 2028-2029	<ul style="list-style-type: none"> <li>● Refer to external ESG Evaluations to enhance transparency of information disclosures relating to corporate governance.</li> </ul>
Long-term Targets for 2030 and beyond	<ul style="list-style-type: none"> <li>● Ensure more than 50% of members for all corporate committees are experts.</li> <li>● Continue to enhance corporate governance and sustainability issues.</li> </ul>
Corresponding SDGs	 



## 1.1 Corporate Governance and Transparency

Chief Financial  
Officer & Corporate  
Governance Officer  
**Nick Hung**



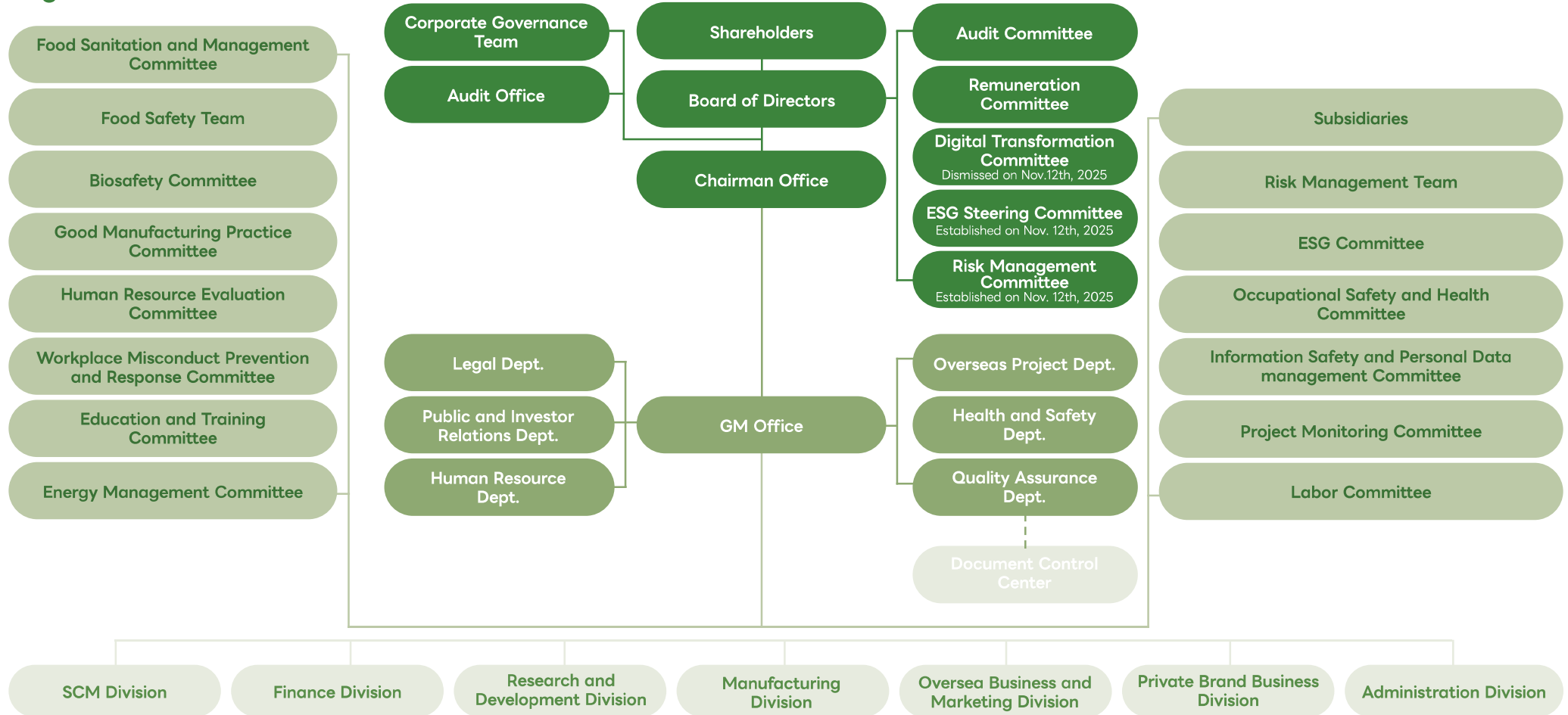
*Grape King Bio firmly believes that sound corporate governance and strict adherence to related regulations can ensure sustainable operations and establish a brand that wins enduring trust from the public.*

### Corporate Governance Units and Operations

The Board of Directors is the highest governance unit of the company. We have established 11 directors in accordance with our Articles of Incorporation. Our directors carry out their duties according to the authority thereof and make decisions on our business policies and other important matters. Our CFO serves as the company's Corporate Governance Officer and works with a Corporate Governance Team to manage corporate governance matters, track and provide timely information to shareholders, provide directors and supervisors with necessary information for business needs, organize board and shareholders meetings, and conduct other corporate governance matters.



## Organizational structure



Grape King Bio has formulated comprehensive corporate governance rules and regulations (please refer to the section on corporate governance regulations and supervisory mechanisms) to ensure sound corporate governance and continued improvement of operational quality according to the following four axes

1. Strengthen board functions
2. Emphasis on shareholder interests and stakeholder rights
3. Implementation of internal controls and internal audit systems
4. Strengthen information disclosures and transparency

## Axis I. Strengthen Board Functions

### Board Operations

The nomination and selection of all directors adheres to Article 20 of our Articles of Incorporation. We adopt a candidate nomination system. For the director elections held in 2024, we disclosed detailed review standards and operational procedures for nominating candidates in accordance with relevant regulations and enabled electronic voting to promote shareholder participation. A total of 11 directors (including 4 independent directors and 4 female directors) were elected.

The 21st Board will serve from May 30, 2024 to May 29, 2027. Three functional committees, the "Audit Committee", "Remuneration Committee", and "Digital Transformation Committee" have been established under the Board. In November 2025, the "ESG Steering Committee" and the "Risk Management Committee" were established to strengthen Board functions and enhance sustainable development performance and risk management. At the same time, the "Digital Transformation Committee" was dissolved upon completion of its phased mission.

The Board of the Company guides corporate strategies, supervises executive managers, is responsible to the Company and shareholders, and adheres to all legal regulations, the Articles of Incorporation, and all corporate governance operations to ensure that it can exercise Board responsibilities. Board members are required to possess the knowledge, capabilities, industrial decision-making, and management abilities to carry out their duties and to achieve Board functions and aims. The term of each Board lasts for three years, and Board meetings are held at least once every quarter. A total of 5 meetings were convened in 2025, with an average attendance rate of 95%. The average in-person attendance rate of the independent directors at Board meetings was also 95% (please refer to II. Corporate Governance Report in our 2025 Annual Report for further information).

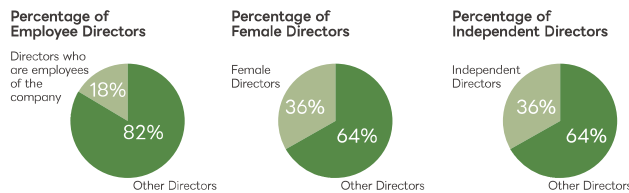
### Board Diversity

Our company's "Corporate Governance Best Practice Principles" stipulate a policy on diversity. It specifies that the composition of the Board of Directors should be diverse. Except for directors concurrently serving as company executives, who should not exceed one-third of the Board seats, appropriate diversity policies should be formulated based on the operation, business model, and development needs of the Company. This should include, but not be limited to, diversity in basic characteristics and values (such as gender, age, nationality, and culture) and professional knowledge and skills (such as legal, accounting, industry expertise, finance, marketing, or technology, as well as industry experience), and we have established the following diversity targets:

- Gender diversity: The number of seats for each gender should exceed 33%. A total of 4 female directors (including two independent directors) were elected for the current year.
- Domain diversity: Encompasses the four core domains of business management, leadership and decision-making, industrial knowledge, financial accounting, and law.

The Company's Board members are diversified. The current 11 directors have educational backgrounds that encompass Ph.D. degrees in business management and mechanical engineering, as well as master's degrees in marketing management, law, social studies, and other domains. In accordance with the Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies, all directors completed at least 6 hours of continuing education in 2025, as required. In addition, we regularly plan and arrange sustainability-related training programs for directors. These programs cover domestic and international laws and policy trends related to sustainability, digital transformation, and analysis of sustainability risk management strategies, with the aim of enhancing Board's decision-making and oversight functions on sustainability-related issues. For the specific management objectives and achievements of this year's diversity policy, as well as the professional backgrounds of the Board members, please refer to II. Corporate Governance Report in our 2025 Annual Report.

Directors who are employees of the Company account for 18%, the four female directors account for 36%, and the four independent directors account for 36%. Of the four independent directors, three have served for less than three years and one has served between three to six years, with no consecutive terms exceeding nine years (three terms). The average age of all directors is 57.2 years. Five directors are aged between 61 to 70 years, five are aged between 51 to 60 years, and one is aged between 41 to 50 years; encompassing a wide age range.



### Conflicts of Interest Management

As part of their due diligence, the Board has formulated the "Rules of Procedure for Board of Directors Meetings" and stipulated an obligation to avoid conflicts of interest in Article 15 in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to ensure sound and comprehensive governance. We periodically purchase "director and officer (D&O) liability insurance" for our directors to reduce and disperse the risk of major damages to the Company or shareholders resulting from director error or negligence.

Grape King Bio conducts annual assessments of CPA independence and CPA competence using the Audit Quality Indicators (AQIs) annually; assessment results are submitted to the Board for approval. Our independent directors, internal audit managers, and CPAs meet periodically to ensure that our independent directors can fully exercise their functions and responsibilities, as well as gain a better understanding of financial statements, finances, and business conditions.

### Functional Committees

The Board established three functional committees, the "Audit Committee", "Remuneration Committee", and "Digital Transformation Committee". In November 2025, the "ESG Steering Committee" and the "Risk Management Committee" were established to continuously strengthen Board functions and enhance sustainable development performance and risk management; meanwhile, the "Digital Transformation Committee" was dissolved upon completion of its phased mission. These committees assist the Board in carrying out its supervisory and guidance duties, convene meetings in accordance with Board-approved organizational charters, exercise legal rights relating to reviews and discussions of relevant proposals, and submit conclusions and suggestions to the Board for approval.



## Audit Committee Operations

Grape King Bio established the Audit Committee. Committee members encompass all independent directors, one of whom specializes in finance. The main responsibilities of the Committee include assisting the Board in effectively executing and supervising compliance with the Company Act, Securities and Exchange Act, and other related regulations, assisting the Board with enhancing and overseeing the quality of financial statements, CPA independence and competence, internal controls and risk management. The Committee convenes at least once every quarter, and a total of 5 meetings were convened in 2025, with attendance rates of 95%.

For more information on relevant proposals, please refer to our corporate website:  
<https://www.grapeking.com.tw/investor/6258d7e9f0f6d/auditcommittee>



## Remuneration Committee Operations

We have established a Remuneration Committee composed of three independent directors to strengthen corporate governance and build sound compensation systems for directors and managerial officers. The Remuneration Committee faithfully performs its duties with the care of a good administrator and is responsible for formulating and periodically reviewing director and managerial officers performance evaluations; assessing remuneration policies, systems, standards and structures; and submitting suggestions to the Board for discussion. The Committee convenes at least twice a year, and a total of 3 meetings were convened in 2025, with attendance rates of 100%.

For more information on relevant proposals, please refer to our corporate website:  
<https://www.grapeking.com.tw/investor/6258d7e9f0f6d/6258d97648f63>



## Digital Transformation Committee Operations

Grape King Bio established a Digital Transformation Committee to integrate digital technologies into operational strategies, optimize corporate efficiency and processes, and enhance corporate performance and profits. The Committee is composed of three directors (including two independent directors). Committee responsibilities include :

I. Reviewing the strategies, plans, and implementation results of the digital transformation implementation team, and submitting suggestions to the Board or implementation teams; II. Reviewing major expenditures for digital transformation in accordance with the Company's Procedures for Acquisition or Disposal of Assets.

The Committee convenes at least once every half year, and a total of 2 meetings were convened in 2025 to report on the progress of digital transformation projects.

Grape King Bio focuses on digital transformation, gradually improving operational workflows, reducing process time, leveraging system support to enhance operational efficiency and further strengthen decision-making quality through data integration.

Grape King Bio introduced new ERP system to reevaluate and modify the operation workflows. Furthermore, the implementation of a BPM system facilitates digitalization of workflows, reduces time costs of internal communication, and enhances data accuracy, integrity, as well as availability. The "Digital Transformation Committee" has completed its mission and was dissolved in November 2025.

## ESG Steering Committee Operations

Grape King Bio established the ESG Steering Committee in November 2025 to implement our sustainable development goals and strengthen sustainability governance. The first-term Committee is composed of one director and two senior executives. Committee responsibilities include: I. formulating, promoting, and enhancing our sustainability policies, annual plans, and strategic initiatives; II. reviewing, monitoring, and amending the implementation status and performance of sustainability initiatives; III. overseeing sustainability-related information disclosures and reviewing the sustainability report; and IV. supervising the execution of matters under our Sustainable Development Best Practice Principles and other sustainability-related tasks resolved by the Board.

The Committee convenes at least once every year, and a total of 1 meeting was convened in 2025 to report on the progress of sustainability initiatives for the year and to recommend sharing ESG 2.0-related information with relevant personnel in preparation for the transition to ESG 2.0.

## Risk Management Committee Operations

Grape King Bio established the Risk Management Committee in November 2025 to strengthen risk assessment and enhance management functions. The first-term Committee consists of one director, three independent directors, and one senior executive. Committee responsibilities include: I. reviewing risk management policies, procedures, and frameworks, and regularly evaluating their applicability and implementation effectiveness; II. ensuring that the risk management mechanism is capable of adequately addressing material risks faced by Grape King Bio and is integrated into daily business operations; III. approving risk control priorities and risk levels; IV. reviewing the implementation status of risk management, proposing necessary improvement suggestions, and designating personnel to report to the Board on a regular basis (at least once a year); V. reviewing the overall implementation of information security for the preceding year, with the Chief Information Security Officer reporting directly to the Board; and VI. executing risk management decisions approved by the Board.

The Committee convenes at least once per year. Established in November 2025, the committee is set to begin its scheduled meetings in 2026.

## Evaluations of Board Performance

To implement corporate governance and enhance the effectiveness of the Board of Directors and its functional committees, the Board established the " Regulations for the Performance Evaluation of the Board and Functional Committees." These Rules stipulate that the Board and each functional committee shall conduct internal performance evaluations at least once a year. The evaluation results and suggestions shall be submitted to the Board and may also serve as a reference in the selection or nomination of directors for the next term.



In 2025, performance evaluations were conducted for the Board, individual directors, the Remuneration Committee, the Audit Committee, and the Digital Transformation Committee. The ESG Steering Committee and the Risk Management Committee, both established in November 2025, are scheduled to commence performance evaluations in 2026.

The corporate governance team is responsible for coordinating the internal self-assessments of overall Board, the Board of Directors, Remuneration Committee, Audit Committee, and Digital Transformation Committee. Director self-evaluations are compiled by corporate governance team and evaluations are conducted using internal questionnaires.

The results of these performance evaluations are reported to the Board of Directors. These findings serve as a strategic reference for Directors and committee members to further enhance the quality of decision-making. Furthermore, the results are utilized as a key criterion for the nomination of Directors and the selection of members for the respective committees. For more information on the "Regulations for the Performance Evaluation of the Board and Functional Committees," please refer to Important Regulations section on the Grape King Bio corporate website.

Results of Board performance evaluations for 2025 were as follows :

Overall Board performance received an average score of 4.55 out of 5.

Remuneration Committee performance received an average score of 4.47 out of 5.

Audit Committee performance received an average score of 4.36 out of 5.

Digital Transformation Committee performance received an average score of 4.28 out of 5.

Directors and the corporate governance team did not put forward any other suggestions in 2025.

Performance evaluation results for the Board, individual directors, and functional committees for 2025 were all "Excellent." Evaluation content and results were reported to the Board on January 23, 2026.

For more information on relevant proposals, please refer to our corporate website:  
<https://www.grapeking.com.tw/investor/governance/major-policies>



## Axis II. Emphasis on shareholder interests and stakeholder rights

Grape King Bio has established a spokesperson, acting spokesperson, shareholder services, and legal personnel who are responsible for handling shareholder suggestions or disputes, as well as dedicated personnel who keep track of directors and major shareholders who hold more than 5% of shares, and report shareholdings each month. We have established regulations and internal controls for our subsidiaries and thoroughly implement risk controls. We have formulated the "Code of Ethical Conduct," which explicitly prohibits insiders and employees from using undisclosed market information to buy and sell securities. We also organize training for insiders and all employees at least once a year. Insiders and employees are prohibited from engaging in insider trading using undisclosed information to safeguard shareholder interests.

We have implemented a shareholder e-voting system to facilitate shareholder mobility, make voting more convenient, ensure that shareholders are not restricted by time or place limitations placed by shareholders meetings, and provide diverse shareholder channels for voting on proposals. The results of all votes on proposals are disclosed in our meeting minutes. Our shareholders are allowed to fully exercise their rights to enhance our corporate governance performance.

In 2025, we were invited to participate in 4 (domestic and overseas) investor conferences which spanned a period of more than 3 months. Two of them provided audiovisual link information. We did not voluntarily initiate any investor conferences this year.

We have also established specific investor relations personnel as well as a "Contact Us" mailbox on our website, a customer service hotline, an internal "employee mailbox," and a "stakeholders" section on our website which provides a communication channel for shareholders/investors, customers, and suppliers. Dedicated personnel are responsible for responding to issues of stakeholder concern.

## Axis III. Implementation of internal controls and audit systems

Grape King Bio adheres to the Financial Supervisory Commission's "Regulations Governing Establishment of Internal Control Systems by Public Companies" in considering overall corporate operations and activities, establishing internal control systems, and designing and executing internal control systems that have been approved by the Board. In accordance with law, we have established an audit office which assists the Board and our managers in inspecting and reviewing deficiencies in internal control systems, measuring operational performance and efficiency, and providing appropriate suggestions for improvement to ensure reasonable operational performance and efficiency, reliability of financial reporting, and compliance with related regulations.

The audit office formulates annual audit plans based on risk assessments and legal compliance, which are submitted to the Audit Committee for discussion and approval.

We review procedures for handling risks from unethical conduct in combination with procurement and payment cycles, as well as sales and collection cycles to ensure that all dedicated units are adhering to the regulations of the Ethical Corporate Management Best Practice Principles. Our internal audit officer also attends Board meetings and reports on implementations of internal audits.

The audit office formulates annual audit plans based on risk assessments and legal regulations.

Audit reports must be reviewed by independent directors.

Our internal audit officer is required to attend board meetings and report on implementations of internal audits.

Since 2024, we have integrated sustainability information management into our internal control systems and formulated the "Rules for Sustainability Information Management" in response to the Financial Supervisory Commission's requirements to "strengthen the management of sustainability information for TWSE/TPEx listed companies". These measures ensure robust internal controls over transactions and information generated from sustainability initiatives within the organization, enhancing the reliability of sustainability reporting. Additionally, we have included sustainability information management as a key audit item in our annual audit plan. Related audit operations have been executed since 2025, with no material anomalies identified.

## Axis IV. Strengthen information disclosures and transparency

We have established Chinese and English websites which disclose financial, business, and corporate governance information such as our "Ethical Corporate Management Best Practice Principles," "Corporate Governance Best Practice Principles," "Procedures of Whistle-blowing and Complaints," and "Sustainable Development Best Practice Principles."

For more information on Grape King Bio corporate governance regulations, please refer to <https://www.grapeking.com.tw/investor/governance/major-policies>



We have established dedicated personnel who are responsible for collecting and disclosing information and have implemented a spokesperson system in accordance with regulations.

When participating in investor conferences, we disclose information on the "Market Observation Post System" in advance and place the presentations on our corporate website so that our stakeholders can gain a timely understanding of Grape King Bio operations.

Investor conference section:  
<https://www.grapeking.com.tw/investor/conference>



## Remuneration Policy for CEO

Remuneration policies for the Board, our highest governance unit, are disclosed every year in our shareholders meeting annual reports (For more information, please refer to II. Corporate Governance Report in our 2025 Annual Report). In terms of senior management, we have designed a specific remuneration system for our CEO, which integrates KPIs (Key Performance Indicators) and short-to-medium term incentive systems that are used to determine salary levels for the CEO after review and confirmation by the Remuneration Committee. Bonus compensation is tied to the our operational goals and is categorized into:

1. Financial Objectives: including annual operating profit margin, annual revenue achievement rate, and other related indicators; and
2. Non-Financial Objectives: consisting of KPI targets derived from the Company's annual operational goals, including execution performance and the design of forward-looking objectives

The KPIs for 2025 include financial and sustainability metrics such as continuous sales growth, achieving new low-carbon revenue milestones, strengthening food safety, breaking through bottlenecks to increase output value, practicing sustainable values, and optimizing production efficiency to improve gross margin.

Fixed and variable remuneration	The current remuneration structure for our CEO includes both fixed and variable salary elements. Our remuneration policies are mainly performance-oriented, so all fixed salaries are designed using the results of our salary surveys and are implemented according to the guidelines on PR45-50 (PR refers to Percentile Rank). Variable remuneration is based on assessments of annual KPIs, achievement of production indicators, and EPS performance.
Signing bonuses or recruitment bonuses	We currently have no signing bonuses or recruitment bonuses.
Severance pay	Severance payments are implemented in accordance with legal regulations.
Clawback policy	Short-term and mid-term strategic target bonuses for the CEO come with a clawback provision. Paid bonuses that do not meet relevant criteria are subject to clawbacks.
Retirement benefits	All of our retirement benefits are implemented in accordance with legal regulations.
ESG links	The remuneration of the CEO is linked to sustainability-related KPIs. Governance aspects include initiatives such as the ISO 37001 Anti-Bribery Management System; environmental aspects encompass systems such as the ISO 14064 Greenhouse Gas Inventory. For additional climate-related indicators, please refer to Section 6.1 Grape King Bio Climate Actions Under the Task Force on Climate-Related Financial Disclosures — Governance.

In 2025, the ratio of the annual total remuneration of the CEO to the median annual total compensation of all other employees is 7.14 times and the ratio of the percentage increase in annual total compensation is 0.54%.

## Process to Determine Remuneration

Remuneration Committee meetings are chaired and attended by our independent directors. Meetings are held periodically to discuss remuneration distributions plans for directors and executives.

Apart from periodic reviews regarding the appropriateness of corporate salary structures and policies, our human resources units also review and fully discuss remuneration policies based on requests made by our Remuneration Committee and independent directors. Implementations of related projects may also be outsourced to external consultancy companies. Stakeholders are excluded from selection procedures for external consultants.



## 1.2 Corporate Integrity and Business Ethics

Management Approach	Key issue-Corporate integrity and ethics	
Policies	The ethical policies approved by the Board strengthen our corporate culture of ethical management and create an operating environment for sustainable development.	
Commitments	We implement ethical management policies and actively prevent unethical conduct, including offering and acceptance of bribes, providing illegal political donations, improper charitable donations or sponsorships, offering or acceptance of improper benefits, infringing upon trade secrets, engaging in unfair competitive practices, and direct or indirect damages to the interests, health, and safety of consumers or other stakeholders.	
Targets	Short-term	Implement and promote various Grape King Bio codes of conduct
	Mid-term	Ensure appropriateness and effectiveness of internal controls to deepen Grape King Bio's business ethics and integrity
	Long-term	The Board of Directors continuously oversees the effective implementation of integrity in operations to establish a business that embodies ethical conduct and integrity
Responsibilities	<p>Corporate Governance Team:</p> <ol style="list-style-type: none"> <li>Serves as our dedicated ethical management unit, which is responsible for promoting ethical management within the corporation, regularly reports implementations to the Board, and works with the audit office to execute internal controls to ensure effective implementation of various regulations.</li> <li>Serve as the dedicated corporate governance unit, which is responsible for proposing suggestions related to corporate governance to the Board or CEO for reference, assisting matters related to the Board and shareholders meetings according to law, and reporting ethical management implementation to the Board each year to protect shareholder interests and to strengthen Board functions.</li> </ol>	
Resources	<ol style="list-style-type: none"> <li>Promotion of internal awareness for all employees through our internal website, employee mailbox, bulletin boards, training, and exams (for section managers and above, as well as sales personnel)</li> <li>Establishment of an annual audit plan and implementation of "Procedures of Whistle-blowing and Complaints"</li> <li>Supplier promotions through warnings on purchase orders and supplier policy promotion surveys</li> </ol>	
Specific performance	<ul style="list-style-type: none"> <li>In 2025, we continued to undergo external audits by BSI and successfully passed the effectiveness assessment of the system's operations, thereby obtaining our ISO 37001 Anti-Bribery Management System certification for three consecutive years with zero non-conformities. (We are the eighth company in Taiwan and the first in the biotechnology sector to achieve this.)</li> <li>The Board of Directors passed the "Anti-Corruption and Anti-Bribery Policy", aiming to foster a corporate culture of ethical management through the implementation of this policy. In 2025, a total of 863 employee training sessions related to ISO 37001 anti-bribery topics were conducted, amounting to a total of 741 hours.</li> <li>All employees sign the "Employee Integrity Commitment Letter". In 2025, training was conducted for personnel on the list of medium to high-risk positions, promoting policies related to anti-corruption and anti-bribery, with a total of 277 participants.</li> <li>We communicate topics related to ethical management, prevention of insider trading, and material internal information to directors and all employees regularly.</li> <li>Our directors participated in courses on ethical management. The total number of participants was 24 and the total training hours were 72 hours.</li> <li>Administered tests related to ethical management, prevention of insider trading, and material internal information to section managers and above, as well as sales personnel. A total of 125 people took the tests and 100% received a passing grade (80 points and above.)</li> <li>Our directors attended ethical management relevant courses (including courses on TIPS basic awareness, intellectual property compliance training for corporate governance, ISO 37001 anti-bribery and anti-corruption, patent examination, ethical reasoning, information security awareness, and ISO-related courses). The total number of participants was 3,522 and the total training hours were 5,971 hours.</li> <li>New employees are required to attend classes related to the Code of Ethical Conduct and anti-corruption when reporting for work, and have to take post-training tests. A total of 99 participants took the tests in 2025.</li> <li>In 2025, we did not receive any reports or complaints relating to ethical management.</li> <li>No instances involving corruption, bribery, conflicts of interest, money laundering, insider trading, or any similar misconduct occurred. Neither were any personnel penalized for bribery or corruption nor were there any ongoing lawsuits or settlements related to such matters.</li> </ul>	

### 1.2.1 Ethical Management and Moral Conduct

Grape King Bio attaches great importance to ethical integrity and takes a zero tolerance attitude toward corruption and bribery. Grape King Bio established the "Corporate Governance Best Practice Principles" and appointed the chief financial officer to serve as the corporate governance officer.

Grape King Bio adheres to the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "The Programs to Forestall Unethical Conduct." Our corporate governance team keeps track of competent authority regulations, adding and revising codes of conduct and operational procedures related to competent authority and ethical management where appropriate to establish an ethical corporate culture and enable sound developments. Grape King Bio also implements ethical management through internal training and external agreements signed by suppliers.

Upon onboarding, employees are required to attend classes related to the Code of Ethical Conduct and anti-corruption, covering topics such as ethics, trade secrets, regulations, and procedures, as well as whistleblowing policies. Following the training, they must pass an assessment and sign a labor contract, which includes pledges of integrity and confidentiality, thereby clearly communicating the obligations expected of employees. Furthermore, all our directors and managerial officers have signed the "Statement of Compliance with Ethical Management Policies." We also organize training and tests related to the Ethical Corporate Management Best Practice Principles for our directors and employees each year to reinforce the promotion of integrity in business practices.

Grape King Bio implemented the ISO 37001 Anti-Bribery Management System, requiring all employees, business partners, directors, and managerial officers to adhere to the principles of integrity in conducting their duties. They are expected to comply with anti-corruption and anti-bribery policies and regulations. All employees are required to sign the "Employee Integrity Commitment Letter," and continuous optimization for integrity management is emphasized.

All Grape King Bio employees from the highest-level managers to entry-level staff operate in accordance with our ethical management principles. Statistics on corruption-related incidents in the last three years are as follows:

Number of violations of the Fair Trade Act related incidents, including corruption, bribery, conflicts of interest, money laundering, or insider trading:

Year	2023	2024	2025
Number of incidents	0	0	0

## Ethical Corporate Management Best Practice Principles

We established the "Ethical Corporate Management Best Practice Principles" and revised the "The programs to forestall unethical conduct" to stipulate: establishment of risk assessment mechanisms for unethical behaviors, inclusion of requirements to abide by ethical management policies in employment contracts, details related to formulation of ethical management policies and implementation processes, resources and personnel of concurrent ethical management units, frequency of reports to the Board by concurrent ethical management units, formulation of audit plans based on risk assessments of unethical behavior, subsequent actions following investigation of reported grievances, and facilitation of anonymous reports.

Our Code of Ethical Conduct as well as our reporting and complaint system have been publicized to all employees through our corporate website and internal announcements. We also organize annual tests and require new employees to take tests as part of their anti-corruption training. During the training of new employees, anti-corruption courses are included, and all employees are required to pass the test. In 2025, a total of 99 employees passed the test. Our audit plans include audits for unethical behaviors and risky operations to ensure that responsible units are implementing our Ethical Corporate Management Best Practice Principles.

## Supplier Ethical Management

Grape King Bio implements contracts for business activities in a fair and ethical manner and strictly abides by relevant laws, regulations, and contract terms. We also comply with our "Code of Ethical Conduct", "Supplier Code of Conduct" and "Supplier Integrity Commitment Letter" to evaluate the ethical records of our transaction partners. To ensure compliance with anti-corruption regulations, all contracts signed with transaction partners include clauses related to ethical behaviors, prohibiting any bribery, corruption, extortion, and other inappropriate business activities.

Suppliers are required to comply with the "Grape King Bio Supplier Code of Conduct." We hope that we, along with suppliers in our supply chain and our downstream suppliers, can jointly bear social, environmental, and ethical responsibilities. Contractors are required to provide "Contractor Guarantee of Compliance with Environment, Health, and Safety Regulations" and abide by environmental health and safety requirements.

## Code of Ethical Conduct

All business practices should adhere to our "Code of Ethical Conduct," "Regulations Governing Trade Secrets," and "Regulations Governing Gift Giving and Receiving." All classified business and technical information of our company and clients must be kept confidential to maintain our corporate reputation, uphold moral values, and retain public order. Our Ethical Code of Conduct contains the following stipulations:

- Do not accept bribes and gifts
- Do not harm the rights and interests of the company
- Do not maliciously boycott company policies
- Do not disclose trade secrets
- Do not steal company property or public funds
- Do not seek personal gain by abusing one's position
- Do not become involved in abnormal relationships with business-related third parties or other members of staff
- Do not spread false statements
- Do not commit any form of discrimination, sexual harassment, intimidation, threat, theft, corruption, dereliction of duty, or other illegal acts

For more information, please refer to our Code of Ethical Conduct.  
<https://www.grapeking.com.tw/investor/governance/major-policies/V6wEpNxbQGdz/111.pdf>



## The programs to forestall unethical conduct

In order to implement ethical management policies, build our corporate culture around ethical management, improve our business environments for sustainable development, and actively prevent unethical behaviors, Grape King Bio regularly evaluates the following business activities with higher risks of unethical behaviors in accordance with Article 7 of the "Ethical Corporate Management Best Practice Principles":

- Offering and acceptance of bribes.
- Illegal political donations.
- Improper charitable donations or sponsorship.
- Offering or acceptance of unreasonable gifts or hospitality, or other improper benefits.
- Infringement of intellectual property rights.
- Engaging in unfair competitive practices.
- Damage to stakeholders caused by products and services.



We implement the Board participation and supervision, departmental division of functions, comprehensive and effective internal control structures, and public reporting mechanisms. Our audit office conducts internal audits in accordance with our corporate regulations, and non-compliances are reported to the Audit Committee and the Board. The audit office assists the Audit Committee and the Board in confirming implementations of matters related to anti-corruption, ethical management, and moral values. Our assessment results for 2025 are low risk.

## 1.2.2 Avoiding Conflicts of Interest and Anti-Corruption

All personnel of our company should avoid conflicts between personal interests and the interests of the company. We also strengthen constraints on external business partners and have established a diverse reporting and complaint system to allow external stakeholders to report and file complaints regarding improper conduct.

The "Ethical Corporate Management Best Practice Principles" and "Corporate Governance Best Practice Principles" include clauses related to conflicts of interest, requiring our directors, managerial officers, and all employees to prevent conflicts of interest and avoid obtaining improper benefits. Our directors and managerial officers have issued letters of commitment declaring that they will adhere to the "Ethical Corporate Management Best Practice Principles" and the "Anti-Corruption and Anti-Bribery Policy," and will avoid conflicts of interest. Both the "Rules of Procedure for Board of Directors Meetings" and the "Audit Committee Organizational Charter" include provisions regarding the avoidance of conflicts of interest for directors, ensuring that potential conflicts are mitigated.

## Internal Anti-Corruption Measures

1. Employees (Including managerial officers) and Board of Directors:

(1) New employees are required to take anti-corruption courses and tests on the day of onboarding to verify their awareness of anti-corruption matters. All employees also participate in regular education and training. Labor contracts signed upon onboarding contain relevant clauses for ethical behaviors and anti-corruption prevention. In order to enhance business ethics knowledge among all colleagues, we arranged for all personnel to attend courses and awareness programs themed around "ethics and morals." Our goal is for all employees to participate in training. In 2025, the training participation rate for all staff reached 100%, thus demonstrating our core values centered around ethics and integrity.

2) We have formulated regulations governing the acceptance of gifts and gratuities, which stipulate that all employees are prohibited from accepting business gratuities that are clearly excessive in value or frequency under customary market or business practices, including improper meals and entertainment, kickbacks, bribes, and hospitality. All accepted gratuities, regardless of value, should be reported to responsible supervisors.

(3) All employees have a responsibility to report improper behaviors that constitute ethical violations through appropriate channels. Our reporting and complaint channels include internal suggestion boxes, reporting and complaint hotlines, as well as feedback channels via email or our website. We ensure that employees are protected from unfair retaliation or mistreatment when reporting issues or participating in investigations.

(4) We received zero complaints and reports (including anonymous reports) related to ethical management in 2025.

(5) All employees are required to sign an "Employee Integrity Commitment Letter." We disseminate knowledge related to ethical management, reporting and complaint procedures, and our Code of Ethical Conduct to all employees from time to time; organize quizzes; publicize precautions our employees should be aware of when carrying out their duties; strengthen anti-corruption awareness, prevention measures, and implementations; and work to manage and prevent unethical behaviors from occurring.

(6) Each year, the Company distributed an educational letter to all employees and managerial officers, focusing on "Business Integrity, Insider Trading Prevention and Regulations for Handling Material Inside Information" at least once. This included discussions on the importance of integrity, insider trading guidelines, legal responsibilities, and material information regulations. In 2025, 125 individuals comprising executives and relevant staff completed training and achieved a 100% pass rate (the passing score is 80). Additionally, directors participated in an integrity training course annually, with all directors completing the course in 2025.

#### 2. Business partners:

(1) Before establishing business relations with distributors, suppliers, and other business parties, we first assess the legality and reasonableness of said business behaviors and check whether our transaction targets violated any ethical business practices or engaged in bribery or corruption in the past. When engaging in business activities, we expressly refuse direct or indirect provision, promise, request, or acceptance of any improper benefits in any form or name, and will cease transactions immediately upon discovering unethical behaviors, and they are required to sign an "Supplier Integrity Commitment Letter", which includes provisions related to integrity in business operations.

2) Our distributor contracts contain clear and reasonable stipulations of payment terms, and prohibit bribery, commission fees, kickbacks, gifts, and other matters involving improper benefits.

(3) When making purchases, we require suppliers to strictly comply with the "Supplier Code of Conduct", incorporate warnings label into purchase orders and require the signing of Integrity Commitments to reinforce trade secrets protection and anti-corruption policies. Suppliers that violate these policies are punished and removed from our supplier lists.

(4) No corruption incidents or violations of ethical management were incurred by our distributors or suppliers in 2025, and no corruption incident was incurred in which we terminate or discontinue agreements with business partners due to corruption-related

legal violations.

#### 3. Anti-corruption and ethical management risk assessments:

(1) Our corporate governance team conducts annual evaluations of business activities that involve high-risk unethical behaviors to ensure that our current internal regulations can effectively reduce corruption and ethical management risks. We have also formulated the program to forestall unethical conduct. Our evaluations for 2025 covered 100% of Grape King Bio's nine operating sites and determined our risk levels to be low; evaluation results were submitted to internal audit units to serve as a reference for formulating audit plans.

(2) Political donations can only be made in accordance with Political Donations Act and after the approval of company's "Verification Authority Form". Additionally, all donations are obtained with legal certificates and recorded in the accounting books for verification. The Company has no internal accounts or secret accounts. In 2025, political donations were NT\$ 0 and accounting for 0% of revenue.

(3) Grape King Bio established the "Anti-Corruption and Anti-Bribery Promotion Task Force," led by the Legal Department, responsible for overseeing the promotion, planning, and consulting across departments. They also evaluate system effectiveness, and reports to the Board of Directors at least once every six months.

Our company has implemented ISO 37001 and has conducted a total of 10 training sessions internally (including 2 sessions on operational process risk assessment, 2 sessions on employee position risk assessment, 2 sessions on internal audits, and 4 sessions for personnel in medium to high-risk positions). Participants were designated from 31 departments to serve on the promotion team. Our company intranet provides basic training videos, operational processes, and employee risk assessment form training videos for staff to reference at any time. Each employee is required to sign "Employee Code of Ethical Conduct," and directors must provide a "Statement of Compliance with Ethical Management Policies." Externally, we disclose our anti-corruption and anti-bribery policies in both Chinese and English version on our official website and announce these policies on the supplier platform. We also regularly conduct due diligence on suppliers to ensure that business partners understand the corporate culture of the group.

A total of procedural document revisions were completed in 2025, including 1 management system manual, 4 procedures, and 6 forms.

#### 4. Board oversight:

(1) Our corporate governance team regularly reports on anti-corruption and ethical management implementations to the Board. Implementations and promotions for 2025 were reported to the Board on January 23, 2026, to help the Board monitor corporate implementations related to anti-corruption, ethical management, and moral values. Our corporate governance team conducts annual reviews of related regulations to determine whether additions or revisions are necessary; these changes are implemented following approval by the Board.

(2) According to Article 10 of the "Corporate Governance Best Practice Principles," insiders who become aware of the contents of the Company's financial reports or relevant results, including but not limited to directors, are prohibited 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.

(3) We have established an internal audit unit with dedicated auditors under the Board of Directors. The Internal Audit Officer holds a CISA (Certified Information Systems Auditor) credential. The internal audit office conducts internal control audits in accordance with company regulations, reporting any identified non-compliance issues to the Audit Committee and the Board of Directors. It also assists both bodies in confirming the implementation of matters related to anti-corruption, ethical management, and moral values.

For more information, please refer to II, Corporate Governance Report, of the 2025 Annual Report.

## External Anti-Corruption Measures

In terms of supply chain management, if we discover personnel who accept improper benefits such as kickbacks during transactions and do not voluntarily report the same, suppliers involved in anti-corruption incidents will be penalized and removed from our supplier list. For serious violations, legal action will be brought against the employees and suppliers in question, who shall be jointly responsible for any penalties incurred under the Criminal Code of the Republic of China. We also add warnings on external purchase orders to strengthen dissemination of our human rights, environmental, and business ethics policies:

1. For suppliers with ongoing transactions, those classified as significant suppliers of Grape King Bio are based on procurement amounts, where the raw material transaction amount accounts for 80% of the total annual raw material procurement amount, and project suppliers (namely, non-raw material suppliers) with continuous transaction amounts exceeding NT\$ 1 million for two consecutive years.

A policy promotion questionnaire was sent to a total of 244 existing raw material suppliers, with 244 suppliers responding, resulting in a response rate of 100%.

- Regarding the promotion of trade secrets policies, the awareness rate is statistically recorded at 100%.
- Regarding the promotion of anti-corruption policies, the awareness rate is statistically recorded at nearly 95.59%.

For suppliers who are unclear about Grape King Bio's policies, individual promotions will be conducted to uphold the core value of supply chain integrity and build a consensus against corruption.

2. We also announce and promote our trade secrets and anti-corruption policies through our supplier intelligent management platform to strengthen trade secrets protection and anti corruption policies. No incidents of anti-corruption occurred in 2025. We have established a dedicated mailbox and hotline for anti-corruption to provide suppliers with a means to immediately report Grape King Bio employees who violate procurement guidelines, thereby ensuring protection of supplier interests.

## Grievance Reporting and Whistleblower System

We have established "Procedures of Whistle-blowing and Complaints" allowing both internal and external stakeholders (including suppliers and customers) to anonymously report grievances through dedicated mailboxes and hotlines. This system addresses issues such as bullying, discrimination, harassment, bribery (including gifts, kickbacks, entertainment), and corruption (including embezzlement, fraud, money laundering, insider trading), providing a mechanism for timely feedback to ensure the protection of stakeholder interests. To accommodate the needs of our foreign colleagues, we have also posted translations of relevant information on our bulletin board to enhance the effectiveness of awareness and communication.

Numbers of Whistleblowing and Complaint Cases in 2025:

	2025
Whistleblowing Cases (including corruption, bribery, fraud, money laundering, insider trading, and conflicts of interest)	0
Complaint Cases (including bullying, discrimination, and harassment)	0

Hotline for whistleblowing: (03)4572121 #1999  
 Mailbox for whistleblowing: companyopinion@grapeking.com.tw  
 Hotline for reporting complaints: (03)4572121 #1995  
 Mailbox for reporting complaints: employeeopinion@grapeking.com.tw



Note: Regardless of whether a report is submitted through the whistleblowing or complaints mailbox, all submissions will be sent to the department supervisor.

Procedures for reporting whistleblowing and complaints: Company managers, informant departments, and higher authorities are not allowed to take inappropriate action or retaliation against informants or their close associates. To prevent intentional or malicious reporting and anonymous discrediting, reports verified to be unsubstantiated will not be accepted, and those seeking to discredit others will be punished in accordance with corporate regulations. All reports and complaints are compiled and submitted to the CEO; cases can only be closed following approval by the CEO.

We added a clause related to Article 74 of the Labor Standards Act, Whistleblower Protection Clause, to our internal "Management Procedures for Rewards and Punishments" to clearly convey and effectively protect employee rights to submit reports and complaints.



## 1.3 Risk Management

Chief Legal Officer,  
Legal Department  
Ping-Chun, Tsui



*Grape King Bio strictly complies with the laws and regulations of all markets in which we operate and responds to the requirements of competent authorities with the utmost diligence to ensure the smooth operation of our business activities.*

### 1. Risk Governance Framework

Grape King Bio has established a risk management mechanism, with the Board of Directors serving as the highest management and decision-making body. In January 2021, the Board approved the "Risk Management Policies and Procedures" based on the corporate operational strategies and industry environment. Under the framework of the "Risk Management Policies and Procedures," management at all levels and employees jointly participate in and conduct regular risk assessments, risk identification, and risk handling activities to identify potential risks that may affect the business. Multiple international standards have been adopted as management tools to effectively implement risk management. Through audits and verifications in accordance with standard international risk management frameworks, we have obtained certifications for Food Safety Management (ISO 22000), Anti-bribery Management (ISO 37001), Information Security Management (ISO 27001), Environmental Management (ISO 14001), Occupational Health and Safety Management (ISO 45001), Energy Management (ISO 50001), Talent Quality-management System (TTQS), and Taiwan Intellectual Property Management System (TIPS).

To further optimize our risk management mechanism, the Board approved amendments to the "Risk Management Policies and Procedures" and formulated the "Risk Management Committee Charter" on November 12, 2025. The Risk Management Committee was established under the Board, convened, and chaired by an independent director. As a functional committee of the Board, it assists the Board in overseeing the operations and effectiveness of the overall risk management system.

The Risk Management Committee is responsible for reviewing our Risk Management Policies and Procedures, as well as the overall implementation of risk management and information security, and for designating personnel to report to the Board on a regular basis (at least once a year). Additionally, a Risk Management Team has been established under the Risk Management Committee as the unit responsible for promoting and executing our risk management initiatives, including the planning, implementation, and supervision of risk management-related affairs.

Concurrently, we clearly define the roles and responsibilities of each level in risk management in accordance with the Three Lines of Defense principle: The first line of defense consists of each business unit, which is responsible for the identification, analysis, assessment, response, and monitoring of risks within its respective units. The second line of defense consists of the risk management unit, primarily including the Risk Management Committee and the Risk Management Team described above, which is responsible for formulating risk management policies, procedures, and frameworks, and for monitoring and supporting the risk management process. The third line of defense is the Audit Office, which conducts internal audits independently and objectively to review the effectiveness of the first and second lines of defense and reports the results to the Board.

### 2. Major Risk Categories

To implement the risk management mechanism effectively, we conduct annual risk assessments, where each unit lists risks based on their likelihood and impact. The results are compiled into a "Risk Management Implementation Report" that is regularly submitted to the Board to ensure effective execution of risk control mechanisms. Considering the characteristics of the food biotechnology industry and the operational environment, the six major risk categories were identified and reported to the Board on November 12, 2025, as follows:

Risk projects	Accordingly	Risk projects	Accordingly
Financial risks	Risks arising from domestic and international macroeconomic conditions, industry changes, and other factors that may affect the corporate finances and operations, such as interest rates, foreign exchange, and credit risks.	Strategic risks	Risks related to business strategies, such as legal compliance, integrity management, product development and launch, as well as marketing and market risks.
Food safety risks	Risks arising from food safety issues during the company's R&D, manufacturing, processing, storage, transportation, or sales processes, which may harm consumer health or raise concerns, thereby resulting in negative impacts and losses for the company.	Climate change-related risks	Physical risks arising from extreme climate change and natural disasters that may damage factories or disrupt supply chains, as well as transition risks associated with carbon reduction policies, carbon fees, and energy price adjustments, which may lead to increased costs, financial pressures, and challenges in transitioning to a low-carbon economy.
Operational risks	Risks affecting the company's normal operations, including business continuity management, information security, customer rights, trade secrets, environmental health and safety, and talent recruitment and training.	Other risks	Risks not included in the above categories, including other emerging risks.

### 3. Risk Assessment Framework

Under our risk assessment framework, inherent risk is evaluated based on two dimensions: "likelihood of occurrence" and "degree of impact."

The level of "① likelihood of occurrence" is categorized into three grades, 1 to 3, ranging from low to high.

Level	Likelihood Score	Definition
High	3	Occurred within the past year, or shows clear warning signs and is likely to occur in the near term.
Medium	2	Occurs occasionally but with a noticeable probability; the likelihood can be reduced through control measures
Low	1	Has occurred very rarely or not at all in the past, and has an extremely low likelihood of occurring in the short term.

The "② level of impact" is likewise divided into three grades, 1 to 3, ranging from low to high.

Level	Likelihood Score	Definition
High	3	Causes severe impacts on financial performance and operations.
Medium	2	Impact is manageable but requires management intervention.
Low	1	Causes only a minor impact.

A "③ risk score" is calculated by multiplying these two dimensions, and risks are categorized into three levels based on the table below:

#### ③ Risk Level Scoring Criteria

③ Risk Score = ① Likelihood Score × ② Impact Score	Risk Level	Risk Level Score
6-9	High	3
3-5	Medium	2
1-2	Low	1

### Risk Matrix

Likelihood	1	2	3	Impact
3	Medium	High	High	
2	Low	Medium	High	
1	Low	Low	Medium	

Next, we take into account the "degree of control" over the risk to determine its "residual risk level". The "degree of control" is classified into Levels 1, 2, and 3, from low to high. This is then multiplied by the previously assessed risk level of Low (1), Medium (2), or High (3) to obtain the residual risk score. Finally, residual risks are classified into three levels based on the residual risk score, as shown in the table below.

### Residual Risk Level Table

Risk Level	Risk Score	Description	Control Strategy
High (3)	6-9	Requires priority management, may cause a material impact on operations.	Implement immediate corrective measures, closely monitor, and report to senior managers.
Medium (2)	3-5	Requires management and follow-up to prevent the issue from escalating.	Develop improvement plans and conduct regular follow-up.
Low (1)	1-2	Impact is manageable.	Incorporate into routine management.



### 4. Risk Management Operations

Our relevant responsible units conduct routine management of each risk based on their functional expertise. Through a comprehensive risk management mechanism, these risks are consolidated and regularly reviewed to ensure that material risks can be promptly identified and appropriately addressed. Our key response measures for each risk category in 2025 are summarized in the table below

Risk Item	Response Measures
Financial risk	I. Interest rate risks: Our company's interest rate risks stem mainly from changes in interest rates on bank loans. In 2025, our interest payments on bank loans accounted for 0.0001% of net profits before tax. Interest rate changes in 2025 had no significant impacts. II. Exchange rate risks: Exchange rate risks mainly encompass business receivables and payables in foreign currency. At present, we mainly focus on transactions and raw material purchases in local markets, and have few exports or imports, so impacts of exchange rate risks are relatively small. III. Credit risks: Credit risks mainly stem from inability to recover receivables. Grape King Bio categorizes clients according to financial conditions, past transactions, internal ratings and accounts receivable aging reports, where appropriate, collateral is collected to reduce credit risks from receivables.
Food safety risks	I. Food safety risks: Building upon our food safety management system, we have established the relevant management framework in accordance with ISO 22000 to implement food safety practices across the following aspects. Through the mechanisms of the Food Safety Team and relevant committees, we regularly review internal and external food safety risk issues and management effectiveness to ensure compliance with the latest regulatory requirements and most stakeholders' expectations regarding food safety. (1) Compliance with laws and regulations: We review raw materials and food additives in accordance with food safety regulations and internal control policies to ensure full legal compliance. Raw materials are inspected and undergo quality control processes after entering factories. The expiration dates and batch number of materials are controlled during the warehousing stage to prevent the use of expired or non-conforming materials and to ensure that process materials meet food safety and quality requirements. (2) Reduce external risks: We establish basic information and related quality records for suppliers and manufacturers and manage them through a system to serve as a reference for procurement and supplier management. In the event of a food safety incident, we can use the search function on our systems to quickly trace relevant batches and supply sources, enabling us to immediately clarify the situation and take necessary response measures. (3) Enhance internal management: We are establishing a comprehensive recordkeeping and management system for key information such as product manufacturing dates, expiry dates, production quality, and product inspections. This system enables the traceability of quality information for all raw materials used in each product, thereby strengthening internal controls and enhancing the efficiency of abnormal incident investigation and resolution. (4) Ensure food safety: We continue to strengthen three main axes based on the food safety management system: (i) hygiene regulations and training; (ii) product tracking and management; and (iii) product quality and inspections. Systematic management and regular reviews ensure the effective control of food safety risks. II. Procurement risks: To strengthen the management of raw materials, Grape King Bio implements a supplier evaluation and classification management system. All raw material suppliers must comply with the following specifications and undergo regular evaluations: (1) Raw materials suppliers must be legally registered in the government food manufacturer registry system. (2) Raw materials must be approved by our R&D and relevant departments. (3) Raw materials suppliers must provide comprehensive product information for analysis as well as comparison, and packaging and labels cannot be altered or replaced. (4) Raw materials imported from foreign countries must be equipped with licenses and imported in their original packaging. (5) Raw materials must be stored in accordance with regulations, and relevant licenses must be procured. (6) Evaluation procedures must be reimplemented upon the revision of relevant information for raw materials.

Risk Item	Response Measures
Food safety risks	<p>III. Supply chain risks: We track raw material traceability and have established supplier evaluation procedures that span from initial qualification reviews and sample selection to on-site supplier evaluations and annual quality tracking of supplied goods. We not only inspect raw materials but also compile basic information and relevant quality records for suppliers and manufacturers to serve as a reference when making purchases. We implement a two-supplier policy to ensure that we can make timely adjustments if supply becomes unstable and to guarantee smooth delivery of supplies.</p> <p>IV. R&amp;D and technology/innovation management: To address the needs of product and raw material innovation, we continue to strengthen R&amp;D process management and technology validation mechanisms, and establish technical evaluation and risk review procedures for products and raw materials. These measures ensure that new product development and material introduction comply with quality, safety, and regulatory requirements, thereby reducing R&amp;D failure and post-launch quality issues.</p>
Operational risks	<p>I. Business continuity management (BCM): We progressively implement business continuity management mechanisms by identifying critical operational processes and resources, and establishing risk assessment and response guidelines for operational disruptions. This approach enhances our response and recovery capabilities in the event of unexpected incidents, such as supply disruptions, system failures, or major incidents.</p> <p>II. Cybersecurity risk management: We have established information security policies and continue to maintain the validity of our ISO/IEC 27001:2013 certification. In 2025, no information security incidents occurred. (Please refer to 3.3.4 Information Security and Customer Privacy Protection)</p> <p>III. Customer rights risks: (1) We established an "Information Security and Personal Information Committee" and developed standard operating procedures (SOP) for major personal information incidents. We conducted a comprehensive review of information security measures and performed a thorough inventory of all information security processes for virtual channels that come into contact with customer personal information. We have implemented ISO 27701 for personal information inventory and risk assessment and continue to maintain the validity of our ISO/IEC 27001:2013 certification. (2) Comprehensive standard operating procedures targeted to food safety, quality control, and other issues relating to consumer interests have been established. We also conduct thorough reviews of individual cases and restrain our customer service staff accordingly to strengthen responses to abnormal events.</p> <p>IV. Risks related to trade secrets, patent rights and trademarks: In terms of trade secrets, we have established a trade secret classification and management mechanism and have strengthened our employee awareness of and compliance with trade secret protection through internal regulations and advocacy programs. This approach mitigates the risk of trade secret leaks, thereby safeguarding our key intangible assets and competitive advantages. With respect to patent and trademark rights, our chief legal officer coordinates intellectual property management. Through coordination with relevant functions, including legal, marketing, administration, human resources, information, and audit, intellectual property management mechanisms have been established to prevent unauthorized entities from infringing upon our patent and trademark rights. We have formulated relevant internal management plans and obtained the "Taiwan Intellectual Property Management System (TIPS) A-Class" certification in 2023. We also continue to maintain an inventory of patents and trademark rights, as well as monitor and respond to infringement risks, so as to reduce the impact of infringement disputes on business operations and corporate reputation.</p> <p>V. Occupational Health and Safety Risks: We implemented specific projects for material environmental issues and occupational health and safety management risks. Grape King Bio adopts the following six strategies: (1) Reduce hazard risks, (2) Implement environmental protection, (3) Fulfill compliance obligations, (4) Improve sustainable cycles, (5) Promote full employee participation, (6) Build friendly workplace environments. (Please refer to 4.5 Occupational Safety for details).</p>

Risk Item	Response Measures
Operational risks	<p>VI. Talent recruitment and training risks To promote the flow of talent within our organization, we provide multiple channels for development (such as overseas job opportunities, opportunities to execute critical projects, training, and a variety of other opportunities and platforms) while respecting the career development plans of our employees and the business needs of our company. We encourage our employees to realize their potential, learn new knowledge and skills, develop a broader outlook, and build connections by giving them cross-cultural and cross-domain learning opportunities. Apart from deployments due to organizational needs, employees can also apply for transfers in accordance with our recruitment and selection procedures. Following full communication and confirmation of employee willingness, transfers take effect upon approval by responsible supervisors. During their first three months, new employees have exclusive mentors who help them adapt to corporate environments and duties.</p> <p>VII. Human Rights Risks: Respecting human rights is a fundamental value of Grape King Bio. The company's actions regarding "Human Rights Risk Assessment and Management" are detailed in the section "4.1 Human Rights."</p>
Strategic risks	<p>I. Legal compliance risks: We have established the Legal Department and audit office to ensure the implementation of legal compliance and internal control systems, and our independent directors and Audit Committee are responsible for enhancing the Board effectiveness and implementing supervisory actions. We have also established clear and appropriate processes in all departments, including regular tracking of regulatory updates, implementations of self-assessments, education and training, and audits.</p> <p>II. Business Ethics: We have implemented the ISO 37001 anti-bribery management system, established the "Code of Ethical Conduct" and published the "Procedures for Investigation of Whistleblower Programmes" to regulate and appropriately handle whistleblower programmes. Implemented actions include the following: (1) Formulated the Code of Ethical Conduct and Procedures of Whistleblowing and Complaints. (2) Periodically collect stakeholder feedback and provide an anti-corruption hotline and complaint mailbox. (3) New employees are required to take anti-corruption courses and tests to verify their awareness of anti-corruption matters. (4) In terms of supply chain management, if we discover personnel who accept improper benefits such as kickbacks during transactions and do not voluntarily report the same, suppliers involved in corruption incidents will be penalized and removed from our supplier list. For serious violations, legal action will be brought against the employees and suppliers in question, who shall be jointly responsible for any penalties incurred under the Criminal Code of the Republic of China, with no leniency.</p> <p>III. Product development and launch risks - Internal: Product designs face risks of discrepancy or failure during on-site batch production trial runs. We used the following methods to reduce risks stemming from this problem: (1) Purchased testing equipment (for example texture analyzers) and established a product parameter database to confirm product parameters. (2) Conducted medium-scale trial runs in our laboratory to confirm product formulations, filling properties and applicability prior to on-site batch production trial runs. - External (sales related): After products are launched, we take the following actions in collaboration with our sales units to reduce risks of poor sales performance and product recalls: (1) Our sales units conduct comprehensive market surveys prior to product development to better understand market trends and consumer habits. (2) Our sales units continuously track market conditions upon product launches to understand changes in product trends and develop strategies for future product development.</p>

Strategic risks	<p>IV. Marketing and market risks: For image monitoring, we conduct round-the-clock monitoring of all media news and social media opinions, and compile monthly reports. In the event of news that may negatively impact the company's image, the handling process is as follows: Assess risk levels → Convene related units → Formulate Q&amp;As → Draft unified responses → Continue monitoring. We first assess the risks posed by the news, convene related units to clarify the details of the incident, establish basic Q&amp;As to address the public's inquiries, and issue unified statements to avoid confusion from ambiguous information. Following this, we continue to monitor related information.</p> <p>V. Advertisement risks: To prevent potential negative impacts from advertising materials, the following explains our advertising copy review mechanism: Our Legal Department collaborated with our IT Department to establish the "Review of Advertising Copy" section on the Enterprise Information Portal (EIP). This section not only provides internal training videos related to advertising copy but also includes the "Advertising Copy Violations List," which contains information such as penalized entities, product names, violation details, and penalty amounts based on advertising infractions issued by administrative authorities. The Legal Department regularly updates this database, allowing all units to stay informed about the latest standards for inappropriate words and phrases identified by administrative authorities when creating or reviewing advertising copy, thereby significantly reducing the risk of legal violations. Additionally, the BPM system includes the "QA011 Advertising Copy Review Request Form" to address issues related to the previous email-based review process and to expedite the review process across all units. This system displays feedback from all reviewing units to avoid significant discrepancies in the appropriate phrasing proposed by each unit. The advertising review requesting unit then revise the advertising copy by integrating the input from all reviewing parties.</p>
Climate Change related risks	<p>(Please refer to 6.1 Task Force on Climate-Related Financial Disclosures (TCFD) section for more information)</p>
Other risks	<p>We address external risks like geopolitics and pandemics through systematic risk inventory and impact assessments. Depending on the situation, we activate appropriate contingency measures to mitigate disruptions and ensure operational continuity.</p>

Additionally, our Audit Office formulates an annual audit plan for our overall operational processes based on risk assessment results. To ensure the effective implementation of the overall risk management mechanism, the office reports audit findings, suggestions, and follow-up improvements to the Audit Committee and the Board on a quarterly basis. In 2025, no material internal control deficiencies were identified in any quarter.

The year 2025 marked an important milestone in optimizing our risk management system. We successfully established the Risk Management Committee, adjusted the relevant organizational structure, and formulated a company-level risk classification framework and risk rating principles as a common basis for all units to conduct risk inventories and assessments. Looking ahead, we will continue to deepen our risk assessment and tracking procedures through the annual risk management cycle. By strengthening the depth of our management and oversight mechanisms for major risks, we aim to enhance the integration of risk management with corporate strategy, operational decision-making, and sustainability goals, thereby supporting long-term stability and sustainable growth.

## 1.4 Financial Performance

Grape King Bio builds upon sustainable and steady developments and emphasizes integration with stakeholders. Due to the efforts of all employees, Grape King Bio has won the recognition and confidence of stakeholders. We achieved stable consolidated revenues and profits over the past three years. In 2025, consolidated revenue reached NT\$10,251,607 thousand dollars, with an earnings per share (EPS) of NT\$8.22. The Company continues to reward shareholders through a stable dividend policy. Beginning in 2025, dividends are distributed on a semi-annual basis, enabling shareholders to share in the Company's operating results more promptly.

Consolidated financial information for the past three years are as follows:

### Consolidated financial information for 2025

Unit: Thousand NTD

Item	Basic Elements	2023	2024	2025
Direct Economic Value Generated	Revenue*	10,635,464	11,160,005	10,251,607
Distributed Economic Value	Operating costs*	2,099,450	2,502,450	2,554,797
	Employee salaries and benefits* (Note 1)	1,262,422	1,217,010	1,165,281
	Payment made to investors*(Note 2) (Dividends of the current year)	1,022,148	1,022,148	1,022,148
	Payments made to the government* (Note 3)	469,813	1,232,997	72,995
	Community investment (Note 4)	19,778	20,521	21,386
Retained Economic Value (Generated-Distributed)* (Note 5)		2,141,511	2,171,153	1,860,935

Note 1: Including bonuses, pensions, payments deducted from salaries on behalf of employees, and other personnel costs.

Note 2: This refers to the actual amount of dividends paid to shareholders.

Note 3: Paid income tax.

Note 4: Expenditures for donations to government institutions as well as other associations and community charity expenses. The amount includes the expenses of Tseng Shui Chao Welfare Charitable Foundation.

Note 5: Profits after tax for the current year.

Note 6: The financial statements for the year 2025 have been audited and certified by Deloitte.

Item	2023	2024	2025
Net profit after tax (thousand NTD)	2,141,511	2,171,153	1,860,935
Consolidated net profit margins	20.14%	19.45%	18.15%
R&D investment (thousand NTD)	289,545	291,906	274,655
Return on shareholder equity	18.81%	18.54%	15.60%
Distribution ratio for cash dividends	70.36%	70.55%	72.99%
Earnings per share(NTD)	9.81	9.78	8.22

Note: This refers to the cash dividend payout ratio of Grape King Bio.

## Tax Policies

Grape King Bio specifically established the "Tax Policy" and related tax management responsibilities, approved by the Board of Directors, to effectively implement tax governance in response to international trends, adhering to tax regulations, and ensuring corporate sustainable development. The Board of Directors is the highest authority for tax policies, responsible for approving tax policies to ensure their effective implementation.

### I. Legal Compliance

Adhere to the tax laws and regulations of the respective countries where each operational site is located, timely settle tax obligations, and fulfill the social responsibility of taxpayers.

### II. Avoidance of Inappropriate Tax Planning

Carefully evaluate various investment structures and transaction models to align with economic substance and legitimate business purposes, refraining from engaging in improper tax arrangements.

### III. Related Party Transactions

Adhere to the transfer pricing regulations published by the Organization for Economic Co-operation and Development (OECD) to ensure that related party transactions comply with standard practices and transfer pricing legal requirements.

### IV. Tax Risk Assessment

Consider tax implications for significant transaction decisions and day-to-day operational activities. Prudently evaluate and apply various tax regulations, tax incentives, and agreements for tax planning in compliance with regulations.

### V. Information Transparency

Comply with relevant regulations and guidelines for tax disclosure, and regularly disclose tax information through public channels to ensure tax transparency.

### VI. Relationship with Tax Authorities

Establish a relationship of mutual respect and good interaction with tax authorities based on the principles of mutual trust and legal compliance.

### VII. Competency Development

Tax dedicated personnel should continuously enhance their professional competence through education, training, specialized research, or participation in tax seminars.

The income tax expenses for the past three years are as follows:  
Our company and its subsidiaries adhere to local regulations when paying various taxes annually. Given that over 90 percent of the group's overall profits are derived from Taiwan, the effective tax rate for both our company and its subsidiaries (as reflected in the consolidated financial statements of the group) closely approximates Taiwan's statutory tax rate of 20%

Unit: Thousand NTD

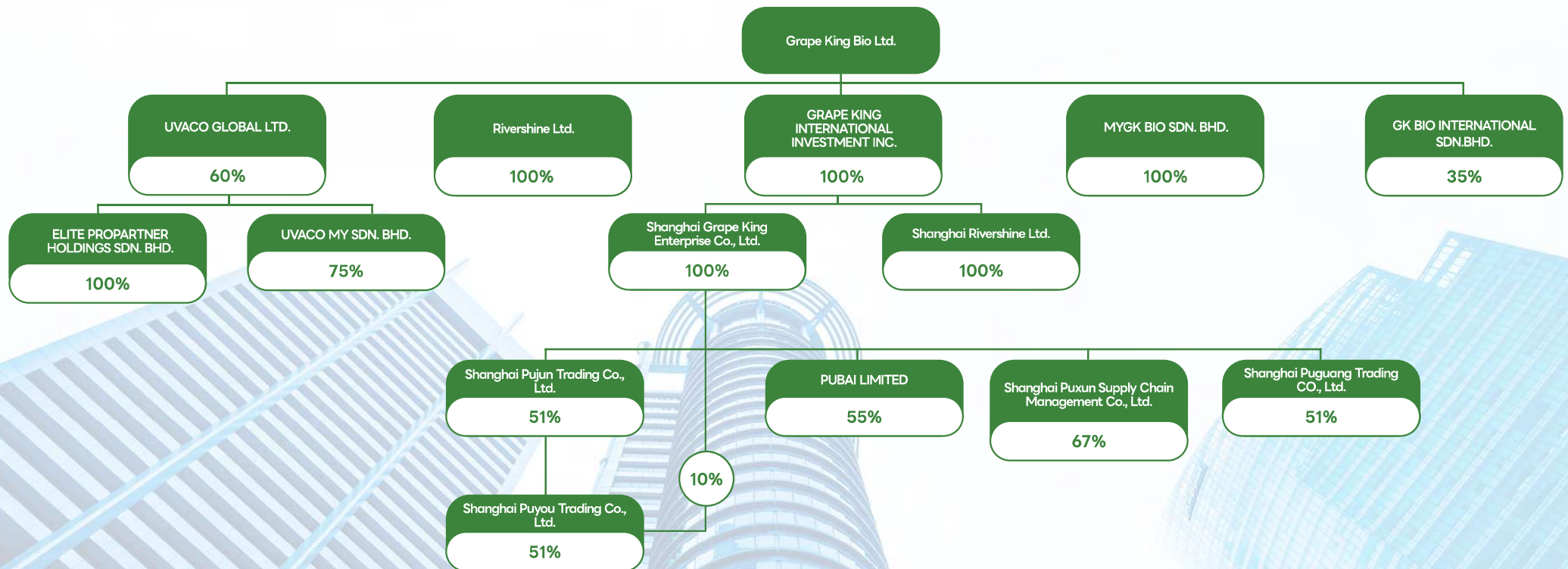
Item	2023	2024	2025
Net profit before tax	2,660,620	2,673,305	2,297,700
Income tax expense	519,109	502,152	436,765
Effective tax rate%	19.51%	18.78%	19.01%



## Subsidiaries and Affiliates

Grape King Bio and its subsidiaries are mainly engaged in the manufacturing and sales of beverages and health foods. Our comprehensive industry value chain encompasses upstream development of key raw materials (such as lactic acid bacteria, Ganoderma, and Antrodia cinnamomea mycelium); midstream formulations and packaging; to downstream sales through private channels and brand stores, as well as domestic and overseas ODM services.

In terms of operational models, Grape King Bio uses diverse distribution and multi-level marketing channels to promote high-quality products to a wider range of users and to achieve our corporate mission of being "Live Healthy, Think Grape King." Of our NT\$10,251,607 thousand dollars revenues in 2025, NT\$7,876,067 thousand dollars were sourced from multi-level marketing channels.



## 1.5 Legal Compliance

Management Approach	Key issue-Legal compliance	
Policies	Grape King Bio reviews all company operating procedures based on the highest standards available and implements corporate governance and food safety standards through third-party verification at irregular intervals. We constantly pay attention to the latest legal trends and adjust our actions accordingly.	
Commitments	"Ethics and integrity" are our commitment to society. We maintain a good corporate image, ensure smooth business activities, and reduce our violation risks to avoid affecting normal operations.	
Targets	Short-term	Implement legal compliance control system and reduce risk of legal violations. We incorporated third-party verifications to ensure compliance with national standards.
	Mid-term	Promote relevant laws and regulations and help relevant personnel understand legal requirements.
	Long-term	Continue to conduct in-depth understanding of other national laws and regulations to perform risk control according to company size and business needs.
Responsibilities	Cooperative entities: Quality Assurance Department-Food safety incidents Marketing Division-Media events Business Unit-Consumers and channels Human Resource Department-Labor-management disputes	
Resources	<ol style="list-style-type: none"> <li>Collaborated with the IT Department to establish the "trade secrets registration system."</li> <li>Organized education and training on legal compliance or awareness based on company's needs.</li> <li>Established a working group to implement the Taiwan Intellectual Property Management System (TIPS) and participate in the certification process.</li> <li>Conducted annual personal data inventory and risk assessment tasks.</li> </ol>	
Specific performance	<ol style="list-style-type: none"> <li>Renewed the Taiwan Intellectual Property Management System (TIPS) A-Class Certification in 2024, with the certificate remaining valid through the end of 2026.</li> <li>Conducted training sessions related to the overview of intellectual property rights, the introduction to the corporate intellectual property regulations, the Trademark Act, as well as the introduction to personal information and corporate confidentiality systems.</li> <li>Conducted an inventory and risk assessment of critical and substantial personal data stored across a total of 8 units.</li> </ol>	

All documents related to legal disputes are managed by our Legal Department, which works with all departments to establish clear and appropriate regulations, regularly update regulations, conduct self-assessments of implementations, audit training and execute other action plans. We actively implement our Code of Ethical Conduct. The employment contract signed by employees of the company upon joining Grape King Bio has stipulated ethical conduct, the prevention of anti-corruption behaviors and the prohibition of actions that may be detrimental to the company. These provisions are reiterated on employee termination forms. Apart from employment contracts, all our employees are also required to sign a confidentiality contract to reinforce the importance of trade secrets and ensure that our employees understand their obligations. Additionally, our colleagues in the Legal Department continued to attend legal compliance courses. In line with our business and management needs, the Legal Department also organized various compliance training programs for internal employees. These included a training session on "Introduction to Intellectual Property Rights and Corporate Intellectual Property Regulations" for new employees; a course on "Basic Intellectual Property Education" for TIPS-responsible units; a course on "Proper Use and Legal Protection of Trademarks" for the marketing planning, product planning, OEM as well as overseas business, virtual channel, and physical channel departments; and a training session on "Introduction to Personal Information and Corporate Confidentiality Systems" for the direct sales and finished goods logistics units. In terms of intellectual property rights, our Legal Department conducts routine searches, analyses, defenses, registrations and applications, maintenance, management, and strategic positioning of domestic and foreign trademarks and patents, as well as periodic internal dissemination meetings or training sessions on trade secrets. To maintain our Taiwan Intellectual Property Management System (TIPS) A-Class certification renewed in 2024 and ensure effective intellectual property management, we not only provided routine training sessions to responsible units but also reviewed and supplemented the procedures and forms related to intellectual property. A total of 11 procedural documents were amended, followed by the completion of internal audits and corrective actions for intellectual property management. Externally, we require our sales and marketing personnel to provide image sources, patent information, and trademark authorization basis when submitting copies for review to prevent infringement upon others' intellectual property rights and portrait rights. We formulated the "Trademark Management Procedures" to govern corporate trademark management. These Procedures were revised to align with trademark usage review practices, approved and released by our document control center on September 8, 2025. Trademark management includes the following:

- Before submitting applications: Requesting units should submit an application, followed by the Legal Department providing suggestions after performing searches and analyses to ensure compliance with trademark identification standards. For raw material trademarks, our Biotech Research Institute, Legal

Department, marketing planning section, and product planning section engage in interdepartmental communication before proceeding with the application.

- When submitting applications:

(1) Domestic trademarks: Our electronic application system enables the Legal Department to submit applications for Taiwanese trademarks directly to the Intellectual Property Office. In 2025, our Legal Department submitted a total of 8 trademark applications. Subsequent payments, corrections, and certificate collection procedures are also handled by the Legal Department, which greatly reduced service fees paid to commissioned firms.

(2) Overseas trademarks: Applications, payments, corrections, and certificate collection procedures are all handled by commissioned firms.

- After submitting applications: Apart from the management of established lists, we incorporated trademark usage status in our databases to ensure that such use is for marketing purposes as prescribed under the Trademark Act. We also collect and inventory evidence of trademark use to prevent revocation of trademark on the grounds of non-use for a continuous period of three years by a third party. Following the implementation of TIPS, we implemented the filling out and record-keeping of relevant forms for procedures prior to trademark authorization applications and infringement reporting. Additionally, to enhance the review process for trademark usage, we incorporated an intellectual property review column into our "Design Requirement Form" for corporate designs, with our Legal Department responsible for overseeing the review. This initiative aims to mitigate the risk of trademark infringement and to protect the company's trademark rights. For protection of personal data and privacy rights, we have formulated and published the "Personal Data Protection Policy," and used the EIP system to communicate these policies to all employees. We also update our corporate website, Health and Vitality Power Center, and the privacy rights policies on our Grape King online store according to the changes in the laws and regulations. The "[Contact Us](#)" page on our website includes categories related to privacy rights policies so we can properly handle the concerns of our consumers or website users. For departments handling substantial and sensitive personal data, we have conducted a comprehensive inventory and risk assessment of personal data annually, developed risk management plans for high-risk personal data files based on the assessment results, and implemented relevant improvement measures to enhance personal data protection. In terms of responsible product labeling and advertising, we conduct reviews to determine whether they violate food regulations through internal system forms, aiming to implement active improvements and achieve zero violations. For notices issued by health authorities, the Legal Department is responsible for gathering relevant information, drafting a statement of opinion, requiring responsible units to revise or replace any content suspected of regulatory violations, and then evaluating whether to file an appeal or administrative litigation or propose improvement measures based on the authorities' administrative

rulings. If the authorities request a hearing, this is attended by members of our Legal Department and personnel from the relevant responsible units. For other regulatory-related documents, the respective departments determine whether it is necessary to request the Legal Department to file an appeal. Each incident is discussed during management meetings to identify required follow-up improvements, which are then consolidated into a final closing report. We gradually promoted awareness of legal concepts. As of the end of 2025, we incurred one violation of the Labor Insurance Act, one violation of the Labor Pension Act, one violation of the Regulations for the Occupational Safety and Health Equipment and Measures, and one violation of the Air Pollution Control Act, but incurred no major penalties from administrative authorities exceeding NT\$1 million.

### Handling process for legal cases:



### Legal Compliance Status in 2025

Category	Number of Incidents	Amount of Fine(NT\$)	Legal Basis	Violation Details in 2025	Subsequent Improvements
Human Rights	1	57,024	In violation of Paragraph 2, Article 14 of the Labor Insurance Act	Failure to accurately report workers' insured salaries.	We review all employee salaries and report their monthly insured salaries and monthly pension contribution wages by the statutory adjustment deadlines (the end of February and August annually) in compliance with the law.
	1	5,000	In violation of Paragraph 2, Article 15 of the Labor Pension Act	Failure to report and adjust workers' monthly contribution wages of labor pension in accordance with regulations.	
Occupational Safety	1	100,000	In violation of Paragraph 1, Article 6 of the Occupational Safety and Health Act	Failure to install protective equipment (such as shields, fences, or interlocked safety doors) for pinch hazards on the material feeders of the automated capsule lines.	<ol style="list-style-type: none"> <li>Emergency stop devices were added next to the mobile platform in January 2025, and transparent acrylic barriers were installed in the operating area in March of the same year.</li> <li>In January 2025, interlocking safety light curtains were installed on the platform, and warning signs were posted prohibiting personnel from entering the operating area while the machine is in operation.</li> </ol>
Air Pollution Control	1	100,000	In violation of Paragraph 3, Article 22 of the Air Pollution Control Act and Article 3 of the Regulations of Regular Analysis on Its Own or by Commission and Reporting Management for Stationary Pollution Sources	Failure to conduct periodic inspections and reporting for stationary pollution sources.	The inspection was completed on April 7, 2025, and the inspection report was submitted on April 21, 2025.