

Common Stock  
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生達化學製藥股份有限公司  
STANDARD CHEM. & PHARM. CO., LTD.

# 2025 Annual Report



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The Annual Report is available at :

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<http://mops.twse.com.tw>

Standard Chem & Pharm Co., Ltd. Website :

<http://www.standard.com.tw>

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None

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# I. Letter to Shareholders

## 1. Operating Results for Previous Year

### (1) Implementation Results of Last Year's Business Plan

For the year 2025, the Company's consolidated net revenue amounted to NT\$7,023,025 thousand, representing an increase of approximately 3.4% compared with 2024. Among the Company's principal product categories, net revenue from human pharmaceutical products amounted to NT\$3,214,939 thousand, accounting for 45.8% of total net revenue; net revenue from health food products amounted to NT\$2,210,105 thousand, accounting for 31.5% of total net revenue; net revenue from synthetic active pharmaceutical ingredients (APIs) amounted to NT\$1,321,126 thousand, accounting for 18.8% of total net revenue; and net revenue from other products amounted to NT\$276,855 thousand, accounting for 3.9% of total net revenue.

Consolidated gross profit amounted to NT\$2,908,809 thousand, representing a decrease of approximately 2.7% from the previous year, primarily due to changes in product mix and production capacity adjustments. Consolidated operating profit amounted to NT\$1,362,792 thousand, representing a decrease of approximately 2.4% from the previous year, mainly attributable to the decline in gross profit. Although operating expenses decreased by 2.9% from the previous year, the reduction was not sufficient to offset the impact of the decrease in gross profit, resulting in an overall decline in operating profit..

Consolidated non-operating income and expenses amounted to NT\$151,084 thousand, representing a decrease of approximately 34.6% from the previous year, mainly due to an increase in foreign exchange losses resulting from exchange rate fluctuations.

In summary, net income for the year 2025 amounted to NT\$1,255,529 thousand, representing a decrease of approximately 3.0% from 2024. Earnings per share for 2025 were NT\$5.19, representing an increase of 5.3% from 2024.

### (2) Status of Budget Execution

Unit: NT\$ thousand

Item	2025 Budget	2025 Actual Amount	Budget Achievement %
Operating Revenue	7,193,592	7,023,025	97.6%
Operating Costs	4,216,113	4,114,216	97.6%
Net operating Margin	2,977,479	2,908,809	97.7%
Operating Expenses	1,613,462	1,546,017	95.8%
Operating Profit	1,364,017	1,362,792	99.9%
Profit before Income Tax	1,453,341	1,513,876	104.2%

### (3) Financial Balance and Profitability Analysis

#### A. Financial Balance

Unit: NT\$ thousand

Item	Amount
Operating Revenue	7,023,025
Net Operating Margin	2,908,809
Operating Profit	1,362,792
Interest Income	29,040
Interest Expense	8,448
Profit Before Income tax	1,513,876
Profit For the Year	1,255,529
Basic Earnings Per Share (NT\$)	5.19

#### B. Profitability Analysis

Item	Ratio (%)	
Return on Assets	10.99	
Return on Equity	13.75	
Ratio to Paid-in Capital	Operating Profit	76.26
	Profit Before Income tax	84.72
Net Profit Ratio	17.88	
Basic Earnings Per Share (NT\$)	5.19	

### (4) Research and Development Status

The Group's research expenditure in 2025 was about NT\$260 million, and R&D expenses account for about 4% of the total revenue. Most of the research technologies are self-developed, and every year there are new products to apply for drug licenses. In addition to domestic R&D items, more emphasis is placed on the R&D of internationalized items. The development results are summarized as follows:

- A. Domestic Western Medicine Preparations: 7 items were submitted for inspection and registration, and 7 items of certificates were completed.
- B. International Western Medicine Preparations: 5 items were submitted for inspection and registration, and 8 items of certificates were completed.
- C. Food Products: 5 registration applications were submitted, 4 licenses were obtained, and 1 certification was obtained.
- D. New Products Launched into Mass Production and Commercialized: 4 pharmaceutical products and 9 food products were successfully launched.
- E. BA/BE Studies: 3 BA/BE study applications were submitted, and 5 were approved.

In addition to the research on the original preparations and raw materials, the research on health supplements is also strengthened.

## 2. Overview of the Annual Business Plan

### (1) Operating Principle for This Year

The Company focuses on the development of western medicine, leveraging the integration of upstream and downstream industries within the group to develop niche, distinctive, and differentiated branded products to establish a global marketing network. We actively expand markets such as the United States, Japan, China, and Southeast Asia, aiming to become a world-class leading pharmaceutical manufacturer. The operating principle for this year is as follows:

- A. Keep expanding the investment in the R&D of the product portfolio.
- B. Develop core technologies and focus on the development of distinctive generic drugs.
- C. Actively expand the international business and allocate more resources to overseas operations.

- D. Strengthen raw material procurement and inventory control, maintain production and supply coordination flexibility, and ensure stable production and supply.
- E. Act as a distributor for new drugs or niche products from original manufacturers in the Taiwan market.
- F. Actively expand business in the National Health Insurance contracted pharmacies and market of over-the-counter (OTC) self-paid drugs and health supplements.
- G. Expand horizontally within the group, strengthen alliances with business counterparts, and enhance the competitiveness of the group.
- H. Actively paying attention to the latest technological tools, utilizing AI assistance to simplify, optimize, and enhance the efficiency of daily operations.

## (2) Expected Sales Quantity and Basis

### A. Expected Sales Quantity in 2026

Category	Item	Unit	Quantity
Human Medicine	Tablet	Thousand pieces	1,693,562
	Injection	Thousand units	10,056
	Capsule	Thousand pieces	249,440
	Liquid	Liter	847,196
	Others	-	5,370
Health supplements		-	3,998,373
Others		-	307,939

- B. Based on past sales data, considering anticipated changes in market demand and company objectives, a reasonable sales forecast is made.

## (3) Key Production and Marketing Policies

- A. Continuously strengthen the production quality system and compliance with regulations in every country.
- B. Enhance coordination among research, production, and sales, and hold regular coordination meetings to improve product sales and production matters.
- C. Strengthen coordination between suppliers and manufacturing plants, and integrate production activities between upstream and downstream to reduce production and sales costs.
- D. Expand production lines, upgrade outdated production equipment, establish new finished goods warehouses, and other production support systems to strengthen manufacturing capabilities.
- E. Focus on mass production of core technologies, and improve product quality and yield.

## 3. The Future Development Strategy of the Company

Dedicate to the development of special dosage forms, new products, and new drug administration systems, integrating resources from Taiwan's biopharmaceutical industry. Adopt an international operating model and collaborate with strategic alliance partners overseas to look for niche products of new branded drugs, aiming to reduce R&D costs and shorten the product development period. Develop the internationalization foundation of Taiwan's pharmaceutical industry and enter the global new generic drugs market.

- (1) Develop generic drugs with niche, differentiation, and potential internationally.
- (2) Control over the supply chain of APIs and upstream/downstream suppliers.
- (3) Balance production and marketing-oriented strategies.
- (4) Improve continuously by providing better products, superior technology, and updated services.
- (5) Utilize international cooperation strategies to enhance competitiveness.
- (6) Improve the quality system and accelerate international market expansion consistently.

## 4. Affected by the External Competitive Environment, Regulatory Environment and

### Overall Business Environment

#### (1) Impact of the External Competitive Environment

According to the 2025 Biotechnology Industry White Paper published by the Ministry of Economic Affairs and the latest survey report by IQVIA, the global pharmaceutical market reached approximately USD 1.74 trillion in 2024, representing a growth of about 8.90% compared to USD 1.60 trillion in 2023. Among this, advanced countries accounted for USD 1,421.5 billion, representing 81.23% of the global pharmaceutical market. The top ten advanced countries—the United States, Germany, France, the United Kingdom, Italy, Spain, Japan, Canada, Australia, and South Korea—collectively reached a market size of USD 1,194.5 billion in 2024, accounting for 68.26% of the global pharmaceutical market. This

reflects an increase from 67.31% in 2023, indicating a continuing upward trend. In contrast, emerging pharmaceutical markets, primarily comprising China, Brazil, India, and Russia, reached a market size of USD 312.2 billion in 2024, with their share declining to 17.84% of the global pharmaceutical market. Low-income countries accounted for a pharmaceutical market size of USD 16.1 billion, representing only 0.92% of the global total.



Overview of the Global Pharmaceutical Market Development

Source : Global Use of Medicines Outlook through 2029, IQVIA, June 2025

#### Global Pharmaceutical Sales Distribution by Region in 2024

By Region	Sales in 2024	CAGR (2020–2024)	Estimated Sales in 2029	CAGR (2025–2029)
Developed Countries	14,215	8.2	19,450-19,750	5.5-8.5
Top 10 Developed Countries	11,945	8.2	16,350-16,650	5-8
Emerging Pharmaceutical Markets	3,122	6.0	3,750-4,050	3.5-6.5
Low-Income Countries	161	1.0	180-220	2-5
Total	17,498	7.7	23,550-23,850	5-8

Note : CAGR( Compound Annual Growth Rate )

Source : Global Use of Medicines Outlook through 2029, IQVIA, June 2025.

In 2024, the top three global therapeutic categories were oncology, metabolic diseases, and immunological diseases, each with sales exceeding USD 100 billion. Among them, oncology drugs recorded sales of USD 232.388 billion and are projected to reach USD 426.839 billion by 2030, with a CAGR of 11.1% from 2023 to 2030, indicating that cancer remains a major global disease area. The second largest category is metabolic disease treatments, including diabetes, hyperglycemia, and obesity, with global sales reaching USD 125.036 billion and projected to grow to USD 224.548 billion by 2030. The CAGR for 2023 to 2030 is expected to reach 14.1%, the highest among the top ten therapeutic areas. In addition, therapeutic areas such as gastrointestinal drugs, ophthalmology drugs, central nervous system drugs, and hematology drugs are also expected to achieve CAGRs exceeding 10%.

## Top 10 Therapeutic Drug Categories Worldwide in 2024<sup>41</sup>

Unit: USD 100 million

Rank	Therapeutic area	Sales Revenue in 2024	Forecasted sales revenue in 2030	2023-2030 CAGR
1	Oncologics(癌症用藥)	2,323.88	4,268.39	11.1
2	Metabolic Disorders (代謝疾病用藥)	1,250.36	2,245.48	14.1
3	Immunology(免疫疾病用藥)	1,000.56	1,472.22	5.5
4	Infectious diseases(傳染性疾病用藥)	863.26	1,073.85	1.9
5	Central Nervous System(中樞神經系統用藥)	811.61	1,543.56	10.4
6	Cardiovascular(心血管疾病用藥)	608.73	579.26	0.3
7	Respiratory(呼吸系統用藥)	499.48	650.53	4.9
8	Hematological Disorders(血液疾病用藥)	304.95	563.32	10.4
9	Ophthalmology (眼科疾病用藥)	213.37	406.12	11.6
10	Gastrointestinal(腸胃道系統用藥)	182.66	388.57	13.2

Source: GlobalData, May 2025<sup>42</sup>

The international pharmaceutical market is highly competitive. As patents for originator drugs expire, they face increasing competition from generic drugs, resulting in rapid margin erosion. Major global pharmaceutical companies sustain their growth momentum through mergers and acquisitions and licensing strategies, enabling them to expand rapidly into emerging markets and enhance their R&D capabilities. Going forward, the industry is expected to exhibit a trend in which leading players continue to strengthen their dominance. To enhance their competitiveness, Taiwanese pharmaceutical companies not only invest in research and development, but also adopt strategies such as investments and technological collaborations to build up their technological capabilities and expand into overseas markets.

Amid the continued growth and structural transformation of the global pharmaceutical market, external competition faced by generic drug manufacturers has evolved from pure price competition to comprehensive competition encompassing quality, regulatory compliance, and market strategy. Developed markets emphasize high quality and regulatory compliance, while emerging markets prioritize affordability and accessibility. In addition, the concentration of major therapeutic areas in chronic diseases has intensified market competition. As a result, companies are required to pursue differentiation and develop high-value, technology-driven products to enhance their competitive advantage.

Meanwhile, supply chain resilience has become a critical competitive factor. In the face of uncertainties such as pandemics and geopolitical developments, countries are placing increasing importance on the stable supply of essential medicines. Generic drug manufacturers must strengthen the diversification of raw material sources, enhance the robustness of manufacturing processes, and improve supply chain responsiveness to ensure stable supply and consistent quality in a volatile environment.

Overall, the industry is shifting toward a competition model centered on “value” and “supply reliability.” Companies with strong capabilities in high-quality manufacturing and resilient supply chains will be able to build long-term trust and gain a competitive advantage in the market. Supply chain resilience is not only a capability, but also a commitment to patients and society.

## (2) Impact of the Regulatory Environment

The pharmaceutical industry is a highly regulated, licensed sector, with strict oversight across all stages from research and development to manufacturing and sales. Pharmaceutical manufacturers are required to comply with internationally aligned PIC/S GMP standards to ensure the integrity of manufacturing processes and quality systems. In addition, raw material sources must be supported by GMP-compliant quality documentation to ensure supply chain traceability and stability. Prior to market entry, pharmaceutical products must obtain marketing authorization from the competent authorities, resulting in high regulatory barriers as well as relatively high costs and complexity in both market entry and maintenance.

In the domestic market, pharmaceutical sales and reimbursement are significantly influenced by the National Health Insurance (NHI) system. The use of pharmaceuticals in medical institutions and reimbursement applications must comply with the “NHI Pharmaceutical Benefits and Reimbursement Scheme.” Accordingly, pharmaceutical companies must closely align their product development and commercialization strategies with reimbursement policies and drug pricing mechanisms. Meanwhile, long-standing government policies on drug price surveys and price reductions, along with the exclusion of certain indicated drugs from reimbursement, and constraints on medical institutions due to global budget controls and outpatient volume management, have placed pressure on domestic market growth. Nevertheless, driven by an aging population and increasing healthcare demand, the overall healthcare market and self-paid pharmaceutical segment continue to exhibit steady growth.

With respect to international market expansion, in addition to passing inspections by domestic regulatory authorities, pharmaceutical manufacturers must also comply with the regulatory requirements of target markets and undergo GMP inspections by local health authorities. Obtaining multi-country GMP certifications not only enhances product credibility in terms of quality but also facilitates export expansion and strengthens international competitiveness. Currently, Taiwan’s pharmaceutical industry has fully adopted the PIC/S GMP system. According to data from the Ministry of Health and Welfare, as of March 2026, there are approximately 143 GMP-compliant finished dosage form manufacturers and 31 API manufacturers, indicating that the overall industry quality system has reached international standards.

In summary, the regulatory environment has a dual impact on the generic pharmaceutical industry. On one hand, it raises entry barriers and compresses pricing flexibility; on the other hand, it promotes quality enhancement and industry structural optimization. For enterprises, continuously strengthening regulatory compliance, quality systems, and international certification capabilities is not only a fundamental requirement but also a critical foundation for enhancing market competitiveness and expanding global presence.

### (3) Impact of the Regulatory Environment

Amid ongoing changes in the global macroeconomic environment, the generic pharmaceutical industry is undergoing structural transformation. From a demographic perspective, declining birth rates and accelerated population aging in developed countries, together with continued population growth in emerging markets, are driving a sustained increase in healthcare demand—particularly for medications related to age-associated chronic diseases. While this trend provides stable growth momentum for the industry, it also intensifies pressure on healthcare expenditures across countries, prompting governments to place greater emphasis on cost-effectiveness and resource allocation, thereby enhancing the role of generic drugs within healthcare systems.

In addition, recent pandemics and geopolitical risks have led countries to reassess the positioning of their healthcare industries. The previously efficiency-driven global supply chain model is gradually shifting toward a more localized approach that balances security and stability. Policies such as “domestic production for domestic use” and the establishment of self-sufficient supply for critical medicines have become key strategic directions, driving supply chain restructuring and regulatory adjustments. Under this trend, pharmaceutical companies with localized manufacturing capabilities and stable supply chains are likely to benefit from stronger policy support and competitive advantages.

From a policy perspective, governments are actively promoting industry upgrading through regulatory frameworks and incentives. For example, Taiwan’s Legislative Yuan passed the Statute for Industrial Innovation in Biotechnology and Pharmaceutical Industries in 2021, expanding the scope of incentives to include new dosage forms, regenerative medicine, precision medicine, and digital health, as well as contract development and manufacturing organizations (CDMOs). Through mechanisms such as tax credits for R&D, equipment, and investment, these policies aim to attract capital and talent into the sector. Such initiatives help strengthen technological capabilities, promote manufacturing upgrades and innovation, and enhance overall international competitiveness.

Overall, the generic pharmaceutical industry is at a critical juncture shaped by growing demand, policy support, and supply chain restructuring. Companies that can capitalize on demographic-driven market opportunities, while leveraging policy resources to strengthen technological capabilities and supply chain resilience, will be better positioned to gain a competitive edge and drive the industry toward higher value-added and sustainable development.

## II. Corporate Governance Report

### 1. Information Regarding Directors, Supervisors, General Managers, Deputy General Managers, Assistant Managers, Heads of Departments and Branches

#### (1) Directors and Supervisors

##### A. List of Directors

Date of Data: March 31, 2026

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term (year)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who Are Spouses or Within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Tzu-Ting Fan	Male 61~70	June 20,2024	3	May 30,2006	11,766,604	6.58	11,766,604	6.58	9,124,669	5.10	-	-	MS in Computer Science, University of California, USA General Manager of SCPC	Note 1	Director Director	Chin-Tsai Fan Tsuey Wen Yeh	Father Spouse	Note 9
Director	ROC	Fan Dao Nan Foundation	-	June 20,2024	3	May 28,1997	5,523,881	3.09	5,623,881	3.14	-	-	-	-	-	-	None	None	None	
		Representative: Chin-Tsai Fan	Male 81~90	June 20,2024	3	June 30,1967	20,636,813	11.55	20,086,813	11.24	14,584,781	8.16	-	-	Department of Pharmacy, National Taiwan University Chairman of SCPC	-	Chairman Director	Tzu-Ting, Fan Tsuey-Wen, Yeh	Son Father-in-law	
Director	ROC	Yuan-Teh Lee	Male 81~90	June 20,2024	3	June 06,2012	-	-	-	-	-	-	-	-	Bachelor of Medicine, National Taiwan University School of Medicine Doctor of Medicine, Tokyo Medical University, Japan Clinical Fellow in Cardiology, University of Washington Hospital, Seattle, USA President of National Taiwan University Hospital	Note 2	None	None	None	

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term (year)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who Are Spouses or Within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Tsuey-Wen Yeh	Female 61~70	June 20,2024	3	May 29,2002	9,124,669	5.10	9,124,669	5.10	11,766,604	6.58	-	-	Department of Accounting, Shih Chien University Supervisor of SCPC	Note 3	Director Chairman	Chin-Tsai, Fan Tzu-Ting, Fan	Father-in-Law Spouse	
Director	ROC	Wen-Jang Lin	Male 71~80	June 20,2024	3	June 20,2023	93,286	0.10	93,286	0.10	-	-	-	-	Chin-Yi Technical Vocational Junior College of Chemical Engineering Vice President of SCPC	Note 4	None	None	None	
Independent Director	ROC	Hwei-Jiung Wang	Male 71~80	June 20,2024	3	June 20,2018	-	-	-	-	-	-	-	-	PhD in Chemistry, University of Illinois at Urbana Champaign Academician of Academia Sinica/Winner of the 2017 Presidential Science Award Vice President of Academia Sinica Distinguished Researcher and Guest Lecture, Institute of Biochemistry, Academia Sinica	Note 5	None	None	None	
Independent Director	ROC	Shao-Zong Liu	Male 71~80	June 20,2024	3	August 24,2021	-	-	-	-	-	-	-	-	PhD in Electrical Engineering, University of California, Irvine Chairman and General Manager of Advanced Analog Technology	Note 6	None	None	None	
Independent Director	USA	Lawrence C. Lee	Male 61~70	June 20,2024	3	June 20,2023	-	-	-	-	-	-	-	-	University of Pittsburgh School of Law Doctor of Juridical Science Partner, Huang & Partners	Note 7	None	None	None	

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term (year)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who Are Spouses or Within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	Yi-Zhen Zhang	Male 61~70	June 20,2024	3	June 20,2024	-	-	-	-	-	-	-	-	Doctor of Laws (J.D.), Northwestern University, USA Director of Tainan Spinning Co., Ltd.	Note 8	None	None	None	

Note 1 : Tzu-Ting, Fan — Concurrently serving as General Manager of the Company; the representative of the corporate director of Chia Scheng International, Standard Pharmaceutical (Samoa), Standard Chem. & Pharm. Philippines (Philippines), Inforight Technology, Advpharma, Multipower Enterprise, Jiangsu Standard Biotech Pharmaceutical, Jiangsu Standard-Dia Biopharma, Shanghai Standard Pharmaceuticals, Taiwan Biosim, Syngen Biotech, Souriree Biotech, SYN-TECH, WE CAN MEDICINES, GeneFerm Biotechnology, and Ho Yao Biopharm; Chairman of PITDC and Fan Dao Nan Foundation.

Note 2 : Yuan-Teh, Lee — Concurrently serving as a professor at the School of Medicine, National Taiwan University, Director of the Internal Medicine Department of National Taiwan University Hospital, and Director of Carenet Plus, Far East Medical Electronics Technology and AIRMED HEALTH CORP; Chairman of Yida International and Rock BioMedical.

Note 3 : Tsuey-Wen, Yeh — Concurrently serving as the supervisor of Sun You Biotech, Souriree Biotech, Multipower Enterprise, Taiwan Biosim, and Ho Yao Biopharm; the representative of the corporate director of Syngen Biotech; director of We Can Medicines; Chairman of Ying Sheng Agricultural Technology Co., Ltd. and Mei Jin Investment Co., Ltd.

Note 4 : Wen-Jang Lin — Concurrently serving as the director of Fan Dao Nan Foundation.

Note 5 : Hwei-Jiung, Wang — Supervisor of VGene Biotech; Corporate Director Representative of Rebirth Biotech and BioTaimed Biotech ; Independent Director of Lin Bio Science, Inc. and AP Biosciences; Chairman of Supercell Biotechnology; Convener of the Audit Committee and the Mergers and Acquisitions Special Committee of the Company.

Note 6 : Shao-Zong, Liu — Concurrently serving as Chairman of Moer Solutions Co., Ltd. ; Convener of the Company's Sustainability Development and Nomination Committee.

Note 7 : Lawrence C. Lee — no concurrent positions held at the Company and other companies.

Note 8 : Yi-Zhen Zhang — Concurrently serving as Supervisor of Qiliu Investment Co., Ltd.

Note 9 : At present, the Chairman and General Manager are the same person, who has accumulated rich resources and extensive experience in the industry and is well aware of the Company's operational status which can enhance the efficiency of disseminating the resolutions and the execution of decisions from the board. The Company has an Audit Committee, which not only defines the responsibilities but also strengthens the management function of the board. In addition to having four seats for independent directors, the Company also maintains a board composition where the majority of members do not concurrently serve as employees or managerial officers, which can enhance the mechanism of supervision and power balancing, and reduce the centralization of power caused by the chairman who also serving as the general manager, thus avoiding loss of objectivity and oversight.

**B. Major Shareholders of the Institutional Shareholders**

Name of Institutional Shareholders	Major Shareholder of Institutional Shareholders
Fan Dao Nan Foundation	Chin-Tsai, Fan (100%)

C. Information Disclosure of Directors' Professional Qualifications and Independent Directors' Independence

Name	Criteria	Professional Qualifications and Experience	Status of Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Tzu-Ting Fan	<ul style="list-style-type: none"> <li>● Have the work experience required by the Company's business</li> <li>● General Manager of SCPC</li> <li>● Chairman of SCPC</li> <li>● None of the items listed in Article 30 of the Company Act</li> </ul>			-
Fan Dao Nan Foundation Representative: Chin-Tsai Fan	<ul style="list-style-type: none"> <li>● Professional and technical personnel who have passed the national examination and obtained certificates required by the Company's business</li> <li>● Have the work experience required by the Company's business</li> <li>● Department of Pharmacy, National Taiwan University</li> <li>● General Manager of SCPC</li> <li>● Chairman of SCPC</li> <li>● None of the items listed in Article 30 of the Company Act</li> </ul>			-
Yuan-Teh Lee	<ul style="list-style-type: none"> <li>● Have the qualifications of lecturer or above in public and private colleges and universities in related departments required by the Company's business</li> <li>● Professional and technical personnel who have passed the national examination and obtained certificates required by the Company's business</li> <li>● Have the work experience required by the Company's business</li> <li>● Bachelor of Medicine, National Taiwan University School of Medicine</li> <li>● Doctor of Medicine, Tokyo Medical University, Japan</li> <li>● Clinical Fellow in Cardiology, University of Washington Hospital, Seattle, USA</li> <li>● President of National Taiwan University Hospital</li> <li>● Director of SCPC</li> <li>● None of the items listed in Article 30 of the Company Act</li> </ul>	N/A		-
Tsuey-Wen Yeh	<ul style="list-style-type: none"> <li>● Have working experience in business, legal affairs, finance, accounting or the work experience required by the Company's business</li> <li>● Department of Accounting, Shih Chien University</li> <li>● Supervisor of SCPC</li> </ul>			-

Name	Criteria	Professional Qualifications and Experience	Status of Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		<ul style="list-style-type: none"> <li>● Director of SCPC</li> <li>● None of the items listed in Article 30 of the Company Act</li> </ul>		
Wen-Jang Lin		<ul style="list-style-type: none"> <li>● Have the work experience required by the Company's business</li> <li>● Chin-Yi Technical Vocational Junior College of Chemical Engineering</li> <li>● Vice President of SCPC</li> <li>● Director of SCPC</li> <li>● None of the items listed in Article 30 of the Company Act</li> </ul>		-
Hwei-Jiung Wang		<ul style="list-style-type: none"> <li>● Have the qualifications of lecturer or above in public and private colleges and universities in related departments required by the Company's business</li> <li>● Have the work experience required by the Company's business</li> <li>● Academician of Academia Sinica/Winner of the 2017 Presidential Science Award</li> <li>● Vice President of Academia Sinica</li> <li>● Distinguished Researcher and Guest Lecture, Institute of Biochemistry, Academia Sinica</li> <li>● Independent Director of SCPC</li> <li>● None of the items listed in Article 30 of the Company Act</li> </ul>	<ul style="list-style-type: none"> <li>● Independent director, his spouse and his relatives within the second degree are not directors, supervisors or employees of the Company or other affiliated companies; does not hold shares in the Company; not serving as a director, supervisor or employee of a company that has a specific relationship with the Company.</li> <li>● In the last 2 years, there has been no remuneration for providing business, legal, financial, accounting and other services of the Company or other affiliated enterprises.</li> </ul>	2
Shao-Zong Liu		<ul style="list-style-type: none"> <li>● Have working experience in business, legal affairs, finance, accounting or the work experience required by the Company's business</li> <li>● Chairman and General Manager of Advanced Analog Technology</li> <li>● Independent Director of SCPC</li> <li>● None of the items listed in Article 30 of the Company Act</li> </ul>	<ul style="list-style-type: none"> <li>● Independent director, his spouse and his relatives within the second degree are not directors, supervisors or employees of the Company or other affiliated companies; does not hold shares in the Company; not serving as a director, supervisor or employee of a company that has a specific relationship with the Company.</li> <li>● In the last 2 years, there has been no remuneration for providing business, legal, financial, accounting and other services of the Company or other affiliated enterprises.</li> </ul>	-
Lawrence C. Lee		<ul style="list-style-type: none"> <li>● Have working experience in business, legal affairs, finance, accounting or the work experience required by the Company's business</li> <li>● University of Pittsburgh School of Law Doctor of Juridical Science</li> <li>● Partner, Huang &amp; Partners</li> </ul>	<ul style="list-style-type: none"> <li>● Independent director, his spouse and his relatives within the second degree are not directors, supervisors or employees of the Company or other affiliated companies; does not hold shares in the Company; not serving as a director, supervisor or employee of a company that has a specific relationship with the Company.</li> </ul>	-

Name	Criteria	Professional Qualifications and Experience	Status of Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		<ul style="list-style-type: none"> <li>● Independent Director of SCPC</li> <li>● None of the items listed in Article 30 of the Company Act</li> </ul>	<ul style="list-style-type: none"> <li>● In the last 2 years, there has been no remuneration for providing business, legal, financial, accounting and other services of the Company or other affiliated enterprises.</li> </ul>	
Yi-Zhen Zhang		<ul style="list-style-type: none"> <li>● Have working experience in business, legal affairs, finance, accounting or the work experience required by the Company's business</li> <li>● University of Pittsburgh School of Law Doctor of Juridical Science</li> <li>● None of the items listed in Article 30 of the Company Act</li> </ul>	<ul style="list-style-type: none"> <li>● Independent director, his spouse and his relatives within the second degree are not directors, supervisors or employees of the Company or other affiliated companies; does not hold shares in the Company; not serving as a director, supervisor or employee of a company that has a specific relationship with the Company.</li> <li>● In the last 2 years, there has been no remuneration for providing business, legal, financial, accounting and other services of the Company or other affiliated enterprises.</li> </ul>	-

#### D. Diversification and Independence of the Board of Directors

##### (a) Diversification of the Board of Directors

In accordance with Article 20 of the Corporate Governance Best Practice Principles, the Company emphasizes gender equality in the composition of the Board of Directors and ensures that board members collectively possess the necessary knowledge, skills, and competencies to perform their duties effectively. The current members of the Board bring extensive experience and expertise in the fields of industry, business, and management. The Company is also committed to promoting gender diversity on the Board. Among the nine board members, seven are male (77.8%) and two are female (22.2%). However, due to industry-specific characteristics and the limited availability of suitable candidates, the proportion of female directors has not yet reached one-third. The Company will continue to actively seek qualified female professionals in order to progressively enhance gender balance and further strengthen corporate governance. The implementation status is as follows:

Diversification Core Item Name	Nationality	Gender	Concurrent Employees of the Company	Age		Independent Director Tenure		Industrial Experience			Professional Ability				
				61 ~ 70	Over 71	Under 3 Years	3~9 Years	Medicine Related	International Market View	Management	Legal Related	Finance & Accounting Related	IT	Risk Management	Sustainability Development Expertise
Tzu-Ting Fan	ROC	Male	V	V				V	V	V		V	V	V	V
Chin-Tsai Fan	ROC	Male	V		V			V	V	V		V	V	V	V
Yuan-Teh Lee	ROC	Male			V			V	V					V	V
Tsuey-Wen Yeh	ROC	Female		V					V	V		V		V	V
Wen-Jang Lin	ROC	Male			V			V	V	V				V	V
Hwei-Jiung Wang	ROC	Male			V		V	V	V					V	V
Shao-Zong, Liu	ROC	Male			V		V		V	V		V	V	V	V
Lawrence C. Lee	USA	Male		V			V		V		V			V	V
Yi-Zhen Zhang	ROC	Female		V		V			V	V	V	V		V	V

(b) Independence of the Board of Directors

The current Board of Directors of the Company has 9 members, including 4 independent directors (accounting for 44.4% of all directors), and the number of independent directors exceeds one-third of all directors; there is two directors with employee status (accounting for 22.2% of all directors), which is less than one-third of the number of directors. The members of the board except for Tzu-Ting, Fan and Chin-Tsai, Fan, who are father and son; and Tzu-Ting, Fan and Tsuey-Wen, Yeh, who are spouses, there are no incidents in items 3 and 4 of Article 26-3 of the Securities and Exchange Act between directors and independent directors. For the independence of the Company's Board of Directors, please refer to pages 11-13 of this annual report - Information Disclosure of Directors' Professional Qualifications and Independent Directors' Independence.

(2) Information on General Manager, Deputy General Manager, Director, Heads of Departments and Branches

Date of Data: March 31, 2026

Title	Nationality	Name	Gender	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	Title			Title	Name	Relation	
General Manager	ROC	Tzu-Ting Fan	M	June 18,2008	11,766,604	6.58	9,124,669	5.10	-	-	MS in Computer Science, University of California, USA	Note 1	None	None	None	Note 4
Vice President	ROC	Wei-Ren Chen	M	April 1,2001	55,697	0.03	1,382	-	-	-	Ph.D. in Business Administration, Chang Jung Christian University	Note 2	None	None	None	
Associate	ROC	Shu-Hui Hsu	F	November 3,2020	-	-	-	-	-	-	Ph.D., School of Pharmacy, Kaohsiung Medical University	None	None	None	None	
Associate	ROC	Bing-Qin Huang	M	May 4,2021	-	-	-	-	-	-	Chia Nan College of Pharmacy (now Chia Nan University of Pharmacy & Science)	None	None	None	None	
Associate	ROC	Chung-Yi Hsieh	M	January 1,2024	16,000	0.01	-	-	-	-	Master of Science in Clinical Pharmacy from National Cheng Kung University	None	None	None	None	
Associate	ROC	Huang-Chieh Wang	M	January 1, 2026	660						Taipei Municipal Physical Education Junior College	None	None	None	None	Note 5
Associate	ROC	Chung-Yuan Lu	M	January 1, 2026							EMBA Program, College of Management, National Cheng Kung University (in progress)	None	None	None	None	Note 5
CFO	ROC	Chin-Wen Chang	M	April 1,2023							Master of Chung Hsing University of Accountancy	Note 3	None	None	None	

Note 1 : Tzu-Ting, Fan — Concurrently serving as Chairman of the Company; the representative of the corporate director of Chia Scheng International, Standard Pharmaceutical (Samoa), Standard Chem. & Pharm. Philippines (Philippines), Inforight Technology, Advpharma, Multipower Enterprise, Jiangsu Standard Biotech Pharmaceutical, Jiangsu Standard-Dia Biopharma, Shanghai Standard Pharmaceuticals, Taiwan Biosim, Syngen Biotech, Souriree Biotech, SYN-TECH, WE CAN MEDICINES, GeneFerm Biotechnology, and Ho Yao

Biopharm; Chairman of PITDC and Fan Dao Nan Foundation.

Note 2 : Wei-Ren, Chen — Concurrently serving as Chairman and General Manager of Syngen Biotech; Chairman of Jhan Shuo Biopharma Co., Ltd; the representative of the corporate director of GeneFerm Biotechnology and Leeuwenhoek Laboratories Co. Ltd; General Manager of Jiangsu Standard Biotech Pharmaceutical; Deputy Chairman of Jiangsu Standard-Dia Biopharma; Chairman of the Taiwan Pharmaceutical Industry Association; Executive Director of Taiwan Pharmaceutical Manufacture and Development Association, National Innovation and Entrepreneurship Association and Honorary Chairman of the Taiwan Generic Pharmaceutical Association; Founding Chairman of the Taiwan Health and Nutrition Food Industry Association; Director of the Chinese National Federation of Industries; Supervisor of the Drug Injury Relief Foundation.

Note 3 : Chin-Wen, Chang — Concurrently serving as the representative of the corporate director of Ho Yao Biopharm.

Note 4 : At present, the Chairman and General Manager are the same person, who has accumulated rich resources and extensive experience in the industry and is well aware of the Company's operational status which can enhance the efficiency of disseminating the resolutions and the execution of decisions from the board. The Company has an Audit Committee, which not only defines the responsibilities but also strengthens the management function of the board. In addition to having four seats for independent directors, the Company also maintains a board composition where the majority of members do not concurrently serve as employees or managerial officers, which can enhance the mechanism of supervision and power balancing, and reduce the centralization of power caused by the chairman who also serving as the general manager, thus avoiding loss of objectivity and oversight.

Note 5 : Huang-Chieh Wang and Chung-Yuan Lu – Appointed on January 1, 20

## 2. Remuneration Paid to Directors, Supervisors, General Manager and Deputy General Manager in the Most Recent Year

### (1) Remuneration of General Directors and Independent Directors

Unit : NT\$ thousands

Title	Name	Remuneration of Director								(A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Remuneration from Ventures other than Subsidiaries or from the Parent Company	
		Compensation (A)		Remuneration Paid(B) (Note 1)		Directors Compensation (C)(Note 2)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Remuneration Paid(F) (Note 1)		Employee Compensation (G) (Note 2)							
		The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company		All Companies in the Consolidated Financial Statements		The Company	All Companies in the Consolidated Financial Statements		
																Cash Amount	Stock Amount	Cash Amount	Stock Amount				
Chairman	Tzu-Ting Fan																						
Director	Fan Dao Nan Foundation Representative: Chin-Tsai Fan	-	-	-	-	2,500	2,500	230	230	2,730 0.29%	2,730 0.29%	10,935	10,935	108	108	22	-	22	-	13,795 1.49%	13,795 1.49%	180	
Director	Yuan-Teh Lee																						
Director	Tsuey-Wen Yeh																						
Director	Wen-Jang Lin																						
Independent Director	Hwei-Jiung Wang																						
Independent Director	Shao-Zong Liu																						
Independent Director	Lawrence C. Lee	-	-	-	-	2,000	2,000	370	370	2,370 0.26%	2,370 0.26%	-	-	-	-	-	-	-	-	2,370 0.26%	2,370 0.26%	None	
Independent Director	Yi-Zhen Zhang																						
<p>1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: According to the Articles of Incorporation of the Company, the Company shall allocate no more than 3% of the balance to remuneration for directors, if there is any remaining balance after making up losses, according to the profit status of the year. In addition, the remuneration of directors shall be negotiated by the Remuneration Committee according to the degree of participation in the Company's operations and the value of their contributions, as well as the usual standards in the industry.</p> <p>2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors. : None.</p>																							

Note 1 : Contributions belonging to the expense of retirement pension.

Note 2 : The amount for distribution was approved by the Board of Directors on February 24, 2026.

## Remuneration Grading Table

Range of Remuneration Paid to Director of the Company	Director name			
	Total amount of the first four remunerations (A+B+C+D)		Total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements
Lower than NT\$1,000,000	Tzu-Ting Fan, Chin-Tsai Fan, Yuan-Teh Lee, Tsuey-Wen Yeh, Wen-Jang Lin, Hwei-Jiung Wang, Shao-Zong Liu, Lawrence C. Lee, Yi-Zhen Zhang, Fan Dao Nan Foundation	Tzu-Ting Fan, Chin-Tsai Fan, Yuan-Teh Lee, Tsuey-Wen Yeh, Wen-Jang Lin, Hwei-Jiung Wang, Shao-Zong Liu, Lawrence C. Lee, Yi-Zhen Zhang, Fan Dao Nan Foundation	Yuan-Teh Lee, Tsuey-Wen Yeh, Wen-Jang Lin, Hwei-Jiung Wang, Shao-Zong Liu, Lawrence C. Lee, Yi-Zhen Zhang, Fan Dao Nan Foundation	Yuan-Teh Lee, Tsuey-Wen Yeh, Wen-Jang Lin, Hwei-Jiung Wang, Shao-Zong Liu, Lawrence C. Lee, Yi-Zhen Zhang, Fan Dao Nan Foundation
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	-	-	Chin-Tsai Fan	Chin-Tsai Fan
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	-	-	Tzu-Ting Fan	Tzu-Ting Fan
Total	10	10	10	10

## (2) Remuneration of General Manager and Deputy General Manager

Title	Name	Salary (A)		Remuneration Paid (B) (Note 1)		Bonuses and Allowances (C)		Employee Compensation (D) (Note 2)				Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Remuneration from Ventures other than Subsidiaries or from the Parent Company
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company		Companies in the Consolidated Financial Statements		The Company	Companies in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Tzu-Ting Fan	6,711	6,831	218	218	4,555	4,555	41	-	41	-	11,525 1.24	11,645 1.26	-
Vice President	Wei-Ren Chen													

Note 1 : The amount allocated for retirement benefit expenses.

Note 2 : The amount for distribution was approved by the Board of Directors on February 24, 2026.

## Remuneration Grading Table

Range of Remuneration Paid to General Manager and Deputy General Manager of the Company	Name of General Manager and Deputy General Manager	
	The Company	Companies in the Consolidated Financial Statements
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Wei-Ren Chen	Wei-Ren Chen
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Tzu-Ting Fan,	Tzu-Ting Fan,
Total	2	2

(4) The Name of the Manager Who Distributes Employee Remuneration and the Distribution Situation

Unit : NT\$ thousands

	Title	Name	Employee Compensation - in Stock	Employee Compensation - in Cash (Note)	Total	Ratio of Total Amount to Net Income (%)
Managers	General Manager	Tzu-Ting Fan	-	148	148	0.02
	Vice President	Wei-Ren Chen				
	Associate	Shu-Hui Hsu				
	Associate	Bing-Qin Huang				
	Associate	Chung-Yi Hsieh (Note 2)				
	Associate	Huang-Chieh Wang (Note 2)				
	Associate	Chung-Yuan Lu (Note 2)				
	Finance Manager	Chin-Wen Chang				

Note: The amount for distribution was approved by the Board of Directors on February 24, 2026.

Note: Appointed on January 1, 2026

(4) Comparing and explaining the analysis of the ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to the Company's Directors, Supervisors, General Managers and Deputy General Managers to the net income of individual financial reports, and explain the policy, standard and combination of remuneration, procedures for determining remuneration and its relationship with business performance and future risks:

Item	The Company		Companies in the Consolidated Financial Statements	
	Ratio of Total Amount to Net Income (%)		Ratio of Total Amount to Net Income (%)	
	2024	2025	2024	2025
Remuneration of Director	1.80	1.75	1.80	1.75
Remuneration of General Manager & Vice President	1.29	1.24	1.30	1.26

- A. The Company's remuneration payment policy for directors is in accordance with Article 26 of the Company's Articles of Incorporation. According to the profit status of the current year (that is, the pre-tax interest which is the interest before deducting the following distribution of employee remuneration and directors remuneration), after making up the losses, no more than 3% of the balance shall be allocated as remuneration for directors. Considering their contribution to the Company's performance and the results of the performance evaluation of the Board of Directors, give reasonable remuneration, which is approved by the Remuneration Committee and reported to the shareholders' meeting.
- B. Executive Officers' remuneration is handled in accordance with the Company's "Personnel Rules and Regulations" and "Remuneration Measures for Directors and Executive Officers". In addition, the payment of the bonuses is adjusted according to the annual operating performance, contribution to the Company's operating goals, and the performance of the 4 criteria of the individual, and is issued after the resolution of the Remuneration Committee.
- C. The procedure for determining the remuneration, in addition to referring to the Company's overall operating performance, future business risks and development trends of the industry, will also refer to the individual's performance achievement rate and contribution to the Company's performance to give a reasonable remuneration.
- D. The Company's annual revenue continues to grow steadily, and the profit is also maintained at a certain level. There is not much difference between the remuneration payment standard and the combination, and there will be no significant risks to the future.

### 3. Implementation of Corporate Governance

#### (1) Operating Situation of the Board of Directors

A total of 5 (A) meetings of the Board of Directors were held in the previous period.

The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Note
Chairman	Tzu-Ting Fan	5	-	100%	
Director	Fan Dao Nan Foundation Representative: Chin-Tsai Fan	-	5	0%	
Director	Yuan-Teh Lee	5	-	100%	
Director	Tsuey-Wen Yeh	5	-	100%	
Director	Wen-Jang Lin	5	-	100%	
Independent Director	Hwei-Jiung Wang	5	-	100%	
Independent Director	Shao-Zong Liu	5	-	100%	
Independent Director	Lawrence C. Lee	5	-	100%	
Independent Director	Yi-Zhen Zhang	4		80%	

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified: It is not applicable.
  - (1) Matters referred to in Article 14-3 of the Securities and Exchange Act: The company has established an audit committee, which applies to the matters listed in Article 14-5 of the Securities and Exchange Act. Therefore, this matter does not apply.
  - (2) Except for the above-mentioned matters, other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the Board of Directors: None.
2. The implementation status of the director's avoidance of the motions in conflict of interest:
  - (1) Release of the non-compete restrictions applicable to the Company's directors: Tzu-Ting Fan, being an interested director, recused himself from the discussion and abstained from voting on this proposal.
  - (2) Appointment of members of the Sustainability Development and Nomination Committee: Hwei-Jiung Wang, Shao-Zong Liu, Lawrence C. Lee, and Yi-Zhen Zhang, being interested directors, recused themselves from the discussion and abstained from voting on this proposal. As Yi-Zhen Zhang was absent from the board meeting, she was not required to recuse herself.
  - (3) Adoption of the principles for the distribution of year-end bonuses to the Chairman and managerial officers for 2025: Tzu-Ting Fan, being an interested director, recused himself from the discussion and abstained from voting on this proposal.
3. Evaluation execution status of the Board of Directors:
 

The company conducts an annual overall performance evaluation of the Board of Directors and functional committees. The performance evaluation for 2025 has been completed in January, 2026. Questionnaires were distributed to each director by the company's Board Office for self-assessment within the Board of Directors, Audit Committee, Remuneration Committee and the Sustainability Development and Nomination Committee. After completing the self-assessment, the Board Office of the company compiled the results. The evaluation details are shown in the table below, and all performance assessments resulted in "excellent." The evaluation results were reported to the Board of Directors on February 24th, 2026.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Content	Evaluation Result
Once a year	January 1, 2025 ~ December 31, 2025.	Board of Directors	Board internal evaluation	(1) Level of participation in the Company's operations (2) Improving the quality of Board decisions (3) Composition and structure of the Board of Directors (4) Appointment of directors and their continued development (5) Internal control	Excellent
Once a year	January 1, 2025 ~ December 31, 2025.	Individual directors	Self-assessment by directors	(1) Grasp of the Company's targets and missions (2) Understanding of the director's role and responsibilities (3) Level of participation in the Company's operations (4) Management and communication of internal relationship (5) Specialty and continued development of directors (6) Internal control	Excellent
Once a year	January 1, 2025 ~ December 31, 2025.	Audit Committee	Internal self-assessment of the Audit Committee	(1) Level of participation in the Company's operations (2) Understanding of Committee Performance's role and responsibilities (3) Improving the quality of Functional Committee's decisions (4) Composition and member selection of the Functional Committee (5) Internal Control	Excellent
Once a year	January 1, 2025 ~ December 31, 2025.	Remuneration Committee	Internal self-assessment of the Remuneration Committee	(1) Level of participation in the Company's operations (2) Understanding of Committee Performance's role and responsibilities (3) Improving the quality of Functional Committee's decisions (4) Composition and member selection of the Functional Committee (5) Internal Control	Excellent
Once a year	January 1, 2025 ~ December 31, 2025.	Sustainability Development and Nomination Committee	Internal Self-Assessment of the Sustainability Development and Nomination Committee	(1) Degree of Participation in the Company's Operations (2) Understanding of the Duties of Functional Committees (3) Improvement of the	Excellent

					Decision-Making Quality of Functional Committees (4) Composition of Functional Committees and Appointment of Members (5) Internal Control	
<p>4. The goals and implementation status of strengthening the functions of the Board of Directors in the current year and the most recent year (such as establishing an Audit Committee, improving information transparency, etc.):</p> <p>(1) The Company has formulated the "Rules of Procedure of the Board of Directors" to follow, and entered the directors' attendance at the board meeting on Taiwan Stock Exchange Market Observation Post System, and discloses major resolutions of the Board of Directors on the Company's website.</p> <p>(2) The Company stipulates in the Articles of Incorporation that the election of directors adopts a candidate nomination system. Among the 9 directors, 4 are directors, more than one-third of all directors, and the Audit Committee, Remuneration Committee and Sustainability Development and Nomination Committee are composed of all independent directors to assist the Board of Directors in performing supervisory duties.</p> <p>(3) In order to implement the spirit of Corporate Governance and effectively enhance the degree of the transparency of the information, the Company fully discloses major information in the annual report, website and Taiwan Stock Exchange Market Observation Post System, and there is a dedicated person in charge.</p> <p>(4) In order to reduce and disperse the risks taken by the directors when carrying out their business and to obtain protection, the Company purchases liability insurance for the directors every year.</p> <p>(5) The Company invites professional institutions each year to conduct continuing education courses that meet the requirements for directors' ongoing training, thereby enhancing the functioning of the Board of Directors.</p> <p>On October 15, 2025, the Company invited the Taiwan Corporate Governance Association to provide a 6-hour training course entitled "Financial Statement Misrepresentation Issues to Which Directors and Supervisors Should Pay Attention; IFRS Sustainability Disclosure Standards.</p>						

(2) Operating Situation of Audit Committee or Attendance of Supervisors at Board Meetings

Information on the operation of the Audit Committee:

The Company's Audit Committee was established on August 24, 2021. It is composed of all independent directors, and at least one meeting is held every quarter, and additional meetings may be convened as needed.

A total of 5 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Note
Independent Director	Hwei-Jiung Wang (Note)	5	-	100%	
Independent Director	Shao-Zong Liu	5	-	100%	
Independent Director	Lawrence C. Lee	5	-	100%	
Independent Director	Yi-Zhen Zhang	4	-	80%	

(Note) Serves as the Convener of the Audit Committee.

Other mentionable items:

1. The main purpose of the Committee's operation is to supervise the following matters:
  - (1) Fair expression of the Company's financial statements.
  - (2) The appointment (dismissal) and independence and performance of Certified Public Accountants.
  - (3) Effective implementation of the Company's Internal Control.
  - (4) The Company abides by relevant laws and regulations.
  - (5) Management and control of the Company's existing or potential risks.
2. The Committee held 5 meetings in 2025, and the matters to be considered mainly include:
  - (1) Reviewing quarterly and annual financial statements.
  - (2) Reviewing the annual business report, financial statements, and profit distribution.
  - (3) Reviewing the allocation ratio of employee and director compensation.
  - (4) Reviewing the independence and expenses of changing auditors and signing auditors.
  - (5) Review amendments to the internal control system and the annual internal audit plan.
  - (6) Reviewing revisions to various regulations.
  - (7) Reviewing the lifting of director and executive non-compete agreements.
  - (8) Reviewing the buying and selling of securities.
3. In case of any of the following circumstances occur in the operation of the Audit Committee, the dates of meetings, sessions, contents of motion, independent directors' objections, reserved opinions or content of major proposals, resolution results of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
  - (1) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Contents of Motion and the Company's Response to the Audit Committee's Opinion	Independent Directors' Objections, Reserved Opinions or Content of Major Proposals	The Resolution Results of the Audit Committee
The 5th Meeting of the 2nd Term, February 25, 2025	1. Approved the establishment of the ratio and method of employee remuneration and director remuneration distribution for 2024.	None	All the present members had no objection and passed the proposal.
	2. Approved the annual operating report, individual financial statements, and consolidated financial statements for the year 2024 of the Company.	None	
	3. Approved the Company's 2024 earnings distribution plan.	None	
	4. Approved the effectiveness assessment of the company's internal control system and internal control system statement for 2024.	None	
	5. Addition of "Procurement Management Operations" to the audit items under the 2025 Annual Internal Audit Plan.	None	
	6. Remuneration of the Company's independent auditors for 2025 and evaluation of the independence and competence of the independent auditors to be appointed.	None	
	7. Change of the Company's independent auditors effective from the first quarter of 2025 and	None	

	evaluation of the independence and competence of the newly appointed independent auditors.		
	8. Proposed partial amendments to the Company's Articles of Incorporation.	None	
	9. Proposal to amend the "Delegation of Authority Policy," submitted.		
	10. Proposal for Release of the Non-Compete Restrictions Applicable to the Company's Directors.	None	
	The Company's handling of the Audit Committee's opinion: None.		
The 7th Meeting of the 2nd Term, May 9, 2025	1. Approval of the Company's consolidated financial report for the first quarter of 2025.	None	All the present members had no objection and passed the proposal.
	2. Adoption of the "Procedures for the Preparation and Assurance of the Sustainability Report.	None	
	The Company's handling of the Audit Committee's opinion: None.		
The 8th Meeting of the 2nd Term, August 5, 2025	1. Approved the Company's Consolidated Financial Report for the Second Quarter of 2025.	None	All the present members had no objection and passed the proposal.
	2. Proposed revision of the "Internal Audit System" (including the Internal Audit Charter, the Rules and Detailed Implementation Rules of Internal Audit, and the Internal Audit Operating Manual).	None	
	3. Proposed revision of the "Procedures for Self-Assessment of the Internal Control System."	None	
	The Company's handling of the Audit Committee's opinion: None.		
The 9th Meeting of the 2nd Term, November 7, 2025	1. Approved the Company's consolidated financial report for the Third Quarter of 2025.	None	All the present members had no objection and passed the proposal.
	2. Approved the establishment of the "Internal Audit Annual Audit Plan for 2026."	None	
	3. Proposed amendments to the Company's Internal Control System – "Payroll Cycle."	None	
	4. Adoption of the "Risk Management Policies and Procedures.	None	
	5. Proposal for Amendments to the "Rules for Hierarchical Authorization of Responsibilities.	None	
	The Company's handling of the Audit Committee's opinion: None.		
(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.			
4. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.			

5. Communications between the independent directors, the Company's chief internal auditor and CPAs (should include the material items, methods and results of audits of corporate finance or operations, etc.):

(1) After the completion of the audit project, in addition to completing the delivery of the independent director's Internal Audit Report every month and the monthly/quarterly tracking record sheet of the special audit report, and attending regular Audit Committee and Board of Directors meetings to present audit business reports, the Internal Audit department also provides updates on the internal audit execution and tracking of improvement status after each Board meeting, the communication has been functioning well.

Summary of the Communication between Independent Directors and Internal Audit Directors in 2025:

Date	Key Points of the Communication	Opinions from the Independent Directors
February 25, 2025	<ol style="list-style-type: none"> <li>1. Report on the Execution of the Annual/Project Audit Plan for November 2024 to February 2025</li> <li>2. Follow-up Report on the Improvement Status of Internal Audit Findings for the Fourth Quarter of 2024.</li> <li>3. Audit Plan for March-April 2025.</li> </ol>	No Objections during This Meeting
May 9, 2025	<ol style="list-style-type: none"> <li>1. Report on the Execution of the Annual/Project Audit Plan for March to April 2025</li> <li>2. Follow-up Report on the Improvement Status of Internal Audit Findings for the First Quarter of 2025.</li> <li>3. Audit Plan for May to July 2025.</li> </ol>	No Objections during This Meeting
August 5, 2025	<ol style="list-style-type: none"> <li>1. Report on the Execution of the Annual/Project Audit Plan for May to July 2025.</li> <li>2. Follow-up Report on the Improvement Status of Internal Audit Findings for the Second Quarter of 2025.</li> <li>3. Audit Plan for August to October 2025.</li> </ol>	No Objections during This Meeting
November 7, 2025	<ol style="list-style-type: none"> <li>1. Report on the Execution of the Annual/Project Audit Plan for August to October 2025.</li> <li>2. Follow-up Report on the Improvement Status of Internal Audit Findings for the Third Quarter of 2025.</li> <li>3. Audit Plan for November to December 2025.</li> </ol>	No Objections during This Meeting

(2)The accountants communicate with the independent directors on the review or inspection results of the Company's quarterly Financial Report by mail and in writing on whether there are major adjusting entries or the impact of legal amendments on the accounting situation, and the communication is good.

In addition to attending the Audit Committee meetings, the accountants are also arranged to communicate with the Audit Committee prior to the commencement of the meetings regarding their scope of work, communication schedule, communication matters with the governance unit, review or audit of operating performance analysis, and briefing on future trends of regulatory amendments, separately with the independent directors.

Summary of Communication between Independent Directors and Accountants in 2025:

Date	Key Points of the Communications	Opinions from the Independent Directors
February 25, 2025	The accountant presented and communicated regarding the Individual and Consolidated Financial Reports for 2024.	No Objections during This Meeting

	May 9, 2025	The accountant presented and communicated regarding the Consolidated Financial Report for the first quarter of 2025.	No Objections during This Meeting	
	August 5, 2025	The accountant presented and communicated regarding the Consolidated Financial Report for the second quarter of 2025.	No Objections during This Meeting	
	November 7, 2025	The accountant presented and communicated regarding the Consolidated Financial Report for the third quarter of 2025.	No Objections during This Meeting	

(3) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has formulated the Corporate Governance Principles, and the information has been disclosed on Taiwan Stock Exchange Market Observation Post System and the Company’s website.	No major difference
2. Shareholding structure & shareholders’ rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has established a spokesperson and acting spokesperson system, which is responsible for handling shareholders’ suggestions, doubts, disputes and litigation matters.	No major difference
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company reports the shares held by directors, managers, and major shareholders holding more than 10% of the shares on a monthly basis, and grasps major shareholders according to the register of shareholders provided by the stock affairs agency.	No major difference
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		A. The finance and business of the Company and its affiliated companies are operated independently, and the Company have been formulated the "Management Measures for Conglomerate, Specific Companies, and Related Persons" to clarify the management of personnel, assets and finances with its affiliated companies. B. The Company has established the “Rules Governing Financial and Business Matters Between this	No major difference

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Corporation and its Related Parties” to regulate that major transactions must be approved by the Board of Directors and submitted to the shareholders’ meeting for approval or reporting. This is to ensure sound financial and business interactions with related parties and to prevent irregular transactions and improper transfer of benefits among related parties.	
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		<p>The Company has established the “Procedures for Handling Material Inside Information and Prevention of Insider Trading” as the basis for managing material information and preventing insider trading, so as to ensure that directors, managerial officers, and employees understand the relevant laws and regulations and avoid inadvertent violations.</p> <p>A. Directors and managerial officers (insiders):</p> <p>(a). Upon assuming office, insiders are provided with education and guidance on the relevant regulations, key precautions, and penalties relating to insider trading, so that they may understand their reporting obligations, prohibited acts, and legal risks.</p> <p>(b). The Company reminds insiders that they are prohibited from trading the Company’s shares during the closed period, namely, the 30 days prior to the announcement of the annual financial report and the 15 days prior to the announcement</p>	No major difference

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>of each quarterly financial report. The Company also gives prior notice of the closed period and the date of the board meeting by e-mail to avoid inadvertent violations.</p> <p>(c). From time to time, the Company forwards to insiders the types of violations and official notices announced by the Taiwan Stock Exchange, in order to strengthen compliance awareness and reduce the risk of penalties.</p> <p>B. Employees: The Company issues annual announcements promoting awareness of insider trading prevention, including regulatory guidance and examples of violations. In 2025, the Company launched a digital course entitled “Insider Trading Prevention Awareness”, and a total of 582 participants completed the course, with a passing rate of 97%.</p>	
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	V		<p>A. The Company has stipulated in the corporate governance code of practice that the composition of the Board of Directors should consider diversity. In addition to paying attention to gender equality, directors must have the knowledge, skills and literacy to perform their duties in order to achieve the ideal goal of corporate governance.</p> <p>B. For the implementation of the professionalism,</p>	No major difference

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			independence and diversity of the Board of Directors please refer to P11-14.	
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		V	In addition to the Remuneration Committee and the Audit Committee established in accordance with applicable laws and regulations, the Company, upon approval by the Board of Directors on August 5, 2025, established the Sustainability Development and Nomination Committee, which is composed of all independent directors, with Independent Director Shao-Zong Liu serving as the convener.	It will be established in the future depending on the actual situation.
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V		<p>A. The Company has been approved by the Board of Directors on March 24, 2020 to formulate the Performance Evaluation Method of the Board of Directors, conduct performance evaluation at least once a year, and report the results of the performance evaluation to the Board of Directors, in addition to use it for reference for selection or nomination to strengthen the operation of the Board of Directors.</p> <p>B. The regular performance evaluations of the Board of Directors, the Audit Committee, the Remuneration Committee, and the Sustainability Development and Nomination Committee for 2025 were completed, and the average evaluation results for all of them were rated “Excellent.” The results were submitted to the Board of Directors on February 24, 2026.</p>	No major difference

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the Company regularly evaluate the independence of CPAs?	V		<p>A. The Company has established the "CPAs Appointment and Review Method", which evaluates the independence requirements, independent operation and competency of CPAs at least once a year (Note1). Starting from 2023, the company will evaluate each of the five dimensions in accordance with the Audit Quality Indicators (AQIs) provided by the appointed CPA (Note2). The relevant methods have been disclosed on the Company's website.</p> <p>B. The Company confirms that CPAs are not directors or shareholders of the Company, and have no other financial interests and business relationships except for certified and financial and tax related consulting fees. Their family members do not violate their independence, and the rotation of CPAs is also handled in accordance with relevant regulations, and the independence statement issued by CPAs has been obtained.</p> <p>C. After the Audit Committee's decision on February 24, 2026, and the Board of Directors' decision on the same date, which was the most recent assessment.</p>	No major difference
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors	V		<p>A. On March 14, 2023, the Company's Board of Directors passed a resolution appointing Manager Chin-Wen, Chang from the Finance Department as the Company's Corporate Governance Officer. The Company's Finance Department is the</p>	No major difference

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the Board of Directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			<p>deliberative unit of the Board of Directors, responsible for matters related to Corporate Governance, in order to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Manager Chin-Wen, Chang possesses experience in financial management and decision-making in publicly traded companies.</p> <p>B. The main responsibilities of the Corporate Governance Officer include formulating and promoting the Codes of Practice of Corporate Governance, providing necessary information for directors to perform their duties, assisting directors and supervisors to comply with laws and regulations, arranging training courses for directors, handling matters related to the board meetings and shareholders' meetings in accordance with the law, handling company registration and change registration, and producing minutes of board meetings and shareholders' meetings, etc.</p> <p>C. Implementation Status in 2025:</p> <p>(a). To assist independent directors and directors in the performance of their duties, provide the information required for the execution of such duties, and arrange continuing education for directors.</p> <p>i. To handle advance registration of the</p>	

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>shareholders’ meeting date in accordance with applicable laws and regulations; prepare meeting notices, agenda handbooks, annual reports, and meeting minutes within the statutory time limits; and process public announcements and amendment registration with the Ministry of Economic Affairs.</p> <p>ii. To prepare the agendas for meetings of the Board of Directors and functional committees, and deliver meeting materials to all directors and committee members seven days prior to the meeting; and to prepare and distribute the meeting minutes within 20 days after the meeting to ensure that meeting procedures comply with applicable laws and regulations.</p> <p>iii. To handle the disclosure of material information relating to important resolutions of the Board of Directors, so as to ensure the legality and accuracy of such disclosures and safeguard information symmetry for investors.</p> <p>(b). To assist directors in regulatory compliance.</p> <p>i. To remind directors of relevant regulations concerning their rights and obligations, share transactions, and prevention of insider trading.</p>	

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons								
	Yes	No	Abstract Illustration									
			<p>ii. To provide directors with legal compliance support relating to the performance of their duties, the Company’s operations, and corporate governance.</p> <p>(c). To arrange annual continuing education for directors in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies,” so as to continuously enhance their professional knowledge.</p> <p>(d). To review the legal qualifications of independent directors during their term of office in accordance with the “Directions for the Establishment and Exercise of Powers by the Boards of Directors of TWSE Listed Companies.”</p> <p>(e). To provide directors with the information required for the performance of their duties and maintain smooth communication channels with the head of internal audit and the independent auditors.</p> <p>D. The status of trainings in 2025 is as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Organizer</th> <th>Training Course</th> <th>Training Hours</th> </tr> </thead> <tbody> <tr> <td>August 26, 2025</td> <td>Taiwan Project Management Association</td> <td>Directors’ Continuing Education Course</td> <td>3 hours</td> </tr> </tbody> </table>	Date	Organizer	Training Course	Training Hours	August 26, 2025	Taiwan Project Management Association	Directors’ Continuing Education Course	3 hours	
Date	Organizer	Training Course	Training Hours									
August 26, 2025	Taiwan Project Management Association	Directors’ Continuing Education Course	3 hours									

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																		
	Yes	No	Abstract Illustration																			
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Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		<p>A. Shareholders: The Company has established spokesperson and acting spokesperson systems, and discloses material information, financial information, and shareholders’ meeting annual reports in a timely manner through the Market Observation Post System and the Company’s website. In addition, the Company holds annual general shareholders’ meetings and institutional investor conferences each year to help shareholders understand the Company’s operating status.</p> <p>B. Employees: The Company maintains communication with employees through internal announcements, monthly meetings, labor-management meetings, and other channels. In addition, multiple channels, including a whistleblowing hotline, a proposal and improvement platform, and the LINE@ platform, have been established to enable employees to provide feedback and suggestions.</p> <p>C. Customers: The Company has established communication channels such as a customer service hotline and e-mail, and also maintains communication and interaction with customers through visits, seminars, interviews, and questionnaire surveys, so as to enhance product quality and customer satisfaction.</p> <p>D. Suppliers: The Company communicates with and manages suppliers through supplier management and audits, telephone communications, and on-site visits.</p>	No major difference

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has appointed the Stock Transfer Agency Department of Taishin Securities Co., Ltd. to handle shareholder affairs.	No major difference
7. Information Disclosure				
(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has Chinese and English versions of the website to disclose the relevant information of financial business and corporate governance. Website : <a href="http://www.standard.com.tw">www.standard.com.tw</a>	No major difference
(2) Does the Company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		A. The Company has Chinese and English versions of the website to disclose the relevant information of financial business and corporate governance. Website : <a href="http://www.standard.com.tw">www.standard.com.tw</a> ° B. The Company has designated a spokesperson and an acting spokesperson, and has duly implemented the spokesperson system in accordance with applicable regulations. C. The Company has a dedicated person responsible for the Company's information collection and full disclosure to meet the needs of the laws and the investors. D. The Company's website has an information area for Investor Conferences, and relevant information will be placed on Taiwan Stock Exchange Market Observation Post System and the Company's website simultaneously for investors to refer to.	No major difference
(3) Does the Company announce and report annual financial statements within two	V		A. The Company has announced and reported annual financial statements for 2025 on February 25,	No major difference

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?			2026. B. The Company announced and reported its financial statements for Q1, Q2, and Q3, and filed monthly operating status before the prescribed time limit	
8. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		A. Employee Rights and Interests: The Company attaches great importance to the rights and interests of its employees. In addition to establishing multiple communication channels, including a whistleblowing mailbox and hotline, a proposal and improvement platform, and the LINE@ platform, through which employees may provide suggestions and feedback regarding work-related matters and employee care, thereby safeguarding employee rights and promoting the Company’s continuous improvement, the Company also regularly organizes relevant training programs each year to help employees understand the latest legal and regulatory requirements. In addition, the Company has established KM and E-Learning platform websites for training and related policy communication, with a view to enhancing employees’ professional capabilities and awareness of regulatory compliance. B. Employee Care: The Company places great emphasis on employee welfare and physical and mental well-being. In	No major difference

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>addition to establishing an Employee Welfare Committee to organize activities that foster camaraderie among employees, the Company also provides an employee cafeteria, sports and recreational facilities, and a lactation room for employee use, and arranges free annual health examinations. The Company further offers a variety of welfare measures, including transportation shuttle services, group insurance, performance bonuses, employee travel, holiday bonuses for the three major festivals, wedding gifts, scholarships for employees and their children, pure gold commemorative coins and prizes for long-serving employees, subsidies for various club activities, and funeral subsidies for employees or their family members. In addition, the Company has implemented an Employee Assistance Program (EAP), under which professional counselors provide psychological and work-related consultation services to help employees relieve stress and maintain their physical and mental health.</p> <p>C. Investor Relations: The Company has designated a spokesperson and an acting spokesperson, and discloses material information, financial information, and shareholders’ meeting annual reports in a timely manner through the Market Observation Post</p>	

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>System and the Company’s website. In addition, the Company holds annual general shareholders’ meetings and investor conferences each year to facilitate investors’ understanding of the Company’s operating performance.</p> <p>D. Supplier Relations: The Company has established relevant supplier management policies and systems, and has built long-term cooperative relationships with suppliers through supplier evaluations, audits, and regular communication, so as to ensure the quality and stability of the supply chain.</p> <p>E. Rights of Stakeholders: The Company has established a dedicated stakeholder section on its corporate website, providing contact windows and relevant disclosure channels to enable stakeholders to communicate with the Company and express their opinions.</p> <p>F. Directors’ Continuing Education: In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, the Company arranged for its directors to participate in relevant professional continuing education programs. On October 15, 2025, the Company invited the Taiwan Corporate Governance Association to conduct a 6-hour</p>	

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>course entitled “Financial Statement Misrepresentation: Issues Directors and Supervisors Should Be Aware Of; IFRS Sustainability Disclosure Standards.” All directors have fulfilled the applicable continuing education requirements.</p> <p>G. Implementation of Risk Management Policies and Risk Measurement Standards: On August 5, 2025, the Board of Directors approved the establishment of the Sustainability Development and Nomination Committee, which is responsible for reviewing and examining the applicability and effectiveness of the Company’s risk management policies, as well as providing recommendations for improvement with respect to the implementation of risk management, in order to strengthen corporate governance and establish a sound risk management mechanism. In addition, on November 7, 2025, the Board of Directors approved the adoption of the Risk Management Policies and Procedures as the guiding principles for the Company’s promotion and implementation of risk management.</p> <p>H. Implementation of Customer Policy: The Company places great importance on customer needs and service quality, and has established the Customer Service Management Rules. Through customer service hotlines and</p>	

Evaluation Item	Implementation Status			Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>e-mail, business visits, and questionnaire surveys, the Company maintains communication and interaction with customers in order to enhance product quality and service satisfaction.</p> <p>I. Directors’ and Supervisors’ Liability Insurance: The Company has purchased liability insurance for all directors, and the insurance coverage status was reported to the Board of Directors on November 7, 2025.</p>	
<p>9. Description of the improvements made in response to the results of the most recent corporate governance evaluation released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, as well as the priority items and measures for further improvement with respect to matters not yet improved: In the 2024 corporate governance evaluation, the Company was ranked within the top 51%–65% among TWSE-listed companies. (As of the printing date of this annual report, the results of the 2025 corporate governance evaluation had not yet been announced.) Going forward, the Company will continue to prioritize improvement and enhancement efforts with respect to the indicators for which no score was obtained.</p>				

(Note1) The standards for assessing the independence and competence of CPA.

Item	1. Independence requirement review	Compliance with independence	
		YES	NO
(1)	The CPA himself/herself, their spouse, and minor children do not have any investment or financial interest in the company.	V	
(2)	The CPA himself/herself, their spouse, and minor children do not have any financial borrowing or lending relationships with the company. However, if the client is a financial institution and the transaction is within the normal course of business, it is not subject to this restriction.	V	
(3)	The CPA firm has not issued any assurance reports on the design or implementation of the financial information system to ensure its effective operation.	V	
(4)	The CPA or members of the auditing service team have not served as directors, executives, or held positions with significant influence over the audit engagements of the company, either currently or within the past two years.	V	
(5)	The non-audit services provided to the company do not have a direct impact on significant matters of the audit engagement.	V	
(6)	The CPA or members of the auditing service team have not promoted or brokered the company's issued stocks or other securities.	V	
(7)	Except for services permitted by laws and regulations, the CPA or members of the auditing service team have not acted as legal representatives or defended the company in legal cases or other disputes with third parties.	V	
(8)	The CPA or members of the auditing service team do not have a spouse, direct blood relative, direct relative by marriage, or second-degree collateral blood relation with individuals who hold significant positions as directors, executives, or in relation to the audit engagements.	V	
(9)	Any joint practicing accountant who has left the firm within one year does not hold a significant position as a director, executive, or in relation to the audit engagements of the company.	V	
(10)	The CPA or members of the auditing service team have not received significant gifts or special favors of substantial value from the company, directors, executives, or major shareholders.	V	
(11)	The CPA is not currently employed as a regular worker or receiving fixed salary or serving as a director or supervisor by the client or the party being examined.	V	
(12)	For listed companies:	V	
	The CPA has not provided audit services to the company continuously for seven years. For non-listed companies: The CPA has not provided audit services to the company continuously for ten years.		

Item	2. Independence operational review	Compliance with independence	
		YES	NO
(1)	Has the CPA avoided accepting engagements in cases where there is a direct or significant indirect conflict of interest that may affect their objectivity and independence?	N/A	
(2)	When providing audit, review, compilation, or special examination services for financial statements and issuing an opinion letter, does the CPA maintain both substantive independence and formal independence?	V	
(3)	Do the members of the auditing service team, other joint practicing accountants, shareholders of the accounting firm, affiliated firms, and alliance firms maintain independence in relation to the company?	V	
(4)	Does the CPA perform professional services with honesty and rigor?	V	
(5)	Does the CPA maintain a fair and objective position and avoid being influenced by biases, conflicts of interest, or relationships that may affect professional judgment while performing professional services?	V	
(6)	The CPA has not compromised integrity and impartiality due to a lack of independence.	V	

Item	3. Suitability review	Compliance with independence	
		YES	NO
(1)	There have been no disciplinary records from the Accountants Disciplinary Committee against the CPA in the past two years.	V	
(2)	Does the CPA firm have sufficient scale, resources, and regional coverage in handling the company's audit services?	V	
(3)	Does the accounting firm have clear quality control procedures? Do they cover aspects such as the levels and key points of audit procedures, approaches to handling audit issues and judgments, quality control reviews of independence, and risk management?	V	
(4)	Does the CPA firm timely inform the Board of Directors (Audit Committee) of any significant issues and developments in risk management, corporate governance, financial accounting, and related risk controls?	V	

(Note2) Evaluation of Audit Quality Indicators (AQIs) for Signing CPA

Professionalism	Quality Control	Independence	Supervision	Innovative Capability
<ul style="list-style-type: none"> <li>•Audit experience</li> <li>•Training hour</li> <li>•Turnover rate</li> <li>•Professional support</li> </ul>	<ul style="list-style-type: none"> <li>•Accountant workload</li> <li>•Audit commitment</li> <li>•Quality Control Review (EQCR)</li> <li>•Quality Support capability</li> </ul>	<ul style="list-style-type: none"> <li>•Non-audit service Fee</li> <li>•Customer familiarity</li> </ul>	<ul style="list-style-type: none"> <li>•Deficiency and punishment of external audit</li> <li>•Deficiency and punishment of external audit</li> </ul>	<ul style="list-style-type: none"> <li>•Innovative plan or initiative</li> </ul>

Assessment Results: All five dimensions meet the audit quality indicators, and there is little difference compared to peers.

(4) Composition, Responsibilities, and Operation of the Remuneration Committee

A. Information of Remuneration Committee Members

March 31, 2026

Title	Criteria	Professional Qualification and Experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
	Name			
Independent Director	Hwei-Jiung Wang (Note)	Please refer to P.12-13 Information Disclosure of Independent Directors' Professional Qualifications and Independence		2
Independent Director	Shao-Zong Liu			0
Independent Director	Lawrence C. Lee			0
Independent Director	Yi-Zhen Zhang			0

Note : Convener of the Remuneration Committee

B. Information on the operation of the Remuneration Committee

(a) The Company's Remuneration Committee has a total of 4 members.

(b) The current committee members' term of office: from June 28, 2024 to June 19, 2027. A total 2 (A) Remuneration Committee meetings were held in the most recent year. The attendance record of the members were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Note
Convener	Hwei-Jiung Wang (Note)	2	-	100%	
Committee Member	Shao-Zong Liu	2	-	100%	
Committee Member	Lawrence C. Lee	2	-	100%	
Committee Member	Yi-Zhen Zhang	2	-	100%	

1. The terms of reference of the Company's Remuneration Committee are to formulate information on policies, systems, standards and structures for the remuneration of directors and executive officers, conduct regular reviews, and submit recommendations to the Board of Directors for discussion and resolution.

2. The operation status of the Remuneration Committee is as follows:

Remuneration Committee	Contents of the Motion and Follow-up Processing	Resolution Result	The Company's Response to the Remuneration Committee's Opinion
The 2nd Meeting of the 6th Term February 25, 2025	1. Review of the distribution ratio and method of employee remuneration and director remuneration for 2024 in our company. 2. Proposed partial amendments to the Company's Articles of Incorporation. 3. Proposal on the definition of the Company's non-managerial employees for 2025.	All the members present had no objection and passed the proposal	Submitted to the Board of Directors and approved by all the attendance directors

	4. Proposed partial amendments to the Company's "Regulations Governing the Compensation of Directors and Managerial Officers."		
The 3rd Meeting of the 6th Term November 7, 2025	1. Formulated the principles for the distribution of year-end bonuses for the Company's chairman and executive officers in 2025	All the members present had no objection and passed the proposal	Submitted to the Board of Directors and approved by all the attendance directors

Other Mentionable Items :

1. The Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee: None.
2. Resolutions of the Remuneration Committee objected to by members or expressed reservations and recorded or declared in writing: None

C. Information on the members of the Nomination Committee and its operations:

Not applicable because it has not been established.

(5) Composition, Responsibilities, and Operation of the Sustainability Development and Nomination Committee

A. Profile of Members of the Sustainability Development and Nomination Committee

March 31, 2026

Title	Criteria		Independence Status	Number of Other Public Companies in Which the Member Concurrently Serves on the Sustainability Development and Nomination Committee
	Name	Professional Qualification and Experience		
Independent Director	Shao-Zong Liu (Note)	Please refer to P.12-13 Information Disclosure of Independent Directors' Professional Qualifications and Independence		0
Independent Director	Hwei-Jiung Wang			0
Independent Director	Lawrence C. Lee			0
Independent Director	Yi-Zhen Zhang			0

Note : Convener of the Sustainability Development and Nomination Committee

B. Information on the Operation of the Sustainability Development and Nomination Committee

- (1) The Company's Sustainability Development and Nomination Committee consists of four members.
- (2) The term of office of the current committee is from August 5, 2025 to June 19, 2027. The Sustainability Development and Nomination Committee convened two meetings (A) during the most recent year, and the attendance record of the members was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Note
Convener	Hwei-Jiung Wang	2	-	100%	
Committee Member	Shao-Zong Liu	2	-	100%	
Committee Member	Lawrence C. Lee	2	-	100%	
Committee Member	Yi-Zhen Zhang	1	-	50%	

1. The duties and powers of the Sustainability Development and Nomination Committee are as follows:
- (1) To nominate candidates for directors of the Company and review the qualifications of such candidates.
  - (2) To plan the structure and composition of the Company's Board of Directors and each functional committee.
  - (3) To formulate, promote, and strengthen the Company's sustainability development policies, annual plans, and strategies.
  - (4) To review, track, and revise the implementation and effectiveness of sustainability development.
  - (5) To supervise sustainability-related information disclosure and review the sustainability report.
  - (6) To supervise the execution of matters relating to the Company's Sustainable Development Best Practice Principles and other sustainability-related work resolved by the Board of Directors.
  - (7) To review the risk management policies, procedures, and framework, and regularly examine their applicability and effectiveness.
  - (8) To review the implementation of risk management and provide necessary recommendations for improvement.
  - (9) To handle such other matters as may be instructed by the Board of Directors.

2. The operation of the Sustainability Development and Nomination Committee is as follows:

Sustainability Development and Nomination Committee	Proposal Details and Follow-up Actions		Resolution Results	The Company's Response to the Opinions of the Sustainability Development and Nomination Committee
The 1st Meeting of the 1st Term August 5, 2025	Discussion Items	Election of the Convener and Chairperson of the Committee	Approved as proposed without objection by all attending committee members.	The matter was submitted to the Board of Directors and approved by all attending directors.
The 2nd Meeting of the 1st Term November 7, 2025	Report Items	1. Report on the Company's Purchase of Directors' Liability Insurance	Acknowledged.	Acknowledged.
		2. Report on the Greenhouse Gas Inventory and Verification Schedule of the Standard Group		
		3. Report on the Company's Intellectual Property Management Plan and Its Implementation		

		4. Report on the Company's Risk Management Framework, Procedures, and Operation		
		5. Report on the Review Results of the Qualifications of the Company's Incumbent Independent Directors		
	Discussion Items	Adoption of the "Risk Management Policies and Procedures"	The proposal was approved as submitted, without objection from any of the attending committee members.	Submitted to the Board of Directors and approved by all attending directors.

**Other Matters to Be Recorded:**

There were no circumstances in which the Board of Directors did not adopt or revised the recommendations of the Sustainability Development and Nomination Committee.

With respect to the resolutions of the Sustainability Development and Nomination Committee, there were no instances in which any member expressed dissenting or qualified opinions that were recorded or stated in writing.

(6) Sustainable Development Implementation Status and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons:

1. Sustainable Development Implementation Status and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons:

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Has the Company set up a sustainable development governance structure and a dedicated (or concurrent) sustainable development promotion unit which is authorized by the Board of Directors to be managed by high-level management and supervised by the Board of Directors?	V		<p>A. The Board of Directors is the Company's highest decision-making and supervisory body for sustainability matters, and is responsible for overseeing the implementation of sustainability development and the related governance framework. To strengthen the Company's sustainability governance mechanism, the Board of Directors approved the establishment of the Sustainability Development and Nomination Committee on August 5, 2025, and appointed a Chief Sustainability Officer to be responsible for promoting sustainability-related affairs, as well as overseeing the progress of greenhouse gas reduction, control, and inventory management. At least one meeting shall be convened each year, and reports shall be made to the Board of Directors so that the Board may stay informed of sustainability development trends and the Company's implementation progress and response measures with respect to climate governance issues.</p> <p>B. In 2025, the Company completed the preparation of its 2024 Sustainability Report, which was disclosed on the Market Observation Post System and the Company's website.</p> <p>C. On February 24, 2026, a report on the implementation status and achievements of the Company's sustainability development initiatives in 2025 was presented to the Board of Directors.</p>	No major difference

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons						
	Yes	No	Abstract Explanation							
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		<p>Based on the principle of materiality of corporate social responsibility, the Company conducted relevant risk assessments on major issues, and based on the assessed risks, formulated relevant risk management policies as follows:</p> <table border="1"> <thead> <tr> <th>Major Issues</th> <th>Risk Assessment Project</th> <th>Risk Management Policy or Strategy</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental Protection and Ecological Conservation</td> <td> <p>A. The Company pays attention to the sustainable operation of the environment. The management of various items and the operation of the machine system in the factory are carried out in a manner that complies with regulations. Set environmental safety and health management goals every year, and standardize the relevant environmental management operations in the factory. The Company has established "Water Pollution Prevention and Control Management Procedures", "Air Pollution Prevention and Control Management Procedures", "Wastewater Treatment System Operation Instructions", etc., which are implemented by the Environmental Protection Division, and relevant units cooperate with improvement measures to improve energy efficiency, avoid environmental pollution, and maintain the health of employees and neighboring residents.</p> <p>B. The Company passed the verification of ISO14001 Environmental Management</p> </td> </tr> </tbody> </table>	Major Issues	Risk Assessment Project	Risk Management Policy or Strategy	Environment	Environmental Protection and Ecological Conservation	<p>A. The Company pays attention to the sustainable operation of the environment. The management of various items and the operation of the machine system in the factory are carried out in a manner that complies with regulations. Set environmental safety and health management goals every year, and standardize the relevant environmental management operations in the factory. The Company has established "Water Pollution Prevention and Control Management Procedures", "Air Pollution Prevention and Control Management Procedures", "Wastewater Treatment System Operation Instructions", etc., which are implemented by the Environmental Protection Division, and relevant units cooperate with improvement measures to improve energy efficiency, avoid environmental pollution, and maintain the health of employees and neighboring residents.</p> <p>B. The Company passed the verification of ISO14001 Environmental Management</p>	No major difference
Major Issues	Risk Assessment Project	Risk Management Policy or Strategy								
Environment	Environmental Protection and Ecological Conservation	<p>A. The Company pays attention to the sustainable operation of the environment. The management of various items and the operation of the machine system in the factory are carried out in a manner that complies with regulations. Set environmental safety and health management goals every year, and standardize the relevant environmental management operations in the factory. The Company has established "Water Pollution Prevention and Control Management Procedures", "Air Pollution Prevention and Control Management Procedures", "Wastewater Treatment System Operation Instructions", etc., which are implemented by the Environmental Protection Division, and relevant units cooperate with improvement measures to improve energy efficiency, avoid environmental pollution, and maintain the health of employees and neighboring residents.</p> <p>B. The Company passed the verification of ISO14001 Environmental Management</p>								

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
				<p>System in 2010. And obtained ISO14001:2015 in 2023, the validity period is 2023/2/13~2026/1/18.</p> <p>C. The Company recycles and reuses pallets and packaging materials when materials are delivered by manufacturers (recycling the cartons of ex-packaging plastic bottles, etc.), and has waste management and garbage sorting, etc.</p> <p>D. The Company has adopted an automated energy-saving air-conditioning control system for its air-conditioning system, replaced lighting fixtures in the warehouse area with energy-efficient T8 LED panel lights, and implemented hot water recovery and regular inspections of condensate recovery devices to reduce steam consumption. The Company also regularly records its energy and resource consumption.</p> <p>E. The Company's operating parameter of RO system has been improved, the chiller has replaced the cooling copper pipe to improve the cooling efficiency, and the water softener has been changed to create regenerative conditions in order to save electricity and energy.</p> <p>F. The Company's external packaging materials adopt the principle of "Local Procurement and Local Supply", with a</p>

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>proportion up to 80%. Under the principle of not affecting the drug safety of patients and the stability of drug storage, the Company reduces the complexity of packaging and also reduces the impact of raw material procurement and transportation on the environment.</p> <p>G. The Company installed solar photovoltaic to effectively reduce greenhouse gas emissions. In the future, the Company will continue to promote greenhouse gas emissions reduction measures to take into account cost-effectiveness and energy saving.</p> <p>H. The Company promotes to colleagues from time to time on energy efficiency and carbon dioxide reduction. During the lunch break, the lights in the office areas and the laboratory are turned off for one hour. And the Company's water and electricity consumptions were regularly announced to remind colleagues to save energy and care for the earth.</p>	
			<p>Social</p> <p>Occupational Safety</p> <p>A. The Company obtained OHSAS18001 Occupational Safety and Health Management System in 2001, passed the verification of ISO 45001:2018 Occupational Safety and Health Management System in 2019 to provide a safe working environment for employees, and get certified</p>	

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>periodically thereafter.</p> <p>B. The Company conduct at least one "Occupational Health and Safety Education Training," one "Hazard General Education Training," and at least two "Fire Drills" each year to achieve the purpose of ensuring the safety of employees at work.</p>	
			<p>Product Safety</p> <p>A. The Company's marketing and labeling of products and services are in compliance with the Pharmaceutical Affairs Act and the relevant laws and regulations of various countries.</p> <p>B. The Company pays attention to the rights and interests of consumers, and has established a "Customer Complaint Handling Procedure". Established a customer-oriented quality system to improve customer satisfaction with the Company's products or services. And understand customers' needs and expectations as the basis for product development and improvement.</p>	
			<p>Governance</p> <p>Social Economy and Legal Compliance</p> <p>Through the establishment of a governance organization and the implementation of internal control mechanisms, it is ensured that all personnel and operations of the Company have truly complied with the norms of relevant laws and regulations.</p>	
3. Environmental Issues				

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
(1) Does the Company establish proper environmental management systems based on the characteristics of their industries?	V		<p>A. The Company complies with the environmental management mechanisms that are characteristic of the biopharmaceutical industry. We have successfully passed various official inspections by regulatory bodies such as the FDA, PIC/S GMP, Japan's Ministry of Health, and ISO 9001, among others. These certifications demonstrate our commitment to maintaining high-quality standards and ensuring the safety and efficacy of our pharmaceutical products.</p> <p>B. The Company obtained certification for the ISO 14001 Environmental Management System in 2010 and further achieved certification for ISO 14001:2015 and ISO 45001:2018 in 2025.</p> <p>C. The Company passed the verification of OHSAS18001 Occupational Safety and Health Management System in 2010, and gets certified periodically thereafter.</p> <p>D. The Company passed the verification of ISO45001:2018 Occupational Safety and Health Management System in 2019, and get certified periodically thereafter.</p>	No major difference
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		The Company recycles and reuses pallets and packaging materials when materials are delivered by manufacturers (recycling the cartons of ex-packaging plastic bottles, etc.), and has waste management and garbage sorting, etc.	No major difference
(3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		A. The Company has implemented an automated energy-saving control system for its air-conditioning system, replaced lighting fixtures in the warehouse area with energy-efficient T8 LED panel lights, and carried out hot water recovery and regular inspections of condensate recovery devices to reduce steam consumption. In addition, the Company regularly monitors and records its energy	No major difference

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>consumption.</p> <p>B. The Company installed solar photovoltaic to effectively reduce greenhouse gas emissions. In the future, the Company will continue to promote greenhouse gas emissions reduction measures to take into account cost-effectiveness and energy saving.</p> <p>C. The Company adopts "Local Procurement and Local Supply" for external packaging materials, and is committed to reducing carbon in the supply chain, shortening the distance of transporting raw materials, and reducing greenhouse gas emissions.</p> <p>D. The Company has established a SOP for greenhouse gas inventory, and checks the amount of greenhouse gas emissions regularly. In 2024, it has been verified by the third party of Taiwan – Bureau Veritas Co., Ltd. (BV) and obtained a verification statement; the verification process for the year 2025 is still ongoing.</p> <p>E. The Company's operating parameter of RO system has been improved, the chiller has replaced the cooling copper pipe to improve the cooling efficiency, and the water softener has been changed to create regenerative conditions in order to save electricity and energy.</p> <p>F. The Company installed solar photovoltaic to effectively reduce greenhouse gas emissions. In the future, the Company will continue to promote greenhouse gas emissions reduction measures to take into account cost-effectiveness and energy saving.</p> <p>G. The Company promotes to colleagues from time to time on energy efficiency and carbon dioxide reduction. During the lunch break, the lights in the office areas and the laboratory</p>	

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons												
	Yes	No	Abstract Explanation													
			are turned off for one hour. And the Company's water and electricity consumptions were regularly announced to remind colleagues to save energy and care for the earth.													
(4) Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on greenhouse gas reduction, water reduction, or waste management?	V		<p>A. The statistics of the Company's greenhouse gas emissions, water consumption and total weight of waste in the last two years are as follows:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Greenhouse Gas Emissions</td> <td>8,778.7658 mt CO2-e.</td> <td>8,723.0047mt CO2-e.</td> </tr> <tr> <td>Water Consumption</td> <td>155,052 m<sup>3</sup></td> <td>136,198 m<sup>3</sup></td> </tr> <tr> <td>Total Weight of Industrial Waste</td> <td>265.28 mt</td> <td>282.60 mt</td> </tr> </tbody> </table> <p>B. The Company pays attention to the sustainable operation of the environment, and sets environmental safety and health management goals every year. The Company has standardized the relevant environmental management operations in the factory, and established "Water Pollution Prevention and Control Management Procedures", "Air Pollution Prevention and Control Management Procedures", "Wastewater Treatment System Operation Instructions", etc. to improve energy efficiency and avoid environmental pollution.</p>	Category	2024	2025	Greenhouse Gas Emissions	8,778.7658 mt CO2-e.	8,723.0047mt CO2-e.	Water Consumption	155,052 m <sup>3</sup>	136,198 m <sup>3</sup>	Total Weight of Industrial Waste	265.28 mt	282.60 mt	No major difference
Category	2024	2025														
Greenhouse Gas Emissions	8,778.7658 mt CO2-e.	8,723.0047mt CO2-e.														
Water Consumption	155,052 m <sup>3</sup>	136,198 m <sup>3</sup>														
Total Weight of Industrial Waste	265.28 mt	282.60 mt														
4. Social Issues																
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill	V		The Company respects the labor rights and interests of employees, complies with the principles and spirit of the "United Nations Universal Declaration of Human Rights" and the "Declaration of Fundamental Principles and Rights at Work" of	No major difference												

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
of Human Rights?			the International Labor Organization, and actively implements various policies to protect human rights. And according to the national "Labor Standards Act", "Occupational Safety and Health Act", "Act of Gender Equality in Employment", "Sexual Harassment Prevention Act" and other relevant labor laws and regulations, the policies on human rights protection and work rules have been formulated and implemented. The Company continuously improves the working environment and welfare of all employees, and protects the legitimate rights and interests of employees.	
(2) Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		<p>A. The Company has established a complete employee benefit measure, training and retirement systems. For details, please refer to P104-106 of this annual report.</p> <p>B. Article 26 of the Company's Articles of Incorporation provides that, based on the Company's profit for the current year, after offsetting any accumulated losses, 1% to 10% of the remaining balance shall be appropriated as employees' compensation, and no less than 60% of the total amount of such employees' compensation shall be distributed to the Company's non-managerial employees.</p> <p>C. The Company formulated the "Performance Appraisal Operation Method" to establish a clear system of reward and punishment, and formulated the method of "Annual Bonus Distribution and Calculation Operation" that the amount of the bonus is calculated every year based on the Company's operating performance in the year.</p> <p><b>【YB Achievement Award】 :</b>  When the Company's operating profit reaches the target amount, bonuses are granted to employees at the grassroots level and managerial level based on a certain criteria. These</p>	No major difference

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>bonuses are disbursed semi-annually.</p> <p><b>【Monthly Performance Exceeding Award】 :</b>  When the sales revenue and net profit achievement rate exceeds 100%, a bonus is granted to employees at the grassroots level and managerial level based on a certain percentage of their fixed salary. These bonuses are disbursed semi-annually.</p>	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<p>A. The Company passed the verification of OHSAS18001 Occupational Safety and Health Management System in 2010 to provide a safe working environment for employees. The Company conduct at least one "Occupational Health and Safety Education Training," one "Hazard General Education Training," and at least two "Fire Drills" each year to achieve the purpose of ensuring the safety of employees at work.</p> <p>B. The Company hires professional nurses and arranges the resident doctor to come to the factory every month to receive consultations from employees about health and medical care. Employee health checks are held regularly every year to ensure the health of employees.</p> <p>C. The Company launched the Employee Assistance Program (EAP) in 2020 to provide psychological and work consultation through professional counselors to reduce the pressure of employees and help employees and their families solve various psychological and behavioral problems, to maintain the physical and mental health of employees.</p> <p>D. There were no fire incidents at the company in 2025.</p>	No major difference

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
(4) Does the Company provide its employees with career development and training sessions?	V		The Company has established "Employee Training Program" to provide employees with the skills and information they need to perform their jobs, and according to different grade of employees, design different training courses and formulate medium and long-term training plans.	No major difference
(5) Do the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		<p>A. The Company's marketing and labeling of products and services are in compliance with the Pharmaceutical Affairs Act and the relevant laws and regulations of various countries.</p> <p>B. The Company pays attention to the rights and interests of consumers, and has established a "Customer Complaint Handling Procedure". Established a customer-oriented quality system to improve customer satisfaction with the Company's products or services. And understand customers' needs and expectations as the basis for product development and improvement.</p> <p>C. The Company has a special line of 0800, which is served by dedicated personnel and conducts questionnaire surveys to customers regularly to protect the rights and interests of the customers.</p>	No major difference
(6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		<p>A. The Company's selection of suppliers is based on different aspects such as legality, good reputation, employment measures (labor conditions and working environment), emphasis on environmental protection and the implementation of corporate social responsibility as the conditions for reviewing suppliers.</p> <p>B. In order to strengthen the management of suppliers and the quality of products, the Company has formulated a "Management Procedure of Supplier ". The demand unit puts forward the demand for application and qualification</p>	No major difference

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>assessment, and after the approval of the QA unit, and then it will be listed as a qualified supplier.</p> <p>C. For new suppliers, the Company will ask them to fill out the supplier assessment questionnaire, which includes policies on environmental health and safety and waste disposal systems, etc. In addition, the QA unit conducts a routine audit of the supplier's quality system every year to ensure that the products provided by the supplier are in compliance with laws and regulations and are safe and hygienic, and can jointly enhance corporate social responsibility.</p>	
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as ESG reports? Do the reports above obtain assurance from a third-party verification unit?		V	<p>A. The Company has voluntarily prepared a Corporate Social Responsibility Report since 2013 (ESG Report from 2021), and its content is compiled with reference to the guidelines of the Global Reporting Initiative Standard (GRI).</p> <p>B. The report above hasn't obtained assurance from a third-party verification unit.</p>	In the future, will obtain the third-party verification as needed.
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the Company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies: No major difference.				
7. Other useful information for explaining the status of corporate social responsibility practices:				
<p>(1) Environmental protection and quality management:</p> <p>A. The Company passed the verification of ISO14001 Environmental Management System and implemented waste sorting in December 2010.</p> <p>B. The Company passed the verification of OHSAS18001 Occupational Safety and Health Management System in December 2010, and promoted the Zero Accident Movement to ensure employee safety at work.</p> <p>C. Through a comprehensive quality management system, strict quality management is carried out in each process link to ensure that the best services and products are provided to customers.</p>				

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
<p>(2) Social Responsibility:</p> <p>A. The Company won the award of 2021 Outstanding Biotechnology Industry and was received by President Tsai on February 14, 2022.</p> <p>B. The Fan Dao Nan Foundation was awarded the 2022 Ministry of Education Contribution Award for Social Education - Group Award.</p> <p>C. The main content of the specific promotional effects of various social activities in 2025 is briefly described as follows:</p> <p>(a) Scholarship Project: A total of 3,558 students from various of primary and junior high schools, senior high schools, and universities, with a total subsidy of NT\$7.72 million.</p> <p>(b) Hope, Sunflower Tutoring, and Winter and Summer Bento Subsidy Programs: a total of 1,018 people, with a total subsidy of NT\$1.19 million.</p> <p>(c) Public Welfare Subsidies: subsidies to 17 public welfare organizations, with a total donation of NT\$1.31 million.</p> <p>(d) Public Welfare Activities: The total expenditure for the STANDARD Cup Children's Sketching Competition was NT\$0.54 million, and the total expenditure for the STANDARD Cup National Table Tennis was NT\$2.11 million.</p> <p>D. A total of 42 community and LOHAS health lectures were held, with a total of 170,226 user visits were recorded during the year.</p> <p>E. The Company has long-term cooperation with domestic and foreign universities for internships. The domestic universities that have cooperated include National Taiwan University, National Cheng Kung University, Kaohsiung Medical University, China Medical University College of Medicine, Chia Nan University of Pharmacy and Science, Chang Gung University, National Chiayi University, Tunghai University, National Taipei University of Technology, National Pingtung University of Science and Technology, Chung Hwa University of Medical Technology, Southern Taiwan University of Science and Technology, etc. In 2025, a total of 13 students participated in internships, providing students with early access to the workplace and expanding the source of talent recruitment.</p> <p>(3) Corporate Governance</p> <p>A. Implemented the Company's information on the up and up and strictly prohibit insider trading by directors and employees of the Company to protect the rights and interests of investors.</p> <p>B. The Company has voluntarily prepared a CSR Report since 2013 (Starting from 2021, it has been changed to a ESG Report).</p> <p>C. The performance evaluations of the Board of Directors, Individual Directors, and Functional Committees in 2025 have all achieved an "excellent" rating.</p> <p>D. Two Investor Conference were held in 2025.</p>				

## 2. Climate-related information and implementation

Project	Execution Situation		
<p>1. Board and management oversight and governance of climate-related risks and opportunities.</p>	<p>The Board of Directors is the Company's highest decision-making and supervisory body for sustainability matters and is responsible for overseeing the implementation of sustainability development and the related governance framework. To strengthen the Company's sustainability governance mechanism, the Board of Directors approved the establishment of the Sustainability Development and Nomination Committee on August 5, 2025, and appointed a Chief Sustainability Officer to be responsible for promoting sustainability-related affairs, as well as overseeing the progress of greenhouse gas reduction, control, and inventory management. The Committee convenes at least once a year and reports to the Board of Directors, enabling the Board to stay informed of relevant sustainability trends and the Company's implementation progress and response measures in relation to climate governance issues.</p>		
<p>2. How the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term).</p>	<p style="text-align: center;">Short-term</p>	<p style="text-align: center;">Mid-term</p>	<p style="text-align: center;">Long-term</p>
	<p>▪ <b>Transition Risk:</b> As regulations become more comprehensive, customers have higher expectations for environmentally friendly and low-carbon products. If the company's greenhouse gas reduction efforts fail to meet expectations, it may affect customer loyalty, leading to a decline in revenue and negatively impacting business performance.</p> <p>▪ <b>Physical Risk:</b> Heavy rainfall or typhoons may cause flooding in the plant area, while power outages due to electricity shortages could lead to sudden production stoppages. These situations may disrupt delivery schedules and affect revenue.</p> <p>▪ <b>Market Opportunity:</b> Reducing energy costs to improve company profitability.</p>	<p>▪ <b>Transition Risk:</b> Due to the impact of extreme weather and growing market demands for carbon emissions management, the supply chain may face new challenges such as unstable supply. To mitigate this, the company may need to increase inventory, requiring investment in additional warehouse space or storage rental costs.</p> <p>▪ <b>Market Opportunity:</b> Expanding the use of green energy such as solar and wind power to reduce carbon footprint.</p>	<p>▪ <b>Transition Risk:</b> Under Taiwan's Climate Change Response Act, a carbon fee may be imposed in the future. If the government enforces a total greenhouse gas emissions cap, this would increase the company's operating costs.</p> <p>▪ <b>Physical Risk:</b> Taiwan's ongoing issues with water and electricity shortages could raise energy costs and impact profitability. In severe cases, production delays or shutdowns may occur, leading to missed shipments and potential contract breaches.</p> <p>▪ <b>Market Opportunity:</b> Promoting green procurement, implementing energy-saving measures, and investing in green energy equipment to enhance corporate image.</p>
<p>3. The financial impact</p>	<p>In response to climate change, the Company's opportunities, response measures and financial impacts are as follows: :</p>		

Project	Execution Situation		
of extreme climate events and transition actions.	Opportunity Categories	Opportunity Description	Response Measures and Financial Impact
	ESG	The aforementioned uncontrollable environmental factors may affect the shipment progress of all companies.	If the company's has appropriate strategies, responds appropriately, and maintains the stability of shipments, it will have the opportunity to take the lead and seize new markets.
	Behavioral Reinforcement	The international community and governments are actively promoting the development of ESG, and customers and market investors are beginning to pay attention to such issues.	Continue to advocate green procurement, formulate energy-saving measures, and invest in green energy equipment to attract orders from potential customers and investment from investors.
4. The integrate climate risk identification, assessment and management processes into the overall risk management system.	Based on the core elements of the TCFD management framework, the company's management convenes relevant departments to collect climate risk issues, understand the latest regulations, update the basic data of the Company's risk assessment, and introduce risk response measures based on the impact and possibility of the impact; If the issue is significant, it will be submitted to the board of directors for review first and will be implemented after approval.		
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described.	The company's climate risk analysis is based on scenario descriptions to define the impact possibility and degree of impact to identify the company's response measures and financial impact.		

Project	Execution Situation		
<p>6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.</p>	<p>Climate change has been incorporated as a key issue and critical risk factor in the Company's sustainable development strategy. Risk management plans are implemented across all facilities, with response measures planned in areas such as operations, products, and supply chain management.</p> <p>Based on the ISO 31000 risk management system, the PDCA cycle is applied to continuously improve climate-related environmental risk management and integrate it with the Company's overall risk management system.</p>		
	Risk Category	Risk Shock	Countermeasures
	Transition Risk	<p>Short-term</p> <p>As regulations become more comprehensive, customers increasingly expect products to be more environmentally friendly and low-carbon. If the company's greenhouse gas reduction efforts fail to meet expectations, customer loyalty may be affected, potentially leading to a decline in revenue and negatively impacting the company's business performance.</p>	<p>Due to the specific nature of the pharmaceutical industry, recycled or regenerated raw materials cannot be used. However, to mitigate the environmental impact of raw material procurement and transportation and reduce greenhouse gas emissions, the company has in recent years shifted its API sourcing from Europe and the U.S. to neighboring countries such as China, India, and Japan. The company also promotes green procurement, implements energy-saving measures, and invests in green energy equipment to enhance its corporate image.</p>
<p>Mid-term</p> <p>Due to the effects of extreme weather and growing market demands for carbon emissions management, the supply chain may face new challenges such as unstable supply. To address this, the company may need to increase inventory levels, requiring investment in additional warehouse facilities or payment for storage space rental.</p>		<p>To reduce the risk of supply instability, the company has established second-source suppliers for certain critical raw materials.</p>	

Project	Execution Situation			
		Long-term	<p>Under the domestic Climate Change Response Act, carbon fees may be imposed in phases on sources that emit greenhouse gases. If the government implements a greenhouse gas emissions cap, it will increase the Company's operating costs.</p>	<p>Due to the unique characteristics of the pharmaceutical industry, the use of recycled or regenerated raw materials is not feasible. However, to mitigate the environmental impact of raw material procurement and transportation, and to reduce greenhouse gas emissions, the company has, in recent years, shifted its API sourcing from Europe and the United States to nearby countries such as China, India, and Japan. The company also promotes green procurement, establishes energy-saving measures, and invests in green energy equipment to enhance its corporate image.</p>
	Physical Risk	Short-term	<p>Heavy rainfall or typhoons may lead to flooding in plant facilities, while power shortages can cause unexpected blackouts, potentially halting production lines immediately. Such incidents can disrupt shipment schedules and negatively impact revenue.</p>	<p>To address drainage issues, a floodgate has been installed at Standard Plant 1. Additionally, before the typhoon season, administrative personnel clear the drainage systems to reduce the risk of flooding. The company has also installed emergency power supply equipment in certain areas to minimize the impact of unexpected power outages.</p>
		Long-term	<p>Taiwan continues to face issues with water and power shortages, and rising energy costs are affecting company profitability. In severe cases, these challenges may result in production delays or shutdowns, preventing timely deliveries and exposing the company to default risks.</p>	<p>The financial impact of rising electricity prices has become nearly unavoidable. Therefore, Standard prioritizes energy-efficient equipment when replacing old machinery to mitigate the effects of future electricity rate hikes. Regarding water resource concerns, the plant's proximity to the group's Syn-Tech Chem. &amp; Pharm. industrial facility allows for timely allocation of internal water resources. Furthermore, a comprehensive supplier list has been established to facilitate water purchases from external suppliers when necessary.</p>

Project	Execution Situation
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company continues to pay attention to domestic and foreign development trends related to carbon pricing, but has not yet used internal carbon pricing as a planning tool.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs).	After conducting a greenhouse gas inventory, the company learned that the main source of greenhouse gases is electrical equipment, and has successively promoted energy-saving and carbon-reducing measures for various electrical equipment. Relevant units have cooperated in implementing relevant improvements to save electricity and improve energy efficiency. To reduce indirect emissions of greenhouse gases through the reduction of electric energy, it is expected to minimize the impact on the environment and ecology. The company has set a carbon reduction target of decreasing greenhouse gas emissions by at least 1% annually. Active promotion and continuous implementation efforts are underway, along with green procurement initiatives. The goal for 2026 is to achieve NT\$5 million in reported green procurement value. In recognition of its efforts, Standard was awarded the “Outstanding Green Procurement Enterprise of Tainan City” for 2024 in the year 2025.
9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans (Also fill in 1-1 and	Please refer to the table below for greenhouse gas inventory and confirmation status as well as reduction targets, strategies and specific action plans.

Project	Execution Situation
1-2) °	

1-1 The company greenhouse gas inventory and confirmation status in the last two years

According to the sustainable development roadmap of listed companies, a sure timetable should be disclosed and implemented.

1. The parent company should complete the inventory in 2026 and complete the confirmation in 2028.
2. The consolidated financial reporting of subsidiaries should be completed in 2027 and the confirmation in 2029.

1-1-1 Greenhouse Gas Inventory Information.

		2024		2025	
		Emissions (tonCO <sub>2</sub> e)	Density ( tonCO <sub>2</sub> e / NT\$ million )	Emissions ( tonCO <sub>2</sub> e )	Density ( tonCO <sub>2</sub> e / NT\$ million )
Company	Category 1 Direct greenhouse gas emissions	1,628.5207	0.50	1858.5385	0.56
	Category 2 Indirect greenhouse gas emissions	6,929.9204	2.15	6864.4662	2.06
	Total	8,558.4411	2.65	8723.0047	2.62
Consolidated financial reporting for all subsidiaries	Category 1 Direct greenhouse gas emissions	N/A	N/A	N/A	N/A
	Category 2 Indirect greenhouse gas emissions	N/A	N/A	N/A	N/A
	Total	N/A	N/A	N/A	N/A
Confirm the institution		Bureau Veritas Certification (Taiwan) Co., Ltd.		PwC Green Technology Company (Taiwan)	

Believe the situation statement	According to the verification process and procedures conducted by Bureau Veritas Certification (Taiwan) Co., Ltd. there is sufficient evidence to show that the greenhouse gases of Standard Chem.& Pharm. Co.,Ltd. are substantially correct and fair in presenting greenhouse gas data and related information, and in accordance with ISO 14064-1: Prepared in 2018 and meets the reasonable assurance level of the verification protocol.	Verification has been commissioned to PwC Green Technology Company (Taiwan), and the data is currently under verification.
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Note 1 : Direct greenhouse gas emissions (Category 1 , That is from emission sources owned or controlled by the company.) Indirect greenhouse gas emissions (Category 2 , That is, indirect greenhouse gas emissions from input electricity, heat or steam.) Other indirect emissions (Category 3 , That is, emissions generated by company activities are not indirect emissions from energy, but come from emission sources owned or controlled by other companies.)

Note 2 : Coverage of direct emissions and energy indirect emissions data , It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of this Code. Other indirect emission information may be disclosed voluntarily.

Note 3 : Greenhouse gas inventory standards : Greenhouse Gas Protocol, GHG Protocol or International Organization for Standard-ization ISO14064-1.

Note 4 : The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) should be stated.

#### 1-1-2 Greenhouse Gas Confirmation Information

A description of the confidence in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.
<p>Bureau Veritas Certification (Taiwan) Co., Ltd. has independently verified the greenhouse gas statement reported by Standard Chem. &amp; Pharm. Co., Ltd. This verification statement applies to relevant information within the scope of work described below. Standard Chem. &amp; Pharm. Co., Ltd. is responsible for reporting greenhouse gas statements. Bureau Veritas Certification (Taiwan) Co., Ltd. is responsible for the accuracy of the greenhouse gas statements it reports, as well as the basic systems and systems used to collect, analyze and review information. Provide independent verification of the process.</p> <p>Verification Scope:</p> <ul style="list-style-type: none"> <li>● The Factory 1: No.6-20 , Tuku. , Tuku Village , Sinying District , Tainan City 73055</li> <li>The Factory 2: No.154 , Kaiyuan Rd. , Sinying District , Tainan City 73055</li> <li>● During the interrogation : January 1, 2024 to December 31, 2024 and January 1, 2025 to December 31, 2025</li> </ul>

Detailed verification scope:

- Verification Protocol : ISO 14064-1:2018

Verification Method:

Based on the risk assessment and sampling plan, conduct on-site visits to the first and second factories, interview relevant personnel, and review the documentary evidence produced ; Review the collection, aggregation and analysis methods, information systems and data in the offices and on-site of Plant 1 and Plant 2 ; and audit data samples used by factories one and two to determine greenhouse gas declarations. °

Verification Opinions:

According to the verification process and procedures conducted by Bureau Veritas Certification (Taiwan) Co., Ltd. there is sufficient evidence to show that the greenhouse gases of Standard Chem. & Pharm. Co., Ltd. are substantially correct and fair in presenting greenhouse gas data and related information, and in accordance with ISO 14064-1: Prepared in 2018 and meets the reasonable assurance level of the verification protocol.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

In view of the fact that the National Development Council has announced the "Taiwan 2050 Net-Zero Emission Pathway" in March 2022 to guide companies to implement net-zero transformation, and in conjunction with the Financial Supervisory Commission to promote the "Sustainable Development Roadmap for Listed OTC Companies", it will disclose greenhouse gas inventories and With confidence in the information, Standard Chem. & Pharm. Co., Ltd. will use the greenhouse gas inventory results it constructs to understand the emission status and further formulate carbon reduction goals, strategies and specific action plans.

(7) Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Establishment of Ethical Corporate Management Policies and Programs				
(1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and	V		The Company has formulated the "Ethical Corporate Management Best Practice Principles", which was passed by the resolution of the Board of Directors on November 4, 2016, with clearly states and the active commitment of the Board of	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
management towards enforcement of such policy?			Directors and management towards enforcement of the ethical corporate management policy.	
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		<p>A. The Company has established an effective Accounting System and Internal Control System and enforced them effectively. Internal auditors conduct regular audits in accordance with the audit plan every year and report to the Board of Directors.</p> <p>B. The Company has established "Ethical Code of Conduct" to prevent conflicts of interest, avoid seeking self-interest, fair transactions, etc.</p> <p>C. The Company's "Work Rules" clearly stipulate that the Company's employees shall not accept or promise bribes, engage in private fraud, embezzle public funds, leak the Company's secrets and other illegal acts, and must sign a Non-Disclosure Undertaking. If the circumstances are serious, the employment shall be terminated. And the Company will insure fidelity bonds for salespersons.</p>	No major difference
(3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	V		<p>A. The Company has formulated a program against unethical conduct in Ethical Corporate Management Best Practice Principles, and has formulated the "Ethical Code of Conduct" to guide the Company's personnel to follow code of ethics and uphold the principle of integrity in business operations.</p> <p>B. The Company's "Work Rules" clearly stipulate that the Company's employees shall not accept</p>	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			or promise bribes, engage in private fraud, embezzle public funds, leak the Company's secrets and other illegal acts, and must sign a Non-Disclosure Undertaking. If the circumstances are serious, the employment shall be terminated. And the Company will insure fidelity bonds for salespersons.	
2. Fulfillment of Ethical Corporate Management				
(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		The Company evaluates the ethical records of the counterparties, and refuses to deal with the manufacturers or customers with unethical conduct records, and asks the legal department to clearly stipulate the ethics-related clauses in the transaction contracts.	No major difference
(2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		<p>A. The Company's General Manager Office is the unit that promotes Ethical Corporate Management. According to the work duties and scope of each unit, it ensures the implementation of the Ethical Corporate Management Best Practice Principles, and will report to the Board of Directors on August, 2026 about the ethical management policy and its implementation status in 2025.</p> <p>B. The Company implements the ethical management policy, and the relevant implementation status in 2025 is as follows:</p> <p>a. In 2025, the Company organized internal and external trainings related to ethical management issues, including courses related to Compliance with Laws and</p>	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>Regulations on Ethical Management, Drug Safety and Hygienic Standards, Specification for Inspection Training, Labor Health On-the-job Training, Gender Equality, Labor Insurance Rights, Revision of Drug Regulations, Accounting System and Internal Control, etc., with a total of 179,323 people and 77,182 hours.</p> <p>b. The internal auditors conduct regular inspections according to the audit plan every year and report to the Board of Directors to ensure the operation of the overall mechanism and jointly manage and prevent unethical conduct. In 2025, no corruption incidents and anti-competitive conduct occurred.</p> <p>c. The Company has established the "Regulations Governing the Whistleblowing System," under which internal and external parties may report any conduct that violates the principles of ethical corporate management through various reporting channels. In 2025, the Company did not receive any whistleblowing reports, and there were no incidents involving material unethical conduct.</p>	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate	V		A. The Company's "Ethical Code of Conduct" clearly states the policy of preventing conflicts	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
communication channels, and implement it?			<p>of interest. If there is a conflict of interest, should take the initiative to explain to the Company whether it has a potential conflict of interest with the Company, and handle it in accordance with the Company's Internal Control System and approval authority.</p> <p>B. When directors have proposals involving their own interests, avoidance of interests must be carried out, and they shall leave the meeting not to participate in discussion and voting.</p> <p>C. The Company has adopted the "Regulations Governing the Whistleblowing System," under which internal and external parties may submit reports through various reporting channels.</p>	
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		<p>The Company's Accounting System is based on relevant laws and regulations such as Securities and Exchange Act, Company Act, Business Entity Accounting Act, Regulations Governing the Preparation of Financial Reports by Public Companies, International Financial Reporting Standards (IFRSs) approved by the Financial Supervisory Commission R.O.C. (Taiwan), International Accounting Standards (IASs), International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretation Committee (SIC), and formulated according to the actual situation of the Company's business; The Internal Control System is formulated and implemented with reference to relevant regulations</p>	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			such as the "Regulations Governing Establishment of Internal Control Systems by Public Companies". Internal auditors conduct regular inspections in accordance with the audit plan every year and report to the Board of Directors.	
(5) Does the Company regularly hold internal and external trainings on ethical management?	V		<p>A. The Company announces the "Ethical Corporate Management Best Practice Principles" on the electronic bulletin board, and uses the monthly meeting to promote the concept of ethical management to employees.</p> <p>B. In 2025, the Company organized internal and external trainings related to ethical management issues, including courses related to Compliance with Laws and Regulations on Ethical Management, Drug Safety and Hygienic Standards, Specification for Inspection Training, Labor Health On-the-job Training, Gender Equality, Labor Insurance Rights, Revision of Drug Regulations, Accounting System and Internal Control, etc., with a total of 179,323 people and 77,182 hours.</p>	No major difference
3. Operation of the Company's Whistleblowing System				
(1) Does the Company establish a specific whistleblowing and reward system, channels to facilitate whistleblowing, and assign appropriate person to handle whistleblowers?	V		The Company has adopted the "Regulations Governing the Whistleblowing System," which provide internal and external parties with various channels for submitting whistleblowing reports. Relevant cases are received and subsequently investigated by the Internal Audit Office or the Human Resources Department, depending on the	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			nature of the case.	
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		The Company has adopted the "Regulations Governing the Whistleblowing System," which clearly set forth the procedures for the acceptance, investigation, and handling of whistleblowing cases. Whistleblowing cases are accepted and investigated by the Internal Audit Office or the Human Resources Department, depending on the nature of the case. Where necessary, the Chairman may appoint appropriate investigators or establish a special investigation team to conduct the inquiry. Upon completion of the investigation, appropriate corrective or disciplinary actions will be taken based on the findings. In addition, the Company has established a whistleblower protection mechanism and is committed to maintaining the confidentiality of the whistleblower's identity and the content of the report.	No major difference
(3) Does the Company provide proper whistleblower protection?	V		The Company has established a whistleblower protection mechanism under the "Regulations Governing the Whistleblowing System" and is committed to maintaining the confidentiality of the whistleblower's identity and the content of the report. Except as required by applicable laws and regulations, such information shall not be disclosed, so as to protect whistleblowers from unfair treatment or retaliation. Where any retaliatory conduct is verified, the Company will impose disciplinary actions on the relevant personnel or pursue legal liability, depending on the severity	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
4. Strengthening Information Disclosure				
Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		The Company has disclosed the relevant information of the ethical corporate management policies on the Company's website and MOPS.	No major difference
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: No major difference.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies (e.g., review and amend its policies):				
<p>(1) To implement the basics of ethical corporate management policies, the Company operates under the Company Act, Securities and Exchange Act, Businesses Entity Accounting Act, related regulations for TWSE/TPEX-Listed Companies, and other laws and decrees concerning business transactions.</p> <p>(2) The Company's "Rules of Procedure for Board of Directors Meetings" stipulates a director's interest avoidance system. Those who have an interest in the proposals listed by the Board of Directors, which may harm the interests of the Company, may state their opinions, but shall refrain from participating in the discussion and voting, and shall not exercise voting rights on behalf of other directors.</p> <p>(3) The Company has established "Internal Material Information Processing Procedures" to forbid the Company's insiders from using undisclosed information to buy and sell securities.</p>				

(8) Other Important Information Regarding Corporate Governance

The "Internal Material Information Processing Procedure" formulated to manage the Company's internal material information has informed all directors, managers, and educated all employees to avoid violations or incidents of insider trading.

**(8) Implementation Status of Internal Control System**

**1. Internal Control Statement:**

Please refer to the Market Observation Post System (MOPS) at [https://mops.twse.com.tw → Company → Corporate Governance → Company Regulations/Internal Control → Internal Control Statement Announcements]. Enter the year and company code to search for the Internal Control Statement announcement.

2. For those who entrust an accountant to review the internal control system should disclose the accountant's review report:

The Company has no such situation.

**(9) In the Latest Year and as of the Date of Publication of the Annual Report, Major Resolutions of Shareholders' Meeting and Board Meetings**

**A. Major resolutions and implementation status of the 2025 regular shareholders' meeting:**

Date	Major Resolutions	Implementation Status
May 29, 2025	1. Ratification of the 2024 Financial Statements proposal.	The resolution was passed.
	2. Ratification of the 2024 Surplus Earnings Distribution proposal.	Cash dividends of NT\$500,349,049 were distributed to shareholders for 2025, and August 12, 2025 was set as the record date for dividend distribution, while August 28, 2025 was set as the cash dividend payment date.
	3. Proposed partial amendments to the Company's Articles of Incorporation.	The amendment was completed and approved for registration by the Ministry of Economic Affairs on July 30, 2025, and was posted on the Company's website.
	4. Release of elected Board of Directors from non-competition restrictions.	Approved, and a material information announcement was made on May 29, 2025.

**B. Major resolutions of the Board Meetings:**

Date	Major Resolutions
February 24, 2026	<ol style="list-style-type: none"><li>1. Approval of the Company's 2026 annual operating plan.</li><li>2. Approval of the ratio and method for the distribution of employees' compensation and directors' remuneration for 2025.</li><li>3. Approval of the Company's 2025 business report, parent company only financial statements, and consolidated financial statements.</li><li>4. Approval of the Company's earnings distribution proposal for 2025.</li><li>5. Approval of the issuance of new shares through capitalization of earnings by the Company.</li><li>6. Approval of the evaluation of the effectiveness of the Company's internal control system for 2025 and the Internal Control System Statement.</li><li>7. Approval of the remuneration of the Company's independent auditors for 2026 and the evaluation of the independence and competence of the independent auditors proposed for appointment.</li><li>8. Approval of the extension of the authorized investment period for</li></ol>

Date	Major Resolutions
	<p>the purchase of shares of Advpharma, Inc. held by Synpac-Kingtown Corporation.</p> <ol style="list-style-type: none"> <li>9. Approval of the authorization for the disposal of the Company’s equity interest in SynCore Biotechnology Co., Ltd. (TPEX Code: 4130).</li> <li>10. Approval of the increase in the total construction budget for the 200-ping expansion project of the Company’s Section 5 to NT\$220 million (inclusive).</li> <li>11. Approval of the release of the non-compete restrictions applicable to the Company’s directors.</li> <li>12. Approval of the promotion of the Company’s managerial personnel to Associate Vice President.</li> <li>13. Approval of the appointment of the Company’s Chief Sustainability Officer.</li> <li>14. Approval of the definition of the Company’s non-managerial employees for 2026.</li> <li>15. Approval of the proposed partial amendments to the Company’s Articles of Incorporation.</li> <li>16. Approval of the proposed amendments to the “Rules for Hierarchical Authorization of Responsibilities.”</li> <li>17. Approval of the convening of the 2026 Annual General Shareholders’ Meeting.</li> <li>18. Approval of the renewal of financing facilities or agreements with various financial institutions.</li> </ol>
November 7, 2025	<ol style="list-style-type: none"> <li>1. Approval of the Company’s consolidated financial report for the third quarter of 2025.</li> <li>2. Approval of the adoption of the 2026 Annual Internal Audit Plan.</li> <li>3. Approval of the principles for the distribution of year-end bonuses to the Chairman and managerial officers for 2025.</li> <li>4. Approval of the proposed revision to the Company’s internal control system – “Payroll Cycle.”</li> <li>5. Approval of the purchase of shares of Advpharma, Inc. held by the subsidiary Synpac-Kingtown Corporation.</li> <li>6. Approval of the cash capital increase of the Company’s Philippine subsidiary.</li> <li>7. Approval of the cash capital increase of the Company’s Vietnamese subsidiary.</li> <li>8. Approval of the increase in the investment amount in Rossmax International Ltd. (TPEX Code: 4121).</li> <li>9. Approval of the investment in the equity interest of SynCore Biotechnology Co., Ltd. (TPEX Code: 4130).</li> <li>10. Approval of the investment in NTD-denominated secured subordinated bonds.</li> <li>11. Approval of the adoption of the “Risk Management Policies and Procedures.”</li> <li>12. Approval of the proposed amendments to the “Rules for Hierarchical Authorization of Responsibilities.”</li> <li>13. Approval of the renewal of financing facilities or agreements with various financial institutions.</li> </ol>
August 5, 2025	<ol style="list-style-type: none"> <li>1. Approval of the Company’s consolidated financial report for the second quarter of 2025.</li> </ol>

Date	Major Resolutions
	<ol style="list-style-type: none"> <li>2. Approval of the Company’s 2024 ESG Sustainability Report.</li> <li>3. Approval of the Company’s plan for enhancing corporate value.</li> <li>4. Approval of the establishment of the “Sustainability Development and Nomination Committee” and the adoption of the “Organizational Charter of the Sustainability Development and Nomination Committee.”</li> <li>5. Approval of the appointment of members of the “Sustainability Development and Nomination Committee.”</li> <li>6. Approval of the proposed revision to the “Internal Audit System” (including the Internal Audit Charter, the Rules and Detailed Implementation Rules of Internal Audit, and the Internal Audit Operating Manual).</li> <li>7. Approval of the proposed revision to the “Procedures for Self-Assessment of the Internal Control System.”</li> <li>8. Approval of the renewal of financing facilities or agreements with various financial institutions.</li> </ol>
May 9, 2025	<ol style="list-style-type: none"> <li>1. Approval of the Company’s consolidated financial report for the first quarter of 2025.</li> <li>2. Approval of the adoption of the “Procedures for the Preparation and Assurance of the Sustainability Report.”</li> <li>3. Approval of the cash capital increase of the Company’s Philippine subsidiary.</li> <li>4. Approval of the renewal of financing facilities or agreements with various financial institutions.</li> </ol>
March 25, 2025	<ol style="list-style-type: none"> <li>1. Approval of participation in the private placement cash capital increase of EirGenix, Inc. (TPEX Code: 1799).</li> <li>2. Approval of the establishment of a new subsidiary in Thailand.</li> </ol>
February 25, 2025	<ol style="list-style-type: none"> <li>1. Approval of the Company’s 2025 annual operating plan.</li> <li>2. Approval of the ratio and method for the distribution of employees’ compensation and directors’ remuneration for 2024.</li> <li>3. Approval of the Company’s 2024 business report, parent company only financial statements, and consolidated financial statements.</li> <li>4. Approval of the Company’s earnings distribution proposal for 2024.</li> <li>5. Approval of the evaluation of the effectiveness of the Company’s internal control system for 2024 and the Internal Control System Statement.</li> <li>6. Approval of the addition of “Procurement Management Operations” to the audit items under the 2025 Annual Internal Audit Plan.</li> <li>7. Approval of the remuneration of the Company’s independent auditors for 2025 and the evaluation of the independence and competence of the independent auditors proposed for appointment.</li> <li>8. Approval of the change of the Company’s independent auditors effective from the first quarter of 2025 and the evaluation of the independence and competence of the newly appointed independent auditors.</li> <li>9. Approval of the proposed partial amendments to the Company’s Articles of Incorporation.</li> <li>10. Approval of the definition of the Company’s non-managerial employees for 2025.</li> </ol>

Date	Major Resolutions
	11. Approval of the proposed partial amendments to the Company's "Regulations Governing the Compensation of Directors and Managerial Officers." 12. Approval of the release of the non-compete restrictions applicable to the Company's directors. 13. Approval of the convening of the 2025 Annual General Shareholders' Meeting. 14. Approval of participation in the cash capital increase of the investee company, Healthway Biotechnology Co., Ltd. 15. Approval of the renewal of financing facilities or agreements with various financial institutions.

(10) In the Latest Year and as of the Date of Publication of the Annual Report, Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors

The Company has no such situation.

4. Information Regarding the Company's Audit Fee

Grading Table of Audit Fee of CPAs

Unit : NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee (Note)	Total	Note
PwC Taiwan	Fang-Ting Yeh	January 1, 2025	3,705	1,034	4,739	-
	Norah Hsu	December 31, 2025				

Note : Non-audit fees include services for tax certification, transfer pricing reports, tax consulting, and correction of undistributed earnings, among others.

(1) If the accounting firm was changed and the audit fee paid in the replacement year was less than the audit fee in the previous year, the amount and reasons for the audit fee before and after the replacement should be disclosed:

The Company has no such situation.

(2) If the audit fees have decreased by more than 10% compared with the previous year, the amount, proportion and reasons for the decrease in audit fees shall be disclosed:

The Company has no such situation.

5. Information of Replacement of CPAs

The Company has no such situation.

6. Information Regarding the Company's Chairman, General Manager, Manager in Charge of Financial or Accounting Affairs Has Worked in the Firm of the Certified Accountant or Its Affiliated Companies in the Most Recent Year

The Company has no such situation.

**7. The Status in the Most Recent Year and as of the Publication Date of the Annual Report, Directors, Supervisors, Managers, and Shareholders Holding More Than 10% of the Shares Have Been Transferred and Pledged**

**(1) Change status in shareholding of directors, managers, and shareholders holding more than 10% of the shares**

Please refer to the Market Observation Post System (MOPS) at [<https://mops.twse.com.tw> → Summary Reports → Shareholding Changes / Securities Issuance → Shareholding / Pledging / Transfers of Directors, Supervisors, and Major Shareholders → Summary Table of Shareholding Balances of Directors, Supervisors, Managers, and Major Shareholders]. Please select “Listed” under Market Type, “Chemical and Biotech Medical” under Industry Type, and enter the relevant year and month to search.

**(2) Information on Shares Transfer and Pledge:**

The Company has no such situation.

**(3) Shares Transfer or Pledge with Related Parties:**

The Company has no such situation.

**8. Information Regarding the Shareholding Ratio of the Top Ten Shareholders, Their Relationship With Each Other, Spouse, or Relatives Within the Second Degree**

Name	Current Shareholding		Spouse's/Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Chin-Tsai Fan	20,086,813	11.24	14,584,781	8.16	0	0	Tzu-Bin Fan Tzu-Ting Fan Mei-Rong Fan Huang Tsuey-Wen Yeh Fan Dao Nan Foundation	Son Son Spouse Daughter-in-law Chairman's Father	-
Tzu-Bin Fan	19,518,084	10.92	0	0	0	0	Chin-Tsai Fan Mei-Rong Fan Huang Tzu-Ting Fan Tsuey-Wen Yeh Fan Dao Nan Foundation	Father Mother Brother Sister-in-law Chairman's Brother	-
Mei-Rong Fan Huang	14,584,781	8.16	20,086,813	11.24	0	0	Chin-Tsai Fan Tzu-Ting Fan Tzu-Bin Fan Tsuey-Wen Yeh Fan Dao Nan Foundation	Spouse Mother Mother Mother-in-law Chairman's Mother	-
Tzu-Ting Fan	11,766,604	6.58	9,124,669	5.10	0	0	Chin-Tsai Fan Tzu-Bin Fan Mei-Rong Fan Huang Tsuey-Wen Yeh Fan Dao Nan Foundation	Father Brother Mother Spouse Chairman	-
Sen-Hao Cheng	9,190,888	5.14	0	0	0	0	None	None	-

Name	Current Shareholding		Spouse's/Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Tsuey-Wen Yeh	9,124,669	5.10	11,766,604	6.58	0	0	Chin-Tsai Fan Tzu-Bin Fan Mei-Rong Fan Huang Tzu-Ting Fan Fan Dao Nan Foundation	Father-in-law Brother-in-law Mother-in-law Spouse Chairman's Spouse	-
Yingsheng Investment Co., Ltd.	7,080,323	3.96	0	0	0	0	None	None	-
Representative: Zhen-Ming Hsiao	0	0	12,225	0.01	0	0	None	None	-
Fan Dao Nan Foundation	5,623,881	3.14	0	0	0	0	Tzu-Ting Fan	Chairman	-
Representative: Tzu-Ting Fan	11,766,604	6.58	9,124,669	5.10	0	0	Mei-Rong Fan Huang Chin-Tsai Fan Tzu-Bin Fan Tsuey-Wen Yeh	Mother Father Brother Spouse	
CTBC Bank Employee Welfare Reserve Fund Trust Account for Standard Chem. & Pharm.	2,716,948	1.52	0	0	0	0	None	None	-
HSBC Bank (Taiwan) Limited, acting as custodian for Morgan Stanley International Limited.	2,197,170	1.22	0	0	0	0	None	None	-

9. The Number of Shares Held by the Company, Its Directors, Supervisors, Managers, and Enterprises Directly or Indirectly Controlled by the Company in the Same Reinvested Enterprise, and Combined to Calculate the Comprehensive Shareholding Ratio

March 31, 2026; Unit: Shares; %

Reinvested Enterprise	Ownership by the Company		Direct or Indirect Ownership by Directors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Standard Pharmaceutical Co., Ltd.	13,000,000	100.00	0	0	13,000,000	100.00
Chia Scheng International Co., Ltd.	14,553,000	100.00	0	0	14,553,000	100.00
Standard Chem. & Pharm. Philippines, Inc.	392,014	100.00	0	0	392,014	100.00
Inforight Technology Co., Ltd.	500,000	100.00	0	0	500,000	100.00
Souriree Biotech & Pharm.Co., Ltd.	5,673,908	93.58	389,492	6.42	6,063,400	100.00
Multipower Enterprise Corp.	19,840,600	90.72	6,111	0.03	19,846,711	90.75
Advpharma Inc.	53,226,806	88.71	2,540,000	4.23	55,766,806	92.94
Syngen Biotech Co., Ltd.	12,651,146	46.68	2,074,819	7.66	14,725,965	54.34
SYN-TECH Chem. & Pharm. Co., Ltd.	12,675,959	28.43	1,177,620	2.64	13,853,579	31.07
We Can Medicines Co., Ltd.	13,444,909	29.82	3,000	0	13,447,909	29.83
Taiwan Biosim Co. Ltd.	7,485,000	49.90	0	0	7,485,000	49.90
Ho Yao Biopharm Co., Ltd.	6,350,000	90.71	0	0	6,350,000	90.71
Shanghai Standard Pharmaceuticals Co., Ltd.	It's a limited company without shares.	100.00	-	0	It's a limited company without shares.	100.00
Standard Chem. & Pharm. Vietnam Co., Ltd.	It's a limited company without shares.	100.00	-	0	It's a limited company without shares.	100.00
Standard Pharma Holding Co., Ltd	446,886	49.50	0	0	446,886	49.50
Standard Union Medical (Thailand) Co., Ltd.	670,000	20.00	0	0	670,000	20.00

### III. Capital Overview

#### 1. Capital and Shares

##### (1) Source of Capital

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Note		
		Shares (Thousands Shares)	Amount (NT\$ thousands)	Shares (Thousands Shares)	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Others
10.2005	10	150,000	1,500,000	138,675.9	1,386,759	Conversion by Corporate Bond	-	Note 1
01.2006	10	150,000	1,500,000	145,756.4	1,457,564	Conversion by Corporate Bond	-	Note 2
04.2006	10	150,000	1,500,000	147,170.6	1,471,706	Conversion by Corporate Bond	-	Note 3
09.2006	10	160,000	1,600,000	151,570.7	1,515,707	Turn Surplus into Capital Increase	-	Note 4
08.2009	10	200,000	2,000,000	156,111.4	1,561,114	Turn Surplus into Capital Increase	-	Note 5
01.2011	10	200,000	2,000,000	157,614.9	1,576,149	Conversion by Corporate Bond	-	Note 6
09.2011	10	200,000	2,000,000	168,633.0	1,686,330	Turn Surplus into Capital Increase	-	Note 7
01.2012	10	200,000	2,000,000	168,419.0	1,684,190	Capital Reduction of Treasury Stocks	-	Note 8
01.2013	10	200,000	2,000,000	168,422.9	1,684,229	Conversion by Corporate Bond	-	Note 9
04. 2013	10	200,000	2,000,000	168,426.9	1,684,229	Conversion by Corporate Bond	-	Note 10
07. 2013	10	200,000	2,000,000	173,083.0	1,730,830	Conversion by Corporate Bond	-	Note 11
10. 2013	10	200,000	2,000,000	178,696.1	1,786,961	Conversion by Corporate Bond	-	Note 12

Note 1 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 10.27.2005 with the letter No. 09401215680.

Note 2 : The capital increase was approved by the Commercial Department of the Ministry of

- Economic Affairs on 01.23.2006 with the letter No. 09501008980.
- Note 3 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 04.20.2006 with the letter No. 09501069790.
- Note 4 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 09.15.2006 with the letter No. 09501210050.
- Note 5 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 08.10.2009 with the letter No. 09801177830.
- Note 6 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 01.17.2011 with the letter No. 10001007920.
- Note 7 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 09.13.2011 with the letter No. 10001209200.
- Note 8 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 01.05.2012 with the letter No. 10101002430.
- Note 9 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 01.18.2013 with the letter No. 10201008570.
- Note 10 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 04.12.2013 with the letter No. 10201065570.
- Note 11 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 07.22.2013 with the letter No. 10201145960.
- Note 12 : The capital increase was approved by the Commercial Department of the Ministry of Economic Affairs on 10.29.2013 with the letter No.10201218460.

Unit : Shares

Type of Stock	Authorized Capital			Note
	Issued Shares (Note)	Un-issued Shares	Total Shares	
Ordinary Shares	178,696,089	21,303,911	200,000,000	-

Note : The shares of the Company are listed shares.

(2) List of Major Shareholders

March 31, 2026

Shareholding Shareholder's Name	Shares	Holding Percentage (%)
Chin-Tsai Fan	20,086,813	11.24
Tzu-Bin Fan	19,518,084	10.92
Mei-Rong Fan Haung	14,584,781	8.16
Tzu-Ting Fan	11,766,604	6.58
Sen-Hao Cheng	9,190,888	5.14
Tsuey-Wen Yeh	9,124,669	5.10
Yingsheng Investment Co., Ltd.	7,080,323	3.96
Fan Dao Nan Foundation	5,623,881	3.14
CTBC Bank Employee Welfare Reserve Fund Trust Account for Standard Chem. & Pharm.	2,716,948	1.52
HSBC Bank (Taiwan) Limited, acting as custodian for Morgan Stanley International Limited.	2,197,170	1.22

### (3) Dividend Policy and Implementation Status

A. The Dividend Policy stated in the Articles of Incorporation is as follows:

「 The Company's industrial environment is changing, and the life cycle of the Company is in the stage of stable growth. Considering the Company's future capital needs and long-term financial planning, and meeting the shareholders' needs for cash inflow, if the Company has a surplus after the annual final accounts, it will be in accordance with the following order to distribute:

- (a) Pay taxes.
- (b) Offset losses.
- (c) Set aside 10% as legal reserve.
- (d) Set aside or reverse the special reserve according to law.
- (e) The balance together with the accumulated undistributed earnings of the previous year shall be allocated at least 10% as shareholders' dividends, of which cash dividends shall not be less than 20% of the total dividends. However, if the cash dividend per share is less than NT\$0.5, the shareholders' meeting may approve a resolution to distribute as stock dividends.

When the above-mentioned shareholders' dividends are obtained by issuing new shares, it shall be submitted to the shareholders' meeting for resolution before distribution.

The Company authorizes the Board of Directors by using resolutions with the attendance of more than two-thirds of the directors and the consent of more than half of the directors present to distribute all or part of the dividends and bonuses, capital reserve or legal reserve in the form of cash, and report to the shareholders' meeting. 」

B. Status of Proposed Distribution of Dividends at the Shareholders' Meeting

The Company's 2025 annual profit distribution statement as follows has been approved by the Board of Directors on February 24, 2026:

#### Profit Distribution Statement 2025

Unit : NT\$

Item	Amount
Net income after tax for the current period	\$ 927,659,098
Add: Remeasurement gains on defined benefit plans	11,415,599
Less: Disposal of financial assets measured at fair value through other comprehensive income (FVOCI)	(4,458,585)
Less: Adjustment arising from failure to subscribe to subsidiary's new shares in proportion to shareholding	(1,298,079)
Less: Appropriation to legal reserve	(93,331,803)
Less: Appropriation to special reserve	(106,191,352)
Distributable earnings for the current year	\$ 733,794,878
Add: Beginning retained earnings	2,153,465,106
Accumulated distributable earnings	2,887,259,984

Item	Amount
Less: Shareholders' dividends – cash dividends (NTD 2 per share)	(357,392,178)
Less: Shareholders' dividends – stock dividends (NTD 1 per share)	(178,696,090)
Undistributed Earnings at the End of the Period	\$ 2,351,171,716

Note 1: The dividends to be distributed this year will be distributed based on the undistributed earnings in 2025.

Note 2: The actual distribution amount per share shall be based on the number of shares recorded in the shareholders list on the dividend distribution record date.

(4) Impact of the Proposed Stock Dividends on the Company's Operating Performance and Earnings per Share

Pursuant to the Regulations Governing the Publication of Financial Forecast Information by Public Companies and the Criteria for Full Financial Forecast Disclosure Applicable to Listed Companies, as the Company has not published full financial forecasts for fiscal year 2026, the disclosure requirements regarding the impact of prospective financial information are not applicable.

(5) Compensation of Employees and Directors

A. The percentage or scope of compensation for employees and directors stated in the Company's Articles of Incorporation is as follows:

The Company shall distribute the remaining balance in the following manner, according to the current year's profit status (that is, the pre-tax profit after deducting the profit before the distribution compensation of employees and directors as described below), and after making up losses:

a. From the remaining balance, 1% to 10% shall be appropriated as employee compensation, of which no less than 60% shall be allocated to non-managerial employees.

b. Appropriate no more than 3% of the balance as compensation for directors.

Employees' compensation may be issued in stock or cash, and the recipients of the stock or cash may include employees of affiliated companies who meet certain criteria.

The compensation of directors mentioned above can only be paid in cash.

The distribution of compensation to employees and directors shall be submitted to the Board of Directors by the Remuneration Committee, and shall be implemented by a resolution with more than two-thirds of the directors present and the consent of more than half of the directors present, and reported to the shareholders' meeting.

B. The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The estimated employee compensation (including compensation for non-managerial employees) and directors' remuneration for the current year are calculated based on the ratios prescribed in the Company's Articles of Incorporation, with a certain percentage appropriated accordingly and recognized as operating expenses for the current period. Any difference between the estimated amounts and the actual amounts resolved by the Board of Directors shall be recognized in profit or loss in the subsequent year.

C. Status of distribution of compensation approved by the Board of Directors:

(a) Compensation of employees and directors paid in shares or cash. If there is any

discrepancy from the estimated amount in the year of recognized expenses, the number of discrepancies, reasons and handling status:

- ① The employee's cash compensation resolved to be distributed in 2025 was NT\$10,669,913. The estimated amount listed in the 2025 account was NT\$10,786,753. The over-accrued difference of NT\$116,840 will be listed as profit and loss in 2026.
- ② The proposed amount of compensation for non-managerial employees for 2025 is NT\$8,002,435, representing 75% of the total employee compensation.
- ③ The directors' remuneration resolved for distribution for 2025 amounts to NT\$4,500,000, which is consistent with the amount accrued in the accounts for 2025.

(b) Employees' compensation paid in shares as a percentage of the total amount of the current net profit after tax in the current individual financial report and the total employees' compensation: None.

D. Information of the Distribution of Compensation of Employees and Directors (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) in the previous year and, if there is any discrepancy between the actual distribution and the recognized employee, or director compensation, additionally the discrepancy, cause, and how it is treated:

Unit : NT\$ thousands

Distribution Item	The Distribution Amount Approved by the Board of Directors	Estimated Amount for Recognized Expense Year	Difference Amount	Discrepancy Reason and How it is Treated
Employees' Compensation	10,777	10,770	7	(Note)
Directors' Compensation	4,500	4,500	-	-

Note : It was the estimated difference in 2024, and the amount of the difference had been listed as profit or loss in 2025.

(6) Status of Buy-back of The Company's Stock

The Company has no such situation.

2. Corporate Bonds

The Company has no such situation.

3. Special Shares

The Company has no such situation.

4. Global Depository Receipts

The Company has no such situation.

5. Employee Stock Options

The Company has no such situation.

6. Restricting Employees' Rights to Deal with New Shares

The Company has no such situation.

7. Mergers and Acquisitions (Including Mergers, Acquisitions & Divisions) or Transfer of Shares from other Companies to Issue New Shares

The Company has no such situation.

8. Financing Plans and Implementation

The Company has no such situation.

## IV. Operations Profile

### 1. Business Scope

#### (1) Scope of Business

The scope of our company business mainly includes: manufacturing and sales of western medicine, health supplements, and pharmaceutical raw materials; sales of medical devices, veterinary medicine, cosmetics, and milk powder.

A. The main business scope and the respective business portions are shown in the following table :

Unit: NT\$ thousand

Product Category	Sales Revenue	Percentage
Pharmaceuticals for Human Use	3,214,939	45.8%
Health Supplements	2,208,505	31.4%
Others	1,599,581	22.8%
Total	7,023,025	100.0%

B. The Company's current product offerings include:

- (a) Western Pharmaceutical Formulations
- (b) Health Supplements
- (c) Pharmaceutical Raw Materials
- (d) Veterinary Medicine
- (e) Medical Devices

C. New products planned to develop include:

- (a) Development of new formulation products
- (b) Development of new pharmaceutical raw materials
- (c) Development of new health supplements

#### (2) Industry Overview

A. Current Status and Development of the Industry

The pharmaceutical industry in our country is divided into Western medicine preparations, APIs, biopharmaceuticals, and traditional Chinese medicine. The main output is in Western medicine preparations, with generic drugs being the primary source of revenue in this field. As the number of new drugs approved for market increases domestically and internationally, their contribution to industry revenue also rises year by year. APIs are used by Western medicine preparation manufacturers to produce medications. However, since domestic pharmaceutical companies primarily focus on generic drugs to control costs, they mostly rely on imported APIs. Domestic APIs are often supplied to foreign companies, integrating into the supply chains of multinational pharmaceutical companies and becoming a subsector with a higher proportion of pharmaceutical industry exports.

According to the 2024 Biotechnology Industry White Paper published by the Ministry of Economic Affairs, the pharmaceutical industry recorded operating revenue of approximately NT\$119.6 billion in 2024, representing a decrease of about 7.36% compared to 2023. This decline was primarily due to a high base effect, as the industry experienced a significant surge in growth of 34.34% in 2023 driven by urgent orders. Overall, domestic demand for pharmaceuticals reached approximately NT\$255.3 billion. However, the market remains heavily reliant on imports, indicating that Taiwan's pharmaceutical industry still has substantial room for development and growth.

## Overview of Taiwan's Pharmaceutical Industry Operations (2020–2024)

Unit :  
NT\$

Year	2020	2021	2022	2023	2024
Revenue (NT\$ billion)	890	917	961	1,291	1,196
Number of Firms	375	378	372	366	368
Number of Employees	19,500	19,800	20,380	27,500	27,600
Export Value (NT\$ billion)	322	333	403	608	502
Import Value (NT\$ billion)	1,681	1,818	2,176	1,749	1,859
Domestic Sales: Export Sales (%)	62:38	64:36	58:42	53:47	58:42
Domestic Market Demand (NT\$ billion)	2,249	2,402	2,734	2,432	2,553

Source: Foundation for the Development of the Biomedical Industry Technology, 2025.

Taiwan's pharmaceutical market is highly competitive, with numerous players actively competing. Multinational pharmaceutical companies, leveraging their substantial resources, continue to capture the domestic market. The products they manufacture and market are primarily innovative drugs still under patent protection, which command high prices and enjoy significant market share. Meanwhile, Taiwan's National Health Insurance (NHI) drug prices have been subject to continuous reductions, leading to declining profit margins for the pharmaceutical industry and making Taiwan one of the countries with the lowest drug prices globally. According to the 2025 Biotechnology Industry White Paper, the distribution of NHI pharmaceutical reimbursement amounts by company type from 2019 to 2024 is illustrated in the chart below. In 2024, domestically manufactured pharmaceutical products accounted for 21.0% of total drug expenditures. Although the share of R&D-based pharmaceutical companies has declined, it still remained as high as 63.7%, while distributors increased their share to 15.3%. Overall, imported pharmaceuticals accounted for 79.0% of the market. As a result, domestically produced generic drugs face intense competition from imported products, limiting their ability to expand market value within Taiwan. Accordingly, pharmaceutical companies have increasingly shifted their focus toward international markets. By obtaining overseas GMP inspections and regulatory approvals from health authorities in advanced countries, they aim to secure product registrations and expand their presence in global markets.

### **The percentage of Health Insurance drug declaration amounts categorized by pharmaceutical companies from 2019 to 2024**

Classification of Pharmaceutical Companies	2019	2020	2021	2022	2023	2024
R&D Companies	67.0	67.1	67.4	65.8	64.4	64.4
Agencies	12.8	13.1	13.1	14.1	14.6	15.3
Domestic Producers	20.2	19.8	19.2	20.1	21.0	21.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note:

R&D-based manufacturers : refer to original innovator pharmaceutical companies engaged in the research, manufacturing, and marketing of innovative drugs (with at least one recognized patented active ingredient).

Domestic manufacturers: Refers to companies holding marketing authorizations for pharmaceuticals listed under the National Health Insurance (NHI) reimbursement system, including those engaged in the manufacturing of Western medicines.

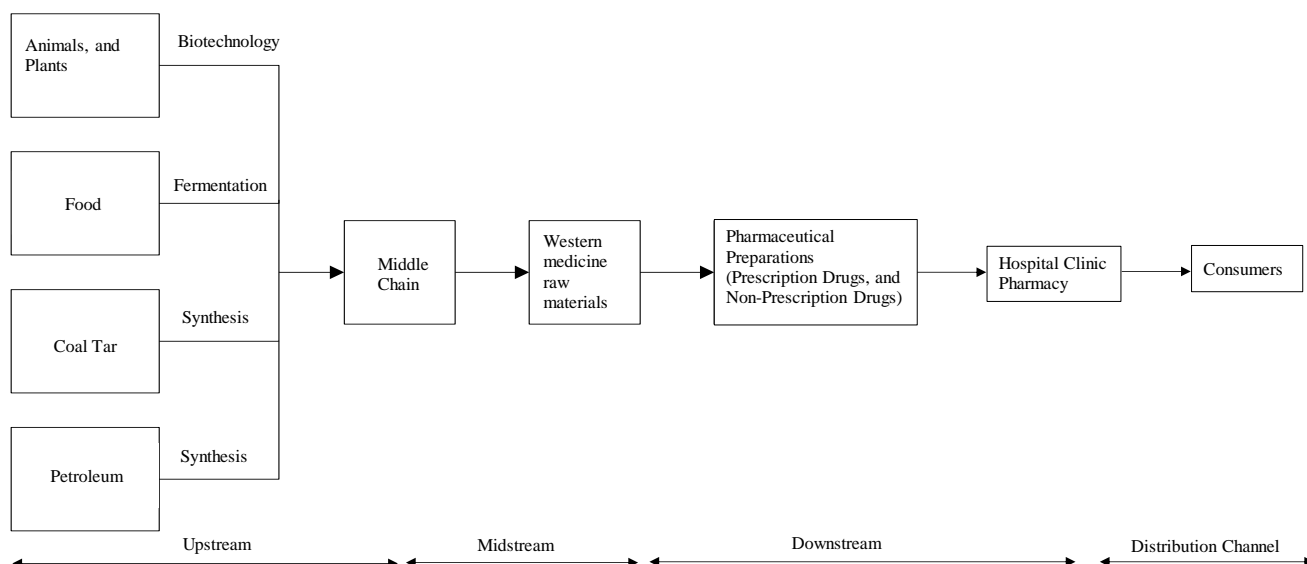
Distributors: Refers to entities not classified under the above two categories, whose business activities include the wholesale and retail of Western medicines.

Source: National Health Insurance Administration, Ministry of Health and Welfare (May 2025)

The pharmaceutical industry has emerged as an industrial sector for nearly a century. Due to the critical nature of pharmaceuticals to human health and safety, extensive R&D efforts and technical expertise are required throughout the entire process. From raw material manufacturing, new drug development, patenting, and pre-clinical and clinical trials, to regulatory approval and market launch, it is a highly technology-intensive and capital-intensive industry that is closely monitored by regulatory authorities to ensure drug safety and prevent abuse.

In Taiwan, the main sources of pharmaceutical supplies are domestic pharmaceutical companies, foreign pharmaceutical companies, and imported drugs. Domestic pharmaceutical companies primarily sell their products in Taiwan. In terms of marketing channels, pharmaceutical distribution channels can be categorized into hospitals, pharmacies, and clinics. Hospitals are the most important channel for pharmaceutical sales, but due to the factors of the National Health Insurance system, patients tend to go to large hospitals. In consequence, hospitals mainly rely on imported drugs and foreign pharmaceutical companies as their primary sources of pharmaceutical products. Despite the outcome of the implementation of the prescription release policy is still note obvious, the proportion of pharmaceutical sales through hospitals continues to increase. As domestic pharmaceutical companies mainly target clinics and pharmacies as their main markets, they face disadvantages in terms of drug prices and sales channels. Unequal distribution of medical resources makes it difficult for domestic pharmaceutical companies to expand hospital channels, posing hidden concerns for their development.

**B. The interconnectivity among the upstream, midstream, and downstream sectors of the industry**



The upstream of the pharmaceutical industry refers to the stage of raw materials used to produce pharmaceuticals, including chemicals, natural plants, minerals, microbial strains, and related tissue cells, with chemicals being the major bulk. The midstream mainly consists of the production of APIs (containing Pharmaceutical Ingredients).

The API industry is mostly organic chemical industry, and the processes vary depending on the source. For example, processes for obtaining natural materials include fermentation, extraction, and purification, while processes for general chemicals involve organic fermentation process for cultivation, extraction and separation, and purification. Genetic engineering equipment may also be used for the purification and recovery of drug intermediates.

The downstream is the pharmaceutical manufacturing sector, where raw materials are processed with excipients (such as binders, disintegrants, adhesives, lubricants, etc.) to produce convenient dosage forms, such as tablets, liquids, powders, capsules, ointments, and injections.

Our company and affiliated enterprises operate both a raw material synthesis plant and a Western medicine formulation plant, which directly manufacture raw materials using synthetic technology or produce pharmaceutical intermediates using biotechnology fermentation. These are then supplied to the formulation plant to manufacture various dosage forms of Western medicine. Finally, our products are delivered to customers through our marketing system and reach consumers. Therefore, our company is an integrated pharmaceutical manufacturer covering the upstream, midstream, and downstream sectors of the pharmaceutical industry.

### C. Trends in Product Development

#### (a) Western Pharmaceutical Preparations:

The pharmaceutical industry in our country is facing a period of transformation, and companies must make breakthroughs in industry integration, marketing strategies, and new product development in order to face international competition and create new opportunities for the industry. R&D is the lifeblood of the pharmaceutical industry. An important challenge for domestic pharmaceutical companies at this stage is not only to increase R&D funding but also to accelerate the alignment of domestic technology with international standards through strategic alliances, CDMO (Contract Development and Manufacturing Organization) or mergers and acquisitions. Furthermore, it is important for domestic pharmaceutical companies to choose product categories and directions that have relative niche advantages to avoid duplication of R&D and market competition with international pharmaceutical companies. In addition, the domestic pharmaceutical market is small and there are many small-scale pharmaceutical companies with a diverse range of products. It is difficult to compete with international pharmaceutical giants. Moreover, the excessive issuance of drug licenses by regulatory authorities has led to wastage of production resources, which is detrimental to the operation of local pharmaceutical companies. Therefore, expanding into international markets outside of Taiwan and international contract manufacturing has become an important trend for the growth and development of the pharmaceutical industry in Taiwan.

The development trend of pharmaceuticals is shifting towards the transformation of the traditional chemical synthesis industry into the biotechnology industry, including areas such as tissue biochemistry, cell biochemistry, and further advancement into molecular biomedicine technologies, entering the era of molecular drugs. This involves the production of chemically specific drugs with molecular mechanisms and drug targets, tailored to the

individual needs of patients with different symptoms, for personalized medicine. Moreover, biopharmaceuticals will focus on the development of highly efficient and low-toxicity drugs, as well as the development of drugs for the treatment of chronic diseases or diseases with complex pathological mechanisms, targeting diseases caused by genetic inheritance for treatment.

(b) Health Supplements :

In recent years, with technological advancements and increased awareness of national health, along with improvements in healthcare leading to longer life expectancy, the aging population has been growing. Health supplements have shifted from being luxury items to essential products for the general public. The market size of health supplements in Taiwan has been steadily enlarging. Based on the data released by the Department of Statistics of the Ministry of Economic Affairs, with the rising health awareness and the aging and declining birthrate population structure, healthcare prevention and the health of children have become particularly important, resulting in an increasing demand for functional health supplements and nutritional supplements.

According to a study by Research and Markets, the global functional food and beverage market is projected to grow at a CAGR of 10.3% from 2024 to 2029, with the market size expected to reach USD 466.8 billion by 2029. Key drivers of this growth include increasing health awareness due to aging populations, innovation in functional ingredients and formulations, the advancement of personalized nutrition, sustained attention to gut health, and the continued expansion of the middle-class population. The rising prevalence of diseases has also led consumers to place greater emphasis on improving health through daily nutritional habits and dietary adjustments.

In Taiwan, the health supplement and nutrition market reached approximately NT\$175.6 billion in 2023, representing a growth rate of 3.1%, with dietary supplements and traditional food formats growing by 2.5% and 3.9%, respectively. However, in 2024, growth momentum weakened due to global economic uncertainty and safety concerns triggered by the red yeast rice incident in Japan. According to industrial production statistics from the Ministry of Economic Affairs, Taiwan's health and nutrition food sector—including capsules, tablets, granules and powders, infant formula, follow-on formula, and medical foods—recorded an output value of NT\$34.2 billion in 2024, representing a year-on-year decline of 6.5% compared to 2023.

D. The Competitiveness of the Products

(a) Western Pharmaceutical Preparations:

For Taiwan's generic pharmaceutical market is characterized by a highly competitive and mature industry environment. With numerous market participants and high product homogeneity, competition is primarily centered on price, quality, and supply capability. Under the National Health Insurance (NHI) system, drug reimbursement prices are uniformly regulated by the government, and periodic price surveys and reductions continue to compress profit margins. As a result, price competition among manufacturers remains intense—particularly for high-demand products following patent expiration, where multiple companies often enter the market simultaneously, further intensifying competition.

From a product perspective, generic drugs are typically developed based on originator drugs whose patents have expired, resulting in relatively clear technological entry barriers and an increasing number of market entrants. However, with rising regulatory requirements and quality standards, manufacturers possessing PIC/S GMP-compliant production capabilities and

robust quality systems are gradually establishing differentiated advantages in the market. In addition, some companies are shifting toward higher-barrier generic products—such as combination formulations, controlled-release dosage forms, and complex manufacturing processes—to reduce homogeneous competition and enhance product value.

In terms of channels and customers, Taiwan's generic pharmaceutical market is primarily centered on medical institutions. Hospital procurement systems and physicians' prescribing behaviors play a critical role in determining product sales. Due to global budget constraints and cost control pressures faced by healthcare institutions, there is an increasing emphasis on drug pricing and supply stability, giving competitive advantages to manufacturers with reliable supply capabilities and strong market service. Meanwhile, certain products are gradually shifting toward self-paid markets or community pharmacy channels, creating competitive dynamics distinct from the traditional NHI-driven market.

Furthermore, export markets have become an important extension of competition for Taiwanese generic pharmaceutical companies. As domestic market growth becomes constrained, companies are actively expanding into international markets by obtaining multi-country GMP certifications and product registrations to enhance competitiveness. However, competition in global markets is even more intense, with price pressures from low-cost manufacturing countries such as India and China, as well as stringent quality and regulatory requirements in Europe and the United States.

Overall, Taiwan's generic pharmaceutical market is transitioning from a price-driven model to a more balanced competitive landscape emphasizing quality, technology, and supply capability. Under the dual pressures of the NHI system and market environment, companies must continuously enhance manufacturing technology, strengthen product differentiation, and expand into diversified markets in order to sustain growth momentum and build long-term competitive advantages.

(b) Health Supplements :

Taiwan's health supplement market is characterized by a highly competitive yet steadily growing industry environment. Driven by population aging, rising health awareness, and the increasing adoption of preventive healthcare concepts, market demand continues to expand steadily. Consumers are showing growing interest in products related to immune support, anti-aging, gastrointestinal health, and chronic disease prevention, leading to diversified market development. However, due to relatively low entry barriers, the market is highly fragmented, with numerous participants including domestic food manufacturers, pharmaceutical companies, direct selling firms, and multinational brands, resulting in intense competition.

From a product perspective, health supplements exhibit high levels of homogeneity. Common products such as vitamins, fish oil, probiotics, and collagen are widely available, with numerous brands and strong substitutability, leading to evident price competition. To enhance competitiveness, companies are increasingly focusing on product differentiation—for example, by incorporating patented ingredients, strengthening scientific evidence, improving dosage form design (such as functional beverages, softgel capsules, and powder sachets), and targeting specific consumer segments (e.g., seniors, women, and sports enthusiasts) to increase customer engagement and loyalty.

In terms of distribution channels, Taiwan's health supplement market is highly diversified, including pharmacies, mass retail channels, e-commerce platforms, and direct selling networks. Among these, e-commerce and social

media have grown rapidly in recent years, transforming traditional sales models through KOL marketing and content-driven commerce, thereby enhancing brand exposure and conversion efficiency. Direct selling channels continue to maintain a certain level of market influence by leveraging interpersonal trust networks. Meanwhile, pharmacy channels retain advantages in the sale of certain functional products due to their professional image.

From a regulatory perspective, health supplements are subject to relatively less stringent regulation compared to pharmaceuticals but must still comply with food safety and hygiene regulations, as well as the Health Food Control Act and related labeling requirements. Products that obtain health food certification labels can enhance consumer trust; however, the application thresholds and associated costs are relatively high, resulting in most products being marketed as general food items. With increasing regulatory scrutiny over exaggerated claims and misleading labeling, companies must exercise greater caution in their marketing communications.

Overall, Taiwan's health supplement market is characterized by "growing demand, intense competition, and diversified channels." Going forward, competition is expected to shift from a purely price-driven model toward an integrated approach emphasizing brand trust, scientific credibility, and marketing capabilities. Companies that can effectively combine R&D strength, brand management, and digital marketing capabilities will be better positioned to stand out in the market and establish long-term competitive advantages.

(3) Overview of Technology and Research & Development

A. The R&D expenses incurred in the recent years up to the date of printing of the annual report.

Unit : NT\$ thousand

Item	2024	2025	For the period ending March 31, 2026 (Per Book)
R&D Expenditure	288,094	260,357	62,221
Percentage of Revenue	4.24%	3.71%	3.77%

B. Successful Technological or Product Developments

Our company has strong R&D teams with years of accumulated experience in research and development. We have successfully launched new products in various therapeutic areas, including hypertension drugs, diabetes drugs, psychiatric drugs, gastrointestinal drugs, and circulatory system drugs. In recent years, we have focused on the development of special generic drugs (Better Than Generics) to lower side effects and improve patient compliance. We have developed special dosage forms such as injectables, sustained-release formulations, laser-drilled sustained-release formulations, and orally disintegrating formulations to create unique product differentiators for "single-source new drugs" and "branded generic drugs". Several niche products have obtained drug licenses and are on the market. We have designed orally disintegrating dosage forms for easy administration to elderly patients with swallowing difficulties, and we have applied for patents for laser-drilling technology and processes for Zero-Order drug release mechanism to achieve stable and sustained drug release.

In addition to the domestic market, Standard Chem. & Pharm. also actively explores international markets and invests in R&D resources to apply for Abbreviated New Drug Applications (ANDA) in the United States, launching and shipping three types of medications: diabetes drugs, drugs for amyotrophic lateral sclerosis (ALS), and lipid-lowering drugs. With our technical capabilities in obtaining US drug

approvals, we have also successfully entered the Japan and China market, accelerating the timeline for expanding international markets and increasing export sales.

In recent years, we have launched dozens of new products in the booming market of biochemical nutrition products, including ODM (Original Design Manufacturer) and our own branded products. In addition to R&D and production commissioned by major retailers, our own branded products, such as natto kinase red yeast rice, anti-allergic lactobacillus, menopause support, and eye protection, have gained popularity.

(4) Long-term and Short-term Business Development Plans

A. Short-term Business Development Plans

In response to the transformation of the health insurance system, organizational restructuring, strengthening of education and training, and strategic planning are urgent tasks. The key focus of business development includes the development of specialty drugs for chronic diseases with high technological barriers, promotion of the business of health insurance pharmacies, development of the over-the-counter (OTC) market, and expansion into international markets. With the growing concept of prevention over treatment and the popularity of health products, our company will uphold the rigorous spirit of pharmaceuticals and actively develop and produce nutritional supplements, leveraging our established market channels for sales, and exploring opportunities in supermarkets and general food channels.

In addition to the domestic National Health Insurance (NHI) market, Standard Chem. & Pharm. Co., Ltd. has actively expanded into international markets to enhance competitiveness and identify new growth drivers. The Company has evolved from exporting active pharmaceutical ingredients (APIs) in its early years to exporting finished pharmaceutical products. With over 30 years of development, the Company's International Business Division has established a global presence, positioning Taiwan as its R&D and manufacturing base while partnering with exclusive distributors in target markets for commercialization. Currently, the Company holds three import drug licenses in the United States, with two products already in shipment. In Japan, two products are being marketed, while CDMO project contracts have been signed and are under execution. In mainland China, the Company has obtained three import drug approvals. The Asia-Pacific region has been the first step in the Company's internationalization strategy. With more than 30 years of accumulated market experience, the Company has obtained over 200 pharmaceutical import licenses, primarily across Southeast Asian countries. In addition to appointing local exclusive distributors, the Company has also established subsidiaries and marketing teams in the Philippines and Vietnam. At present, the Company's performance in Southeast Asia—whether in terms of the number of product registrations or export revenue—has surpassed that of its industry peers. Looking ahead, the Company will continue to actively expand its global footprint. In addition to product exports, it will further develop strategic collaborations, including co-development initiatives and contract manufacturing services, to create additional growth opportunities.

B. Long-term Business Developments Plans

(a) Production Aspect :

- ① Continuous expansion of production capacity, as well as construction of production facilities that comply with international standards set by the U.S. Food and Drug Administration (FDA), to increase production capacity and pursue international contract manufacturing opportunities.
- ② Integrating resources within our company and affiliated enterprises, engaging in vertical integration, and maximizing economic benefits.

(b) Marketing Aspect :

① Western Medicine

- i. Product: Strive to be the first to launch generic drugs in various countries,

enhance the development of single-source and 505(b)(2) products, and act as an agent for the import of specialty drugs, in order to provide comprehensive treatment options for a wide range of diseases.

ii. Distribution Channels: Promoting pharmaceutical sales to major medical centers domestically, exporting to advanced countries such as Europe, the United States, and Japan, and establishing marketing points in Southeast Asia, China, and other countries.

② Health Supplements

i. Product: Establishing private brand, increasing certified health food items, implementing food Good Manufacturing Practices (GMP) to enhance production standards.

ii. Distribution Channels: Promoting the placement of our products in medical institutions, pharmacies, and hypermarkets.

③ Raw material

i. Product: Update manufacturing processes to improve production efficiency and accept commissioned production from advanced countries.

ii. Distribution channels: Integrate marketing efforts and establish a professional contract manufacturing model for active pharmaceutical ingredients (APIs) to expand into advanced markets such as Europe, the United States, and Japan.

(c) Research and Development (R&D) Aspect:

① Development of new dosage forms: sustained-release formulations, fast-dissolving tablets, long-acting injections, specialized formulations, etc.

② New drug development: development of branded new drugs and drugs with new active ingredients.

③ Continued promotion of opportunities for consistency evaluation in Mainland China: leveraging successful registration experiences in the US and Japan, increasing technology transfer and shared income, as well as seeking import approvals for proprietary brands to collaborate with pharmaceutical companies for sales and expand the market in Mainland China.

## 2. Market and Sales Overview

### (1) Market Analysis

#### A. Sales regions of major products:

Standard Chem. & Pharm. sells products including Western medicine, health supplements, APIs, medical equipment, veterinary medicine, cosmetics, infant formula, etc. The sales regions cover not only the domestic market but also China, South Korea, Southeast Asia, Europe, the United States, and other regions. Sales distribution of Standard Chem. & Pharm. exports to different countries in 2024:

(a) China : 6%

(b) Southeast Asia : 19% ◦

(c) Other Asian Countries : 19% ◦

(d) Japan : 38% ◦

(e) Other Countries in Americas : 4% ◦

(f) Europe : 11% ◦

(g) Africa : 2% ◦

(h) United States : 1% ◦

Standard Chem. & Pharm. Co., Ltd. has over one hundred sales personnel engaged in direct sales in the domestic market. To facilitate sales operations, as well as the training and management of sales personnel, the domestic market is organized into five regions—Northern, Taoyuan-Hsinchu, Central, Southern, and Kaohsiung-Pingtung—supported by four regional offices. Overseas sales operations include subsidiaries in Shanghai, China, as well as in the Philippines and Vietnam. The Company is actively expanding its presence in

key markets, including mainland China, the Middle East, Southeast Asia, Japan, the Americas, Europe, and Australia. By adopting an internationally specialized division-of-labor approach, Standard Chem aims to lower barriers to entry in global markets. This strategy also helps mitigate challenges in the domestic market, such as its limited size, difficulties in market segmentation, and the impact of National Health Insurance (NHI) drug price reductions.

#### B. Market Share, Future Market Supply-Demand Conditions, and Growth Potential

The pharmaceutical industry not only promotes human welfare but also has significant economic development potential. Additionally, as it is closely related to human health, the industry is less impacted by overall economic conditions. In recent years, due to declining birth rates, the global population has shown a noticeable aging trend, with an increasing proportion of elderly people. Aging-related factors such as physical and functional deterioration make the elderly more susceptible to diseases, resulting in higher medication usage compared to the general population. Therefore, it can be anticipated that the pharmaceutical market will continue to expand in the future, driven by increasing health awareness, innovative developments in biotechnology, the use of new drugs for elderly diseases, and the growing global demand for new medical therapies.

The analysis of the top six featured products/therapeutic areas and their revenue contribution by Standard Chem. & Pharm. is as follows:

- (a) The central nervous system (CNS) and orthopedic therapeutic segment represents the Company's largest revenue contribution. This segment includes a wide range of products, such as analgesics with various mechanisms of action, muscle relaxants, anti-dementia medications, anti-Parkinson's agents, and calcium supplements. These products not only meet the demand for basic pain management across all levels of medical institutions but also address the needs of an aging population, including treatments for dementia, Parkinson's disease, and osteoporosis-related calcium supplementation. Among these, the oral suspension calcium supplement All-Right Calcium is well known for its palatable taste, ease of administration, and strong market share, making it a leading product in the calcium supplement category. In addition, the Company offers a domestically produced injectable formulation of acetaminophen, providing clinicians with a safer and more effective option for analgesic and antipyretic treatment, thereby enhancing therapeutic flexibility across medical specialties. In recent years, the growing adoption of multimodal analgesia (MMA) and enhanced recovery after surgery (ERAS) protocols has further emphasized the role of injectable acetaminophen, contributing to improved postoperative pain management and recovery outcomes. Furthermore, Pacxib inj., a long-acting COX-2 inhibitor injectable launched in 2024, demonstrates strong efficacy with fewer side effects and has become a commonly used product in multimodal pain management. Overall, CNS and orthopedic products accounted for 29% of the Company's total revenue in 2025.
- (b) Cardiovascular-related pharmaceuticals represent the Company's second-largest therapeutic segment by revenue. The product portfolio covers a comprehensive range of treatments, from antihypertensive agents with various mechanisms of action to multiple cardiovascular risk management therapies. This includes widely used ARB-class drugs and their combination products, as well as long-established beta-blockers. Among these, the foundational product Propranolol ranks first in market share among products with the same active ingredient and is widely recognized and adopted by medical institutions across Taiwan. The well-performing product Co-Midis Tab. incorporates a specialized manufacturing process and excipients that effectively address the moisture

sensitivity issues commonly seen in competing products. This has earned strong physician recognition and driven continuous sales growth. The product was awarded the Gold Medal at the Pharmaceutical Technology Research and Development Awards in 2021, and its formulation technology has also been granted a patent in Taiwan. In addition, Amlobin-O, launched in 2025, has emerged as another key product with steadily increasing sales. Furthermore, differentiated products such as Adapine S.R.F.C. Tab. 30 mg and Dosabin XL Tab. 4 mg utilize laser-drilled controlled-release technology, enabling gradual and stable drug release to achieve effective blood pressure control. The Company's laser-drilling pharmaceutical technology has also been filed for patent protection. Overall, cardiovascular products accounted for 21% of the Company's total revenue in 2025, demonstrating strong customer recognition and market acceptance.

- (c) Gastrointestinal (GI) therapeutics represent one of the Company's core and historically foundational segments. To uphold its reputation as a "leader in gastrointestinal pharmaceuticals," the Company continues to invest in the development and expansion of GI products, which remain its third-largest therapeutic segment. Several key products, such as Omezol Cap. and Fadin Tab., rank among the top in market share, while the anti-ulcer product Panzolec Gastro-Resistant Tab. has also achieved strong sales performance. In addition to strong domestic performance, a number of GI products have been successfully exported to international markets. The Company offers several differentiated products with unique dosage forms. For example, Scrat Suspension, the only oral suspension of its kind available in Taiwan, utilizes a distinctive formulation to effectively treat upper gastrointestinal ulcers and gastroesophageal reflux disease (GERD), and is also commonly used for the prevention of stress ulcers. Furthermore, the Company leverages lyophilization (freeze-drying) technology to produce a range of stable and uniquely formulated injectable products, such as Emazole Lyo-Injection and Panzolec Lyo-Injection, both of which have demonstrated strong market performance. Overall, gastrointestinal therapeutics accounted for 17% of the Company's total revenue in 2025.
- (d) Metabolic therapeutics, including antidiabetic and uric acid-lowering agents, represent another key focus area for the Company. In response to clinical treatment trends and patient needs, the Company continues to invest in new product development. In 2025, three DPP-4 inhibitor products—Vidatin, Vildamet, and Sigtamet—were launched, further strengthening the product portfolio. The Company offers a comprehensive range of antidiabetic medications with various mechanisms of action, as well as next-generation uric acid-lowering therapies. Key products such as Loditon Tab. 500 mg and 850 mg, Acarose Tab., and Pioglit Tab. are well-established brands commonly used in clinical diabetes management, helping many patients achieve effective glycemic control. In response to the needs of an aging population and patients requiring multiple medications, the Company has developed various combination products to enhance convenience, medication adherence, and compliance, such as Lodigit Tablets and Grumed-M Tablets. In addition, Migbose (Miglitol) Tab. 50 mg, which has completed multicenter clinical trials, further enriches the product offering. In the uric acid-lowering segment, Febuton F.C. Tab. 40 mg and 80 mg has emerged as a best-selling next-generation product in recent years, with steadily growing revenue and widespread adoption across healthcare institutions in Taiwan. Overall, metabolic therapeutics accounted for 13% of the Company's total revenue in 2025.

- (e) Urological therapeutics, including treatments for benign prostatic hyperplasia (BPH), erectile dysfunction, and urinary incontinence, represent another important product segment for the Company. For the treatment of BPH, the Company's Tamlosin (Tamsulosin) has been developed in multiple dosage forms to meet diverse clinical needs, including Tamlosin SR Cap. (sustained-release capsules), Tamlosin D Tab. (orally disintegrating sustained-release tablets), and Tamlosin PR Tab. (prolonged-release film-coated tablets). These formulations are widely prescribed and serve as key products in clinical practice. In the area of erectile dysfunction, the Company offers well-known products such as Wellnitin ODT and Lonfilis F.C. Tab., both of which are widely recognized in the market. Overall, urological therapeutics accounted for 10% of the Company's total revenue in 2025.
- (f) Respiratory therapeutics include expectorants and antitussives, antihistamines, bronchodilators, combination cold remedies, and decongestants. This segment primarily focuses on the treatment of respiratory infections associated with the common cold. Well-known expectorant and antitussive products include Cough Mixture Solution, Colin Solution, Musco Tab. and Solution, and Coheal Cap.. In the antihistamine category, established products such as Levozine Tab. and Fexodine Tab. have been widely adopted by healthcare institutions. A new antihistamine product, Bistin Tab., launched in 2024, was included in the National Health Insurance (NHI) reimbursement list in 2025. As a new chemical entity, it provides clinicians with an effective, safe, and non-sedating treatment option. Since its launch, it has received strong clinical recognition, with both sales volume and revenue growing rapidly. Overall, respiratory therapeutics accounted for 9% of the Company's total revenue in 2025.

Through years of development, the Company has established a solid foundation. Supported by a strong R&D team, sound management capabilities, and a comprehensive upstream, midstream, and downstream value chain, its operational scale continues to expand. In addition, the Company has obtained multiple domestic and international certifications and patents. Accordingly, amid the continued growth of the global pharmaceutical market and the gradual consolidation of smaller domestic manufacturers, the Company retains significant potential for further business development.

#### C. Competitive Advantages and Development Prospects, Favorable and Unfavorable Factors, and Countermeasures.

##### (a) Competitive Advantages:

- ① The aging population and the continuous growth of medication usage for chronic diseases, which align with the core products of our company, will be favorable for our development.
- ② Possessing a research and development team and pharmaceutical regulatory experts, with successful registration experiences in the US and Japan, will facilitate product development and registration, shortening the time to market.
- ③ Our company is actively developing special dosage forms such as sustained-release formulations, orally disintegrating tablets, effervescent tablets, etc., through internal research and development as well as seeking foreign technology collaborations or agency sales, in order to enhance our market competitiveness.
- ④ For existing high-value products that are already on the market, we will improve dosage forms, dosages, and packaging to extend their product life cycles.
- ⑤ As part of the Standard Chem. & Pharm., which is a vertically integrated enterprise with the capabilities of research, production, and sales from raw materials to finished formulations, we are more competitive than pharmaceutical

companies with production or sales-oriented approaches.

- ⑥ Technological innovation, product innovation, and service innovation are maintaining our price competitiveness.
- ⑦ High-quality, professional, and attentive services are the key factors that contribute to the high added value of Standard Chem. & Pharm.'s products.

(b) Favorable Factors

- ① Actively participating in international pharmaceutical exhibitions to promote the sales of imported generic drugs in Taiwan.
- ② Collaborating with pharmaceutical companies in Europe, North America, or Japan to share research and development costs, expedite the introduction of products into the domestic market, and absorb foreign research and development experience for future reference in the Company's own product development and export products.
- ③ Actively developing markets in Europe, America, Japan, and other countries to expand sales volume and reduce costs.
- ④ The Company has obtained multiple official inspections and international certifications, such as FDA, PIC/S GMP, Japan Ministry of Health, ISO9001, ISO14001, and ISO 45001, which provide clear guarantees for technology and quality. The positive international reputation is conducive to obtaining international contract manufacturing opportunities.
- ⑤ Non-reimbursed items of National Health Insurance, including over-the-counter drugs, self-medication, and health food, are expected to be the main sources of future growth in the out-of-pocket market. The Company will continue to develop this market through its existing extensive customer channels.
- ⑥ Biotechnology and pharmaceutical industries are among the ten emerging industries listed by the government for national development and support. The affiliated companies under the LifeTech Group cover both biotechnology and pharmaceutical industries, which have great potential for future development.
- ⑦ Due to medical advancements and extended life expectancy, the elderly population is increasing rapidly, and governments of various countries are actively encouraging the use of generic drugs to reduce the financial burden on healthcare systems. Therefore, the market for generic drugs is expected to continue to grow.

(c) Unfavorable Factors

① Increasing Labor Costs

Due to the rising awareness of labor rights and the improvement of various benefits, the operational costs of the Company have gradually increased. In order to cope with the rising labor costs, the Company actively strengthens process control, and process improvement to enhance production efficiency, and replaces inefficient equipment with new ones to increase production capacity and productivity, thereby reducing product costs and enhancing competitive advantages.

② Difficulty in Finding Professional Talents

The pharmaceutical industry is constantly evolving in terms of technology, requiring high-tech, highly educated, and professionally qualified talents. The government and related agencies have formulated subsidy measures to incentivize overseas talents to return to the country and implement national defense training measures and cooperate with the industry which actively promotes talent cultivation, retention, and recruitment. It has gradually attracted talents from overseas to Taiwan.

③ Consumer Preference for Foreign Original Brand Drugs

State-owned pharmaceutical factories can produce products with the same

therapeutic effect as foreign original brand drugs, but due to the preference of consumers for foreign brands, they are at a disadvantage in competition. Taiwan has become a member of the Pharmaceutical Inspection Cooperation Scheme (PIC/S), and pharmaceutical factories have fully complied with PIC/S GMP regulations, improving the overall quality and competitiveness of state-owned pharmaceutical factories.

④The high homogeneity of pharmaceutical products often leads to fierce competition

Taiwan's pharmaceutical industry consists mainly of small and medium-sized enterprises, with a wide range of products and high homogeneity among pharmaceuticals, which often leads to fierce competition. Therefore, our company has always been dedicated to research and development, as well as enhancing product quality. We aim to expand into international markets and shift our product strategy toward producing fewer, high-volume items to achieve economies of scale, thereby escaping the vicious competition within the industry.

(d) Countermeasures

①Actively engage in product R&D, technological improvements, and channel development in line with the government's promotion of industry upgrades. Foster a global perspective within the Company and enhance the frequency of interaction between internal resources and external environment to promote stable business growth and increase international competitiveness.

②Accelerate market expansion in international markets, particularly in the rapidly growing pharmaceutical markets in China and neighboring Japan. The United States has the most rigorous pharmaceutical regulations in the world, with ongoing submissions, inspections, and registrations by the FDA being proof of improving pharmaceutical standards. The Company has a strong presence in the Southeast Asian market for nearly 30 years, continuously registering new products to seek stable growth.

③The Company owns an API synthesis plant and has a strategic investment in Syn-Tech Chem. & Pharm., ensuring the stable supply of key raw materials.

④Strengthen the product line by actively seeking technical cooperation or acting as an agent for generic drugs from well-known pharmaceutical companies in Europe, the United States, and Japan to expand the Company's product portfolio.

⑤Strengthen services and information provided to medical and pharmaceutical professionals to offer more effective products and medical information. Enhance the professionalism of sales personnel through specialized training, establish various forms of cooperative relationships with medical professionals, and assist them in raising awareness of patient services, improving medical quality, and optimizing management systems and efficiency to solidify the market for grassroots medical institutions and community pharmacies.

⑥Comply with consumer protection laws, promote public relations, set up a toll-free service hotline, educate the public on correct medication knowledge, and promptly handle customer complaints.

(2) The Main Uses and Manufacturing Processes of Our Company's Products

A. Our products can be categorized into the following uses:

(a) Circulatory system medication:

Enhancing blood vessel dilation and circulation, improving cerebral metabolism, dilating coronary arteries, reducing blood lipids, lowering blood pressure and promoting diuresis, and stopping bleeding.

(b) Digestive system medication:

Reducing gastric acid secretion, controlling diarrhea, treating gastric and duodenal



(3) Supply Status of Main Raw Materials

Our company sources raw materials from domestic and foreign suppliers. To ensure a stable supply chain, we maintain close cooperative relationships with our suppliers and actively explore new potential suppliers. Additionally, our synthetic department collaborates with our affiliated companies, Syn-Tech Chem. & Pharm., Ltd. and Syngen Biotech to secure the necessary raw materials.

(4) The names of customers that accounted for 10% or more of total purchases (sales) in either of the most recent two fiscal years, along with their purchase (sales) amounts and corresponding percentages

A. Names of customers that accounted for 10% or more of total sales in either of the most recent two fiscal years:

Item	2024				2025			
	Name	Amount	Percentage of net annual sales (%)	Relationship with the Company	Name	Amount	Percentage of net annual sales (%)	Relationship with the Company
1	Company G	397,620	5.86	None	Company G	757,823	10.79	None
2	Others	6,391,603	94.14	-	Others	6,265,202	89.21	-
3	Net sales	6,789,223	100.00	-	Net sales	7,023,025	100.00	-

Note: Where contractual agreements prohibit the disclosure of customer names, or where the counterparty is an individual and not a related party, such information may be Explanation of changes: The Group's major customer structure has remained relatively stable over the past two years, with no significant changes. The increase in sales to Company G compared to the same period last year was mainly driven by promotional campaigns, which boosted sales and led to a higher sales amount and proportion.

B. Names of customers who accounted for more than 10% of the total amount of goods purchased in any of the most recent two years :  
None.

### 3. Human Resources

Employee Information for the Past Two Years and as of the Publication of the Annual Report

Year		2024	2025	Current Year as of March 31
Number of Employees	Business Personnel	366	383	385
	Administration Personnel	283	294	305
	Manufacturing Personnel	977	994	1,006
	Researchers	139	134	132
	Total	1,765	1,805	1,828
Average Age		40	40	40
Average Years of Service		9	10	10
Academic Distribution	Ph.D.	1.5%	1.4%	1.5%
	Masters	19.3%	19.2%	19.1%
	Bachelor's Degree	55.5%	55.1%	55.6%
	Senior High School	21.0%	22.2%	21.6%
	Below Senior High School	2.7%	2.1%	2.2%

### 4. Environmental Protection Expenditure

In the most recent year and up until the date of this annual report, regarding losses incurred due to environmental pollution (including compensation and violations of environmental protection regulations resulting from inspections), their dates, reference numbers, specific violations, violation details, and penalty outcomes are as follows:

The Company has no such situation

The Group has invested approximately NT\$26 million to establish a wastewater treatment facility, ensuring the continuous compliance with emission standards and the improvement of emission quality. Additionally, an exhaust gas scrubber has been installed to collect and reduce air pollutants. The company has implemented daily self-monitoring of wastewater discharge COD (Chemical Oxygen Demand) and regularly replaced the activated carbon filter media in the wastewater treatment system.

### 5. Labor Relations

#### (1) Welfare Measures and Implementation Status

In order to benefit all employees' welfare and promote harmony between labor and management, the Group has formulated a comprehensive welfare system and established an Employee Welfare Committee. The Company appropriates welfare funds according to the law and hands them over to the Welfare Committee to handle various welfare measures. In addition to the employee welfare measures of the Welfare Committee, the Company also has marriage subsidies, maternity subsidies, funeral subsidies, scholarship subsidies for employees and their children, emergency loans for employees, trust savings grant for employee, group insurance, performance bonuses, holiday cash gift for Dragon Boat, Mid-Autumn and Chinese New Year, pure gold coins and prizes for senior and excellent employees, rental assistance, home purchase congratulations bonus, and employee dormitory etc. And the Company organizes various leisure activities for employees, such

as providing sports and leisure venues, sports day, local tour activities and various club activities. The Company also provides staff cafeteria and nursery rooms for employees to use, one free health check per year, transportation, etc. The implementation is going well and the employees are enthusiastically involved.

(2) Continuing Education and Training System, and the Status of their Implementation

The Company has established "Employee Training Program" to provide employees with the skills and information they need to perform their jobs, and according to different grade of employees, design different training courses and formulate medium and long-term training plans, and searches for lecturers internally or outsourcing training, and even promoted and implemented E-learning and Knowledge Management in 2006.

The implementation status in 2025 is as follows:

Category	Number of People	Hours	Fee (NT\$ thousands)
Departmental Training	178,767	73,105	4,676
GMP Training			
Outsourcing Training	556	4,077	
Total	179,323	77,182	

(3) Retirement System and Implementation Status :

- A. Since the implementation of the "Labor Pension Act" on July 1, 2005, employees can choose to apply the provisions of the labor pension system stipulated in the "Labor Standards Act" or the "Labor Pension Act".
- B. Employees who choose to apply the "Labor Standards Act", according to the Company's Employee Retirement Regulations, where the employee attains the age of fifty-five and has worked for fifteen years or has worked for more than twenty-five years or attains the age of sixty and has worked for ten years may apply for voluntary retirement; if the employee attains the age of sixty-five or is unable to perform his/her duties due to disability, the Company may force the employee to retire. For each retired employee, two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months. The total number of bases shall be no more than 45 and the retirement pension base shall be six months' average wage of the employee at the time when his or her retirement is approved, and the calculation of the average salary is handled in accordance with the relevant provisions of the Labor Standards Act.
- C. For employees who choose to apply the "Labor Pension Act", the Company will contribute the labor pension no less than six percent of the employee's monthly wage to the employee's personal account in the Labor Insurance Bureau. The principal and accrued dividends from the employee's individual labor pension account are to be paid in monthly pension payment or lump-sum payment upon retirement.
- D. The implementation of the retirement system is going well.

(4) The Agreements between Labor and Management and the Status of Protection Measures for Various Employees' Rights

- A. The Company has established the Employee Welfare Committee to conduct extensive and in-depth discussions with management on employee welfare measures to enhance the harmonious atmosphere between labor and management.
- B. The Company has established whistleblower mailbox appeal hotline, proposal improvement platform and line@ platform, which allow employees to have a variety of

smooth appeal channels and reflect suggestions and opinions related to work and employee care, and allow the Company to understand and improve, and protect the legal rights of employees and provide comprehensive care, and jointly create greater positive development of the Company to improve labor relations.

- C. The Company formulated work rules and personnel management rules, and clearly stipulated matters related to the rights, obligations and management matters of both labor and management, so that employees can fully understand and protect their own rights and interests.
- D. The Company launched the Employee Assistance Program (EAP) in 2020 to provide psychological and work consultation through professional counselors to reduce the pressure of employees and help employees and their families solve various psychological and behavioral problems, to maintain the physical and mental health of employees.

(5) Any Loss due to Labor Disputes in the Past Year and as of the Date of Publication of the Annual Report (Including the Results of Labor Inspection that Violate the Labor Standards Act, the Sanction Date, Sanction Number, Violated Laws and Regulations, Violated Regulatory Content, and Sanction Content Should Be Listed)

The Group adheres to the business philosophy of promoting labor-management harmony and creating a favorable working environment for employees. In the most recent year and up until the printing date of the annual report, no losses have been incurred due to labor disputes.

(6) Estimated Amounts and Countermeasures That May Occur at Present and in the Future

The Group adheres to the business philosophy of promoting labor-management harmony and creating a favorable working environment for employees. In the most recent year and up until the printing date of the annual report, the likelihood of labor disputes occurring has been low.

## 6. Information Security Management

(1) Risk Management Framework, Policies and Specific Management Plans of Information Security, and Resources Invested in Information Security Management

A. The responsible unit of the Company's information security is the Information Section, which is responsible for formulating internal information security policies, planning and implementing information security operating procedures and promoting and implementing information security policies. The Audit Office is the supervisory unit of information security supervision and responsible for supervising the implementation status of internal information security. If any deficiencies are found in the inspection, the Audit Office will immediately ask the inspected unit to propose relevant specific improvement measures, regularly track the improvement results to reduce the risk of internal information security, and report the audit results to the Board of Directors regularly.

B. The Company's information security policy and specific management plan contains the following three aspects:

- (a) System Specification: Formulate the Company's Information Security Policy and Information Security Operating Procedures, standardize personnel's information security behavior, regularly review whether the relevant systems are in line with changes in the operating environment, and make timely adjustments according to the needs. Internal audits are carried out on a regular basis to strengthen the operation management of the Company's information security.
- (b) Technology Application: In order to prevent various external information security threats, various information security protection systems have been established to enhance the security of the overall information environment. In addition, in order to ensure that the operation behavior of internal personnel complies with the standards of the Company's system, the tools of the information security system

are introduced to implement personnel information security management measures.

(c) Personnel Training: The Company implements the information security training practical course for new employees when newcomers arrive, and builds several information security E-Learning courses, and promotes information security to employees through the Company's intranet every month in order to enhance the knowledge and professional skills of the internal personnel's information security.

C. The Company regularly reviews the regulations of internal information security, analyzes internal risk levels, and formulates strengthening projects for information security management measures based on the results of the risk assessments, so as to refine and enhance the overall information security environment. It is assessed not to be a major operational risk.

D. To enhance the information security technology and protection within the group, the company invested approximately NT\$4,622 thousand in information security-related expenses in 2025 and also budgeted approximately NT\$4,751 thousand for information security in 2026.

(2) In the Most Recent Year and as of the Date of Publication of the Annual Report, Losses, Possible Impacts and Countermeasures Due to Major Information Security Incidents  
The Company has no such situation.

## 7. Important Contracts

As of the publication date of the annual report, the counterparties, major contents, restrictive clauses, and dates of commencement and expiration of supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other important contracts that are sufficient to affect shareholders' equity

Type of Contract	Counterparty	Period of Contract	Major Contents	Restrictions
Financing Contract	KGI Bank	January 15, 2021   January 15, 2027	Medium-term secured loan limit	-
Technology Transfer Contract	Sichuan Zangbaochongcao Biotechnology Co., Ltd.	December 31, 2013   December 31, 2033	Transfer of patented technology to the Group	Duty of Confidentiality
Lease Contract	Southern Taiwan Science Park Bureau, NSTC	January 1, 2018   July 19, 2036	Land Lease Contract of Southern Taiwan Science Park Plant	-
Lease Contract	Southern Taiwan Science Park Bureau, NSTC	July 20, 2020   July 19, 2040	Land Lease Contract of Southern Taiwan Science Park Plant	-
Engineering Contract	Yun Cheng Construction Co., Ltd.	According to construction progress	The expansion project of Southern Taiwan Science Park Plant	-
Entrusted Operation Contract	Tainan City Government Agriculture Bureau	January 1, 2021   December 31, 2024 February 1, 2025   December 31, 2027	Contract for entrusted operation and management of Taikang Organic Agriculture Zone in Tainan City	-
Working Capital Loan Contract	Taiwan Business Bank	September 2, 2021   September 2, 2026	Medium-term secured loan	Levy the real estate under the name of the Company as guarantee
Land Lease	Fu Shan Industrial Co., Ltd.	October 1, 2011   October 1, 2041	For the leased land, the rent will be increased every 10 years to reflect the rental market, and there is a right to renew the lease when the lease period expires.	Sublease Prohibited
Engineering Contract	LIAN GANG CONSTRUCTION CO., LTD.	January 3, 2024~ Warranty for one years from the date	New construction project for machine room and finished goods warehouse	-

Type of Contract	Counterparty	Period of Contract	Major Contents	Restrictions
		of acceptance		
Engineering Contract	Energy Engineering Co., Ltd.	January 3, 2024~ Warranty for one year from the date of acceptance	New Construction of Air Conditioning System for Machine Room	-

## V. Review of Financial Conditions, Operating Results, and Risk Management

### 1. Financial Status

#### Comparative Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Current Assets	5,461,464	5,001,892	459,572	9.2
Fixed Assets	4,225,363	4,128,811	96,552	2.3
Other Non-current Assets	2,109,076	2,044,842	64,234	3.1
Total Assets	11,795,903	11,175,545	620,358	5.6
Current Liabilities	2,156,966	1,660,932	496,034	29.9
Non-current Liabilities	352,128	538,545	-186,417	-34.6
Total Liabilities	2,509,094	2,199,477	309,617	14.1
Capital Stock	1,786,961	1,786,961	0	0.0
Capital Surplus	301,112	300,128	984	0.3
Retained Earnings	4,142,763	3,709,795	432,968	11.7
Other Equity Interest	(106,191)	108,131	-214,322	-198.2
Non-controlling Interests	3,162,164	3,071,053	91,111	3.0
Total Equity	9,286,809	8,976,068	310,741	3.5
<p>(1) Analysis of the change in the ratio of increase and decrease:</p> <ol style="list-style-type: none"> <li>1. Increase in current liabilities: primarily due to an increase in short-term borrowings.</li> <li>2. Decrease in non-current liabilities: primarily due to a decrease in long-term borrowings.</li> <li>3. Decrease in other equity: primarily due to a decrease in unrealized gains or losses on financial assets measured at fair value through other comprehensive income (FVOCI).</li> </ol> <p>(2) Future Response Actions: Not applicable.</p>				

## 2. Financial Performance

### Comparative Analysis of Operating Results

Unit: NT\$ thousands

Item \ Year	2025	2024	Increase (Decrease) Amount	% of Change
Net Operating Revenue	7,023,025	6,789,223	233,802	3.4
Operating Costs	(4,114,216)	(3,800,532)	313,684	8.3
Gross Profit from Operations	2,908,809	2,988,691	(79,882)	-2.7
Operating Expenses	(1,546,017)	(1,592,375)	(46,358)	-2.9
Operating Income	1,362,792	1,396,316	(33,524)	-2.4
Non-operating Revenue and Expenses	151,084	231,043	(79,959)	-34.6
Profit from Continuing Operations before Tax	1,513,876	1,627,359	(113,483)	-7.0
Income Tax Expense	(258,347)	(333,049)	74,702	-22.4
Net Profit for Current Period	1,255,529	1,294,310	(38,781)	-3.0
Other Comprehensive Income (after Tax)	(203,024)	135,175	(338,199)	-250.2
Total Comprehensive Income	1,052,505	1,429,485	(376,980)	-26.4
<p>(1) Analysis of the changes in the ratio of increase and decrease in the last two years:</p> <ol style="list-style-type: none"> <li>1. Decrease in Non-operating Income and Expenses: Mainly attributable to fluctuations in the USD exchange rate, which resulted in increased foreign exchange losses.</li> <li>2. Income tax expense decreased, mainly due to a decrease in profit before tax.</li> </ol> <p>(2) The reason for the change in the company's main business content: There are no such circumstances.</p> <p>(3) The expected sales quantity for the next fiscal year and the main factors that are expected to contribute to the continuous growth of the company's sales: Please refer to pages 3 and 96-101.</p>				

### 3. Cash Flow

#### (1) Analysis of Cash Flow Changes in Recent Years

Item \ Year	2025	2024	Increase (Decrease) Ratio (%)
Cash Flow Ratio (%)	81.91	102.05	-19.73
Cash Flow Adequacy Ratio (%)	115.97	108.46	6.92
Cash Reinvestment Ratio (%)	9.62	9.53	0.93
Explanation of the increase and decrease ratio changes: The cash flow ratio decreased, mainly due to an increase in short-term borrowings.			

#### (2) The Improvement Plan for Insufficient Liquidity

The Company has no such situation.

#### (3) Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Cash Balance at the Beginning of the Year (1)	Net Cash Flow from Operating Activities Throughout the Year (2)	Cash Outflow (Inflow) Throughout the Year (3)	Cash Surplus (Deficit) Amount (1)+(2)-(3)	Remedial Measures for Cash Deficit	
				Investment Plans	Financing Plans
1,833,746	1,262,404	(907,549)	2,188,601	-	-
Analysis of cash flow changes in this year: 1. Operating Activities: Operating revenue continues to increase, resulting in net cash inflows. 2. Investment Activities: Acquisition of property, plant, and equipment results in net cash outflows. 3. Financing Activities: Payment of cash dividends and repayment of loans result in net cash outflows.					

### 4. Impact of Major Capital Expenditures on Financial Business in the Most Recent Year

- The subsidiary SYN-TECH CHEM.&PHARM.CO., LTD. purchased land primarily in 2024 for the future expansion of its factory to meet business development and capacity expansion needs. Although there are no immediate development plans in the short term, the land was acquired as part of a long-term strategy to ensure operational flexibility and mitigate future risks related to land acquisition difficulties and rising costs. In the short term, environmental landscaping will be carried out. As market demand and capacity planning evolve, the company will initiate expansion projects in line with its development strategy to enhance overall competitiveness. This land acquisition will effectively increase the long-term asset value of SYN-TECH, secure operational space, and strengthen the company's ability to respond to market changes, providing greater stability and foresight for business development.
- Except for the above-mentioned, the Group has no major capital expenditures in recent years. The larger capital expenditures are the addition of real estate, plant and equipment, which is the normal replacement and maintenance of various production assets of the Group. Moreover, the cash inflows from daily operating activities are sufficient to cover related expenses and continue

to make profits.

## 5. Reinvestment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

### (1) Reinvestment Policy in the Most Recent Year, Main Causes for Profits or Losses and Improvement Plans:

#### A. The Company's Reinvestment Policy

The Company reinvests based on factors such as operational needs or consideration of the Company's future growth, and mainly related to the industry. In addition to drafting an investment plan, the Company evaluates the organizational type, investment purpose, market conditions, business development, etc. of the subject of investment, and makes an investment evaluation analysis as the basis for investment decision-making; In addition, the Company also keeps abreast of the operating status of the invested businesses and analyzes the effectiveness of the investment, so as to facilitate the follow-up management of the investment.

#### B. The Reinvested Company Whose Investment Amount Has Been Increased by the Company in the Most Recent Year:

Ho Yao Biopharm Co., LTD. Loss: The business situation is still being adjusted.

Standard Pharma Holding Co., Ltd. Loss: The business situation is still being adjusted.

Standard Union Medical (Thailand) Co., Ltd. Loss: The business situation is still being adjusted.

### (2) The Investment Plans for the Coming Year:

In order to expand the international business, the Company will actively invest overseas in the future, including the United States, Japan, Mainland China, Southeast Asia, etc.

## 6. Analysis of Risk Issues

### (1) The Impact of the Changes in Interest Rates, Foreign Exchange Rates and Inflation on the Company's Profit and Loss, and Future Countermeasures:

#### A. The Impact of the Changes in Interest Rates on the Company's Profit and Loss in the Most Recent Year, and Future Countermeasures:

The Group's interest rate risk mainly comes from long-term and short-term loans. The loans issued at floating rates make the Group bear the interest rate risk of cash flow, part of which is offset by cash and cash equivalents held at floating rates. The loans issued at fixed rates make the Group bear the interest rate risk of fair value. If the borrowing rate increases or decreases by 1% and all other factors remain unchanged, the interest expense will increase or decrease by NT\$68 thousands, which will not have a significant impact on the Group.

#### B. The Impact of the Changes in Foreign Exchange Rates on the Company's Profit and Loss in the Most Recent Year, and Future Countermeasures:

Some of the Group's purchases and sales are denominated in foreign currencies such as US dollars. At present, the positions of foreign currency assets and liabilities held and the period of receipt and payment are equivalents, and the market risks are offset by natural hedging. It is expected that there will be no significant exchange rate risk. For the rest, in consideration of the risk of exchange rate fluctuations, the Group holds foreign currency in a timely manner or converts the foreign currency in hand into NT dollars at an appropriate time, or uses appropriate hedging tools according to the situation to reduce the risk of exchange rate. If the New Taiwan dollar appreciates or depreciates by 1% against foreign currencies, and all other factors remain unchanged, the net profit after tax will increase or decrease by NT\$ 8,784 thousands.

#### C. The Impact of the Changes in Inflation on the Company's Profit and Loss in the Most Recent Year, and Future Countermeasures:

According to the announcement by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the annual growth rate of the consumer price index in 2025 was increased by 1.66%. The Company observes price fluctuations in the raw material market

at any time, and maintains a good relationship with suppliers and customers to reduce the impact of inflation. In the future, the Company will continue to observe the trend of price changes of raw materials. If the purchase cost increases due to inflation, the Group will appropriately adjust the sales price and the inventory of raw materials in response.

(2) Policies, Main Causes of Profit and Loss and Future Countermeasures with Respect to High-risk, High-leverage Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

As of March 31, 2026, the Company has not engaged in high-risk, high-leverage investments, capital lending to others, endorsement guarantees for others, and derivatives transactions.

(3) Future R&D Plans and Projected R&D Expenses. :

A. The current pharmaceutical industry in our country still primarily focuses on producing generic drugs and targeting the domestic market in Taiwan. This is due to the strict quality inspections required by international markets, as well as the fierce competition from international manufacturers, particularly in the advanced pharmaceutical industry in the United States, where the FDA conducts rigorous quality reviews. As a company, we uphold the principles of customer first and quality first, and have implemented a robust quality assurance (QA) system for pharmaceuticals. We have also obtained FDA inspection approval for our manufacturing facilities, elevating our formulation technology and quality to international standards, and expanding our business to international markets. With continuous improvement in our formulation technology and quality, our company has not only focused on developing generic drugs but also embarked on research and development of new dosage forms, new drugs unique to Taiwan, and Taiwan single-source drugs, aiming for higher formulation technology and value-added pharmaceutical development. Research and development have always been a core focus of our company, and we are also committed to elevating our international Good Manufacturing Practice (GMP) standards.

B. The average time required for research and development of each Western medicine formulation product is about 2-5 years. Standard Chem. & Pharm. invests more than NT 200 million annually in formulation research, and new products will be gradually launched in the future.

C. Our company has accumulated 59 years of R&D experience, with the main technologies being developed internally in Taiwan. We also collaborate with academia, foundations, and occasionally introduce foreign technologies.

(4) The Impact of Domestic and International Important Policy and Legal changes on the Financial and Business Operations of the Company and the Corresponding Measures are Included as Follows:

A. Impact on the Company's financial and business operations:

(a) Pharmaceutical pricing investigation and adjustments: The National Health Insurance Administration conducts ongoing investigations and adjustments to control the budget, which may affect the prescribing patterns of healthcare institutions and result in price compression for pharmaceutical products.

(b) Health Food Control Act: With the promotion of the concept of prevention over treatment and the improvement of health food regulations, there may be an impact on both consumers and manufacturers.

B. Countermeasures:

(a) Product prices are expected to continue to be constrained by drug pricing regulations. Standard Chem. & Pharm. Co., Ltd., as a professional pharmaceutical manufacturer with 59 years of sustained growth, has consistently invested substantial resources in research and development. Going forward, the Company will accelerate the launch of new products to offset the shortening price life cycle and maintain continued growth in its pharmaceutical sales.

(b) Furthermore, the Company has passed facility inspections in advanced countries such as the United States, Japan, and Australia, establishing a superior production quality

system. The Company has also obtained over 200 import licenses for pharmaceutical products in the Asia-Pacific region. The overall export value has been continuously growing, and in the future, Standard Chem. & Pharm. will continue to expand international markets and increase the proportion of international revenue to reduce the impact of domestic pharmaceutical pricing investigations on the Company's financial profitability.

(5) Impact and Measures to Address Technological Changes (including Information Security Risks) and Industry Changes on the Company's Financial Operations:

A. The Company invests significant research and development funds each year to develop various types of drugs, and its annual revenue continues to grow without being impacted by technological changes on the Company's financial operations.

B. Information security risk assessment and analysis:

(a) The Information Technology Department is responsible for setting internal information security policies, planning and implementing IT security operations, and promoting and implementing IT security policies. The Audit Department supervises the implementation of internal IT security and requests relevant improvement measures from audited units if deficiencies are found, and regularly monitors the effectiveness of improvements to reduce internal information security risks, reporting the audit results to the Board of Directors on a regular basis.

(b) The Company's information security policies and specific management plans include the following three aspects:

① Institutional norms:

Establishing company-wide information security policies and IT security operations procedures, regulating personnel's information security behaviors, regularly reviewing relevant systems to ensure they comply with changes in the operating environment, and adjusting them as needed. Conduct regular internal audits to strengthen the operational management of the Company's information security.

② Technology utilization:

Implementing various information security protection systems to prevent external information security threats and introducing information security system tools to ensure that employees' operational behaviors comply with company policy, and implementing personnel information security management measures.

③ Personnel training:

The company provides new employees with practical training on information security when they join, and establishes several online information security E-Learning courses to enhance internal employees' knowledge and professional skills in information security

C. The Company regularly reviews internal information security norms, analyzes internal risk levels, and formulates information security management measures and enhancement projects based on the results of risk assessment to improve the overall information security environment. After assessment, it is determined that it is not a significant operational risk. In order to strengthen the information security technology and protection of the group, the Company has invested approximately NT\$4,622 thousand in information security protection-related expenses in 2025 and has budgeted approximately NT\$ 4,751 thousand for information security-related expenses in 2026.

(6) Impact of Corporate Image Changes on Crisis Management and Response Measures:

Our company fulfills its corporate social responsibility by not only strengthening environmental protection and workplace safety but also regularly organizing various social and educational public welfare activities. These include health and medical seminars, hosting community free bone density examination, beach cleanup activity, sketching competitions, national table tennis championships, donating medicines, ambulances, disaster investigation vehicles, establishing elderly fitness gyms to assist the

elderly in exercising, providing nutritious lunches during winter and summer vacations for disadvantaged groups, and organizing hope tutoring classes for rural primary schools. As a result, the company's corporate image is quite positive.

(7) Expected Benefits, Potential Risks, and Countermeasures of Merger and Acquisition:

None.

(8) Expected benefits, potential risks, and corresponding measures for expanding the factory premises:

None.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

The largest customer of the Group accounted for approximately 10.79% of the annual consolidated net turnover. The Group has a large number of customers and there is no risk of excessive concentration. The largest suppliers of the Group accounted for 3.64% of the total purchases. The Group has a large number of suppliers and has been actively looking for suppliers from secondary sources in recent years, so there is no risk of excessive concentration.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%:  
The Company has no such situation.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights:

The Company has no such situation.

(12) Litigation or Non-litigation Matters:

The significant litigation, non-litigation or administrative litigation with its judgment already made or pending which is related to the Company or the Company's directors, supervisors, General Manager, actual person in charge, shareholders holding more than 10% of the Company's shares or affiliates and the result may have a significant impact on the shareholders' equity or the price of the Company's shares, and the facts in dispute, the amount of the subject matter, the start date of the lawsuit, the main parties involved in the lawsuit, and the handling status as of the publication date of the annual report:

No major litigation, non-litigation or administrative disputes.

(13) Other Major Risks and Countermeasures:

None.

7. Other Important Matters: None.

## VI. Special Disclosure

### 1. Summary of Affiliated Companies

Please refer to the Market Observation Post System (MOPS) at [<https://mops.twse.com.tw>] → Single Company → Electronic Document Download → Affiliate Company Three Statements Section. Enter the year and company code to query related affiliate company information.

### 2. Private Placement Securities in the Most Recent Year and Up to the Date of Publication of the Annual Report

None.

### 3. Other Necessary Supplementary Explanations

None.

## VII. In the Most Recent Year and Up to the Date of Publication of the Annual Report, There Have Been Events That Have a Significant Impact on Shareholders' Equity or Securities Prices as Specified in Article 36.3.2 of the Securities Exchange Act:

None.

Standard Chem. & Pharm. Co., Ltd.



Chairman

Tzu-Ting, Fan

