



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

Common Stock
Stock Code : 1720

2024 Annual Report



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Standard Chem & Pharm Co., Ltd. Website :

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

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6. Overseas Securities Exchange and Disclosed information can be found at:

None

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Contents

I. Letter to Shareholders

1. Operating Results for Previous Year 1
2. Overview of the Annual Business Plan 2
3. The Future Development Strategy of the Company 3
4. Affected by the External Competitive Environment, Regulatory Environment and Overall Business Environment 3

II. Corporate Governance Report

1. Information Regarding Directors, Supervisors, General Managers, Deputy General Managers, Assistant Managers, Heads of Departments and Branches .. 7
2. Remuneration Paid to Directors, Supervisors, General Manager and Deputy General Manager in the Most Recent Year 16
3. Implementation of Corporate Governance 19
4. Information Regarding the Company's Audit Fee 73
5. Information of Replacement of CPAs 73
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 73
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 74
8. Information Regarding the Shareholding Ratio of the Top Ten Shareholders, Their Relationship With Each Other, Spouse, or Relatives Within the Second Degree 74
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 76

III. Capital Overview

1. Capital and Shares 77
2. Corporate Bonds 81
3. Special Shares 81
4. Global Depository Receipts 81
5. Employee Stock Options 81
6. Restricting Employees' Rights to Deal with New Shares 81
7. Mergers and Acquisitions (Including Mergers, Acquisitions & Divisions) or Transfer of Shares from other Companies to Issue New Shares 81
8. Financing Plans and Implementation 81

IV. Operational Highlights

1. Business Scope.....	82
2. Market and Sales Overview.....	89
3. Human Resources.....	96
4. Environmental Protection Expenditure	96
5. Labor Relations	96
6. Information Security Management	98
7. Important Contracts.....	100

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

1. Financial Status	102
2. Financial Performance.....	103
3. Cash Flow	104
4. Impact of Major Capital Expenditures on Financial Business in the Most Recent Year.....	104
5. Reinvestment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year .	105
6. Analysis of Risk Management	105
7. Other Important Matters	108

VI. Special Disclosure

1. Summary of Affiliated Companies	109
2. Private Placement Securities in the Most Recent Year and Up to the Date of Publication of the Annual Report.....	109
3. Other Necessary Supplementary Explanations	109

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.....

109

I. Letter to Shareholders

1. Operating Results for Previous Year

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

The Company's 2024 consolidated net revenue was NT\$6,789,223 thousand, an increase of about 8.8% compared to 2023. It is mainly due to the effective production and sales strategies, and the completion of the production facility reconstruction after the fire at the subsidiary, SYN-TECH, which led to a gradual recovery of production capacity. Among them, the net revenue of western medicine for humans was NT\$3,098,102 thousand, accounting for 45.6% of the overall revenue, the net revenue of health food was NT\$2,088,392 thousand, accounting for 30.8% of the overall revenue, the net revenue of synthetic active pharmaceutical ingredients (APIs) were NT\$1,330,112 thousand, accounting for 19.6% of the overall revenue, and other net revenues, including veterinary medicine, etc., were NT\$272,617 thousand, accounting for 4.0% of the overall revenue.

The gross profit mainly grew by approximately 9.7% in 2024 compared to 2023 due to increases in revenue and gross profit margin. The operating profit increased by about 10.9% in 2024 compared to 2023 mainly because the growth in gross profit was greater than the increase in operating expenses.

Non-operating income and losses are mainly impacted by fluctuations in the exchange rate of the US dollar, resulting in a decrease in foreign exchange gains, leading to a decrease about 29.6% in 2024 compared to 2023.

In summary, the net profit for the current period in 2024 is NT\$1,294,310 thousand, an increase of about 11.8% compared to 2023. Earnings per share for 2024 were NT\$4.93, an increase of 5.6% compared to 2023.

(2) Status of Budget Execution

Unit: NT\$ thousand

Item	2024 Budget	2024 Actual Amount	Budget Achievement %
Operating Revenue	6,777,259	6,789,223	100.2%
Operating Costs	3,900,274	3,800,532	97.4%
Net operating Margin	2,876,985	2,988,691	103.9%
Operating Expenses	1,558,659	1,592,375	102.2%
Operating Profit	1,318,326	1,396,316	105.9%
Profit before Income Tax	1,447,433	1,627,359	112.4%

(3) Financial Balance and Profitability Analysis

A. Financial Balance

Unit: NT\$ thousand

Item	Amount
Operating Revenue	6,789,223
Net Operating Margin	2,988,691
Operating Profit	1,396,316
Interest Income	37,727
Interest Expense	15,069
Profit Before Income tax	1,627,359
Profit For the Year	1,294,310
Basic Earnings Per Share (NT\$)	4.93

B. Profitability Analysis

Item		Ratio (%)
Return on Assets		11.68
Return on Equity		15.13
Ratio to Paid-in Capital	Operating Profit	78.14
	Profit Before Income tax	91.07
Net Profit Ratio		19.06
Basic Earnings Per Share (NT\$)		4.93

(4) Research and Development Status

The Group's research expenditure in 2024 was about NT\$288 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: 6 items were submitted for inspection and registration, and 4 items of certificates were completed.
- B. International Western Medicine Preparations: 8 items were submitted for inspection and registration, and 13 items of certificates were completed.
- C. Mass production and launch of new products include 6 western medicines and 3 health supplements products.
- D. BA/BE Research Test: 5 item is submitted, and 4 item are approved.
- E. Health supplements: 2 items were submitted for inspection and registration, and 1 items of certificates were completed.

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 2025

Category	Item	Unit	Quantity
Human Medicine	Tablet	Thousand pieces	1,624,258
	Injection	Thousand units	9,348
	Capsule	Thousand pieces	241,742
	Liquid	Liter	927,513
	Others	-	6,325

Category	Item	Unit	Quantity
Health supplements		-	2,349,884
Others		-	393,484

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 Ministry of Economic Affairs' 2024 Pharmaceutical Industry Yearbook and data from Fitch Solutions, the global pharmaceutical market size in 2023 was approximately USD 1.5 trillion, growing by about 3.6% compared to 2022. The compound annual growth rate (CAGR) from 2019 to 2023 was 5.1%. With the global aging population, the demand for drugs to treat age-related diseases such as cancer and neurodegenerative conditions is expected to increase. Many countries have prioritized ensuring the stability of essential drug supplies and key R&D technologies as national strategic initiatives. This is expected to drive trends toward greater self-sufficiency in drug supply and the formation of supply chain strategic alliances. It is projected that the global market will grow to USD 1.9 trillion by 2028, with a CAGR of 5.2% from 2024 to 2028.

In 2023, the largest pharmaceutical market globally remained in the Americas, followed by the Asia-Pacific region, with market sizes of USD 573.25 billion and USD 448.69 billion, respectively. Their market shares were 38.4% and 30.1%. The European market remained third, with a market size of USD 398.15 billion.

Comparing the market sizes of each region between 2022 and 2023, the Middle East/Africa region saw a slight decline with a growth rate of -5.8%. However, the Americas, Asia-Pacific, and European regions maintained growth, with growth rates of 4.1%, 4.7%, and 3.5%, respectively. The Asia-Pacific region was the only one where the growth rate in 2023 was higher than in 2022.

According to Fitch Solutions statistics, the top 10 pharmaceutical markets by country are as follows: the United States, China, Japan, Germany, France, Italy, the United Kingdom, Canada, India, and Spain. The pharmaceutical markets in both the United States and China surpassed USD 100 billion in 2023. The United States led with USD 457.14 billion, accounting for about 30% of the global pharmaceutical market, followed by China with USD 246.75 billion, accounting for 16.5%. Japan ranked third with USD 87.02 billion, accounting for 5.8%.

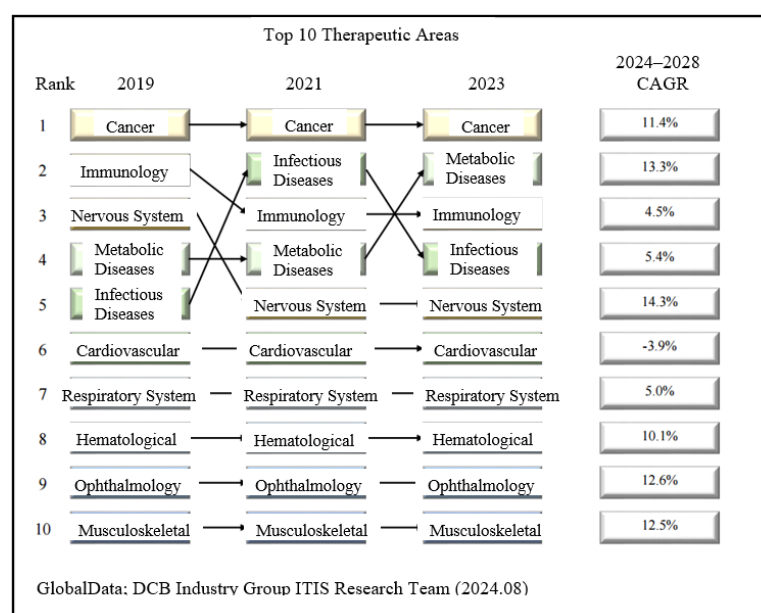
Top 10 National Pharmaceutical Markets in 2023

Unit: US\$ billion; %

Rank	Country	2023		2019–2023 CAGR	2024–2028 CAGR
		Sales	Growth Rate		
1	United States	4,571.4	3.80	6.00	3.10
2	Mainland China	2,467.5	8.20	11.10	4.80
3	Japan	870.2	2.30	4.30	1.80
4	Germany	815.4	1.20	4.90	4.80
5	France	415.3	3.40	4.50	3.20
6	Italy	393.2	5.30	4.00	4.60
7	United Kingdom	384.3	7.00	4.50	4.70
8	Canada	356.2	0.80	5.40	4.70
9	India	332.3	1.60	4.50	4.50
10	Spain	317.0	3.70	4.60	4.70

Source: Fitch Solutions; DCB ITIS Research Team (2024.08)

According to data from GlobalData, the sales amount of the top 10 therapeutic drugs in 2023 was USD 702.35 billion. Over the past five years, cancer drugs have remained the largest segment, followed by drugs for metabolic diseases, immune diseases, infectious diseases, nervous system disorders, cardiovascular diseases, respiratory diseases, blood disorders, ophthalmic diseases, and gastrointestinal diseases. The ranking of the top 10 has not changed much in recent years. Due to the continuously rising global cancer incidence, the high unit price of targeted therapies and immunotherapies, the expanding indications, and the introduction of new treatments, it is expected that cancer drugs will continue to have a strong sales advantage in the future. The market for metabolic disease drugs has risen from 4th place in 2021 to 2nd place. In addition to the long-term use of drugs by diabetes patients, the recent new indications for GLP-1 (Glucagon-Like Peptide 1) drugs in the obesity and weight-loss market have caused rapid market growth. It is estimated that the demand for these drugs will continue to rise, with a projected CAGR of 13.3% from 2024 to 2028.



The international pharmaceutical market is highly competitive. Original brand-name drugs face challenges from generic drugs due to patent expirations, resulting in rapidly declining profits. To maintain growth momentum, major international pharmaceutical companies are leveraging mergers, acquisitions, and licensing agreements to quickly expand into emerging markets and enhance R&D capacity. This trend is leading to a situation where "the big get bigger." To strengthen their competitiveness, Taiwanese pharmaceutical companies are not only investing in R&D but also adopting strategies such as investment and technological collaboration to enhance their technological capabilities and expand into overseas markets.

According to data from the Department of Statistics, Ministry of Economic Affairs, Taiwan's production value of Western pharmaceutical preparations reached NT\$71.17 billion in 2023, a 30.4% increase compared to 2022. The industry is still primarily focused on the domestic market, but developing international markets is a key growth driver for local pharmaceutical firms. In 2023, Taiwan exported Western pharmaceutical preparations to 67 countries worldwide. The top five export destinations were the United States, Mainland China, Japan, Vietnam, and Hong Kong. The export value to these top five countries increased from NT\$12.66 billion in 2022 to NT\$24.15 billion in 2023, with only exports to Mainland China showing a

decline—highlighting Taiwan's efforts in promoting its Western pharmaceutical industry in international markets.

Taiwan's Top 5 Western Pharmaceutical Import and Export Countries in 2022 and 2023

Unit: NT\$ billion; %

Unit: NT\$ billion, %

Rank	2022			2023		
	Country	Amount	Share	Country	Amount	Share
Top 5 Import Countries						
1	Germany	444.5	32.30	Germany	360	28.80
2	USA	173.1	12.60	USA	148.8	11.90
3	Ireland	101.6	7.40	Italy	95.3	7.60
4	France	90.4	6.60	Ireland	89.0	7.10
5	Japan	81.3	5.90	Japan	84.6	6.80
Top 5 Total		890.9	64.80	Top 5 Total		777.8
Top 5 Export Countries						
1	USA	75.0	49.10	USA	177.0	64.60
2	Mainland China	28.0	18.30	Mainland China	27.8	10.10
3	Japan	15.0	9.80	Japan	25.0	9.10
4	Hong Kong	4.6	3.00	Vietnam	6.7	2.40
5	Vietnam	4.0	2.60	Hong Kong	5.1	1.90
Top 5 Total		126.6	82.90	Top 5 Total		241.5

Notes:

The data in this table may differ from the annual cumulative data published by customs due to different statistical standards.

Source: Ministry of Finance Trade Statistics Database; DCB Industry Group ITIS Research

Looking forward to the future, it is expected that governments and healthcare payers, who are cost-conscious, will more tend to use generic drugs. Most industry experts also believe that the generic drug market will keep growing, benefiting from the cost considerations of consumers and healthcare payers. However, generic drug manufacturers are also confronted with various pressures, including stricter price controls, sales restrictions, and global competition.

In recent years, the supply of APIs has faced challenges due to abnormal shifts in supply and demand, restrictions imposed by countries of origin, transportation disruptions, port congestion, and other obstacles. Pharmaceutical manufacturers are confronting challenges to the stability of APIs supply chains. Inflation has also contributed to rising prices, leading to continuously increasing manufacturing costs for medications. As a result, reassessing the layout of the pharmaceutical supply chain has become a significant concern for many countries.

(2) Impact of the Regulatory Environment

The pharmaceutical industry and drug sales are regulated industries subject to high levels of regulations. Pharmaceutical manufacturers need to comply with PIC/S GMP requirements and obtain Good Manufacturing Practice (GMP) quality documentation for raw material sources. Drug products also need to obtain a drug license for marketing approval. In the domestic market, with the implementation of national health insurance, prescription drugs and reimbursement of drugs by medical institutions must adhere to the "National Health Insurance Drug Reimbursement Items and Payment Standards". Companies adjust their strategies for new product launches based on reimbursement direction. The quality of Standard Chem & Pharm.'s products are strictly monitored by regulatory authorities, and the products also comply with GMP for pharmaceuticals. In order to expand overseas markets, our company undergoes annual inspections by domestic health authorities, as well as GMP inspections from various countries according to the regulations of international health authorities. So far, we have successfully passed GMP inspections from the United States, Japan, South Korea, Australia, and other Southeast Asian countries.

The main customers of the pharmaceutical industry are medical institutions. The pharmaceutical industry faces challenges such as drug price investigations and annual reductions, non-reimbursement for prescribed medications, as well as total budget caps and reasonable outpatient volumes for domestic medical institutions. These factors have constrained the growth of the pharmaceutical industry in the domestic market. As the healthcare demand is driven by the aging population, both of the overall healthcare market and the self-pay market are growing slowly.

The domestic Western pharmaceutical preparations industry has fully implemented PIC/S GMP standards. According to information from the Ministry of Health and Welfare's website, as of March 2025, there are 144

Western pharmaceutical preparation manufacturers and 30 active pharmaceutical ingredient (API) manufacturers in compliance with GMP requirements.

(3) Impact of the Overall Business Environment

The overall environment of the pharmaceutical industry is expected to undergo changes due to demographic trends such as aging populations and the density of the population. Developing countries are experiencing population growth, while developed countries are facing declining birth rates. This is anticipated to result in an increase in diseases related to aging and medication usage for chronic conditions, leading to sharply growing healthcare expenditures in every country. Additionally, rising healthcare expenditures and the pursuit of higher healthcare quality are expected to be future trends for development. In addition, in recent years under the impact of the pandemic, various countries' governments are placing greater emphasis on the healthcare industry and actively promoting a shift from globalization to localization in the pharmaceutical supply chain. Under the policy trend of " Domestic Medicine for Country Use," the future pharmaceutical supply chain is expected to undergo restructuring and face more uncertainties arising from new policies.

The "Act for the Development of Biotech and Pharmaceutical Industry" was passed by the Legislative Yuan on its third reading in 2021. The scope of incentives and tax applications has been expanded, including new dosage forms, regenerative medicine, precision medicine, digital medicine, and innovative technology platforms for the biotech and medical industry except for new drugs and high-risk medical devices that were already included. CDMO in the pharmaceutical companies involved in development and manufacturing have also been included, with the aim of attracting investment and retaining talent through the expansion of R&D, funding, and machinery and equipment as deductible benefits, thereby enhancing the international competitiveness of the biotech industry and promoting overall industry upgrading.

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 30, 2025

Title	Nationality	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	20,536,813	11.49	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	

Title	Nationality	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	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	
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,	Note 5	None	None	None	

Title	Nationality	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	
															Institute of Biochemistry, Academia Sinica					
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	
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, Hexin Development, 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.

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

Note 5 : Hwei-Jiung, Wang — Concurrently serving as the Supervisor of AcusMu Medtech Co., Ltd; 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.

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

Note 8 : Yi-Zhen Zhang — Newly appointed on June 20, 2024; Concurrently serving as the Supervisor of Chi Liu Investment; Director of Tainan Spinning 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"> ● Have the work experience required by the Company's business ● General Manager of SCPC ● Chairman of SCPC ● None of the items listed in Article 30 of the Company Act 	N/A	-
Fan Dao Nan Foundation Representative: Chin-Tsai Fan	<ul style="list-style-type: none"> ● Professional and technical personnel who have passed the national examination and obtained certificates required by the Company's business ● Have the work experience required by the Company's business ● Department of Pharmacy, National Taiwan University ● General Manager of SCPC ● Chairman of SCPC ● None of the items listed in Article 30 of the Company Act 		-
Yuan-Teh Lee	<ul style="list-style-type: none"> ● Have the qualifications of lecturer or above in public and private colleges and universities in related departments required by the Company's business ● Professional and technical personnel who have passed the national examination and obtained certificates required by the Company's business ● Have the work experience required by the Company's business ● 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 ● Director of SCPC ● None of the items listed in Article 30 of the Company Act 		-
Tsuey-Wen Yeh	<ul style="list-style-type: none"> ● Have working experience in business, legal affairs, finance, accounting or the work experience required by the Company's business ● Department of Accounting, Shih Chien University ● Supervisor of SCPC 		-

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"> ● Director of SCPC ● None of the items listed in Article 30 of the Company Act 		
Wen-Jang Lin	<ul style="list-style-type: none"> ● Have the work experience required by the Company's business ● Chin-Yi Technical Vocational Junior College of Chemical Engineering ● Vice President of SCPC ● Director of SCPC ● None of the items listed in Article 30 of the Company Act 		-
Hwei-Jiung Wang	<ul style="list-style-type: none"> ● Have the qualifications of lecturer or above in public and private colleges and universities in related departments required by the Company's business ● Have the work experience required by the Company's business ● 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 ● Independent Director of SCPC ● None of the items listed in Article 30 of the Company Act 	<ul style="list-style-type: none"> ● 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. ● 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. 	2
Shao-Zong Liu	<ul style="list-style-type: none"> ● Have working experience in business, legal affairs, finance, accounting or the work experience required by the Company's business ● Chairman and General Manager of Advanced Analog Technology ● Independent Director of SCPC ● None of the items listed in Article 30 of the Company Act 	<ul style="list-style-type: none"> ● 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. ● 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. 	-
Lawrence C. Lee	<ul style="list-style-type: none"> ● Have working experience in business, legal affairs, finance, accounting or the work experience required by the Company's business ● University of Pittsburgh School of Law Doctor of Juridical Science ● Partner, Huang & Partners 	<ul style="list-style-type: none"> ● 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. 	-

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"> ● Independent Director of SCPC ● None of the items listed in Article 30 of the Company Act 	<ul style="list-style-type: none"> ● 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. 	
Yi-Zhen Zhang	<ul style="list-style-type: none"> ● Have working experience in business, legal affairs, finance, accounting or the work experience required by the Company's business ● University of Pittsburgh School of Law Doctor of Juridical Science ● None of the items listed in Article 30 of the Company Act 	<ul style="list-style-type: none"> ● 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. ● 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. 	-

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
Tzu-Ting Fan	ROC	Male	V	V				V	V	V		V	V	V
Chin-Tsai Fan	ROC	Male	V		V			V	V	V		V	V	V
Yuan-Teh Lee	ROC	Male			V			V	V					V
Tsuey-Wen Yeh	ROC	Female		V					V	V		V		V
Wen-Jang Lin	ROC	Male			V			V	V	V				V
Hwei-Jiung Wang	ROC	Male			V		V	V	V					V
Shao-Zong, Liu	ROC	Male			V		V		V	V		V	V	V
Lawrence C. Lee	USA	Male		V		V			V		V			V
Yi-Zhen Zhang	ROC	Female		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 30, 2025

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	
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, Hexin Development, 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; Chairman of the Taiwan Biotechnology Industry Alliance, 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; President of the Yizai Association, Tainan City; 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.

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	
Chairman	Tzu-Ting Fan	-	-	-	-	2,500	2,500	265	265	2,765 0.31%	2,765 0.31%	10,558	10,558	108	108	22	-	22	-	13,453 1.53%	13,453 1.53%	180
Director	Fan Dao Nan Foundation Representative: Chin-Tsai Fan																					
Director	Yuan-Teh Lee																					
Director	Tsuey-Wen Yeh																					
Director	Wen-Jang Lin																					
Independent Director	Hwei-Jiung Wang	-	-	-	-	2,000	2,000	395	395	2,395 0.27%	2,395 0.27%	-	-	-	-	-	-	-	-	2,395 0.27%	2,395 0.27%	None
Independent Director	Shao-Zong Liu																					
Independent Director	Lawrence C. Lee																					
Independent Director	Yi-Zhen Zhang																					
	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. 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.																					

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 25, 2025.

Note 3 : Yi-Zhen Zhang — Newly appointed on June 20, 2024.

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	6,502	6,622	218	218	4,598	4,598	41	-	41	-	11,359 1.29	11,479 1.30	180
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 25, 2025.

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

(3) 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	-	112	112	0.01
	Vice President	Wei-Ren Chen				
	Associate	Shu-Hui Hsu				
	Associate	Bing-Qin Huang				
	Associate	Chung-Yi Hsieh (Note 2)				
	Finance Manager	Chin-Wen Chang				

Note: The amount for distribution was approved by the Board of Directors on February 25, 2025.

(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 (%)	
	2023	2024	2023	2024
Remuneration of Director	1.57	1.80	1.57	1.80
Remuneration of General Manager & Vice President	1.31	1.29	1.32	1.30

- 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 6 (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	6	-	100%	Reelection
Director	Fan Dao Nan Foundation Representative: Chin-Tsai Fan	-	6	0%	Reelection
Director	Yuan-Teh Lee	6	-	100%	Reelection
Director	Tsuey-Wen Yeh	6	-	100%	Reelection
Director	Wen-Jang Lin	5	-	83.33%	Reelection
Independent Director	Hwei-Jiung Wang	6	-	100%	Reelection
Independent Director	Shao-Zong Liu	6	-	100%	Reelection
Independent Director	Lawrence C. Lee	6	-	100%	Reelection
Independent Director	Yi-Zhen Zhang	4	-	100%	New Appointment on June 20, 2024
Independent Director	Lin-Yu Li	2	-	100%	Dismissed on June 20, 2024

Other mentionable items:

- 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.
 - 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.
 - 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.
- The implementation status of the director's avoidance of the motions in conflict of interest:
 - Establishment of the Principles for the Distribution of Year-End Bonuses for the Chairman and Managers for 2024:
Since Chairman Tzu-Ting Fan has a conflict of interest in this matter, he was requested to recuse himself and abstain from voting.
 - Waiver of Non-Competition Restrictions for Newly Appointed Directors:
Since Directors Tzu-Ting Fan, Tsuey-Wen Yeh, Yuan-Teh Lee, Wen-Jang Lin, Hwei-Jiung Wang and Shao-Zong Liu have conflicts of interest in this matter, they were requested to recuse themselves and abstain from voting.
 - Appointment of Compensation Committee Members:
Since Directors Hwei-Jiung Wang, Shao-Zong Liu, Lawrence C. Lee, and Yi-Zhen Zhang have conflicts of interest in this matter, they were requested to recuse themselves and abstain from voting.
- 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 2024 has been completed in January, 2025. Questionnaires were distributed to each director by the company's Board Office for self-assessment within the Board of Directors, Audit Committee, and Remuneration 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 25th, 2025.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Content	Evaluation Result
Once a year	January 1, 2024 ~ December 31, 2024.	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, 2024 ~ December 31, 2024.	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, 2024 ~ December 31, 2024.	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, 2024 ~ December 31, 2024.	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

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.):
- (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.
 - (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 and Remuneration Committee are composed of all independent directors to assist the Board of Directors in performing supervisory duties.
 - (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.

(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.

(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.

On September 26, 2024, the Company invited the Chinese Corporate Governance Association to organize a course titled "Essential Course on Corporate Sustainability Governance: Managing External Influences Through Diversified Strategies to Create Positive Corporate Value; How Companies and Directors Can Avoid Insider Trading Violations." The total training hours for this course amounted to six hours.

(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 6 (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)	6	-	100%	Reelection
Independent Director	Shao-Zong Liu	6	-	100%	Reelection
Independent Director	Lawrence C. Lee	6	-	100%	Reelection
Independent Director	Yi-Zhen Zhang	4	-	100%	New Appointment on June 20, 2024
Independent Director	Lin-Yu Li	2	-	100%	Dismissed on June 20, 2024

(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 6 meetings in 2024, 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) Reviewing revisions to internal control systems.
- (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
11th Meeting of the First Term, February 27, 2024	1. Approved the establishment of the ratio and method of employee remuneration and director remuneration distribution for 2023.	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 2023 of the Company.	None	
	3. Approved the Company's 2023 earnings distribution plan.	None	
	4. Approved the effectiveness assessment of the company's internal control system and internal control system statement for 2023.	None	
	5. Approved the increase of the total project budget for the company's new finished product warehouse project to NT\$320 million (inclusive).	None	
	6. Approved the election of members of the Board of Directors pursuant to Chapter 16 of the Company's Articles of Incorporation.	None	
	7. Approved the release of newly elected board members from the non-compete clause.	None	
	8. Approved the amendment of the "Regulations Governing Procedure for Board of Directors Meetings."	None	
	9. Approved the amendment of the "Audit Committee Organizational Rules."	None	
	The Company's handling of the Audit Committee's opinion: None.		
12th Meeting of the First Term, May 7, 2024	1. Approved the assessment of the appointed auditor's remuneration and their independence and suitability for 2024.	None	●As for the three individuals listed on the left: Hwei-Jiung Wang and Shao-Zong Liu recused
	2. Approved the Company's Consolidated Financial Report for the First Quarter of 2024.	None	
	3. Approved the nomination and review of candidates for Directors and Independent Directors.	None	

	4. Approved the lifting of non-competition restrictions for newly appointed directors.	None	themselves from the matter due to a conflict of interest; the remaining attending commissioners raised no objections, and the motion was approved as proposed. ●Except for the three individuals listed on the left, all attending commissioners raised no objections, and the motion was approved as proposed.
	The Company's handling of the Audit Committee's opinion: None.		
2nd Meeting of the 2nd Term, August 6, 2024	1. Approved the Company's Consolidated Financial Report for the Second Quarter of 2024.	None	All the present members had no objection and passed the proposal.
	2. Approved the amendment of the "Audit Committee Organizational Rules."	None	
	The Company's handling of the Audit Committee's opinion: None.		
3rd Meeting of the 2nd Term, November 8, 2024	1. Approved the Company's consolidated financial report for the Third Quarter of 2024.	None	All the present members had no objection and passed the proposal.
	2. Approved the establishment of the "Internal Audit Annual Audit Plan for 2025."	None	
	3. Approved the renaming of the Company's "Internal Major Information Handling Procedures" to "Internal Major Information Handling and Prevention of Insider Trading Management Procedures," along with the revision of certain articles.	None	
	4. Approved the establishment of the "Sustainable Information Management Control Procedures."	None	
	5. Approved the addition of the auditing item "AR-15 Sustainable Information Management Operations" to the financing cycle operations.	None	

	6. Approved the amendment of the "Internal Control System Self-Assessment Procedures."	None	
	7. Approved the loan of USD 3 million from the subsidiary, Standard Pharmaceuticals Co., Ltd. (Samoa), to Jiangsu Standard Biotech Pharmaceutical Co., Ltd., for capital increase purposes.	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:			
Audit Committee	Director Name	Proposal	Reason for Recusal and Participation in Voting
12th Meeting of the First Term, May 7, 2024	Hwei-Jiung Wang and Shao-Zong Liu	Lifting of non-competition restrictions for newly appointed directors of the Company.	As this proposal involves a conflict of interest for Director Hwei-Jiung Wang and Shao-Zong Liu, the directors were requested to recuse and did not participate in the discussion or voting.
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 2024:			
Date	Key Points of the Communication		Opinions from the Independent Directors
February 27, 2024	1. Summary of Internal Audit Plan Review and Execution Report for November to December, 2023. 2. Execution Report on Project Audit Plan Check Items for November to December of 2023. 3. Summary of Internal Audit Plan Review and Execution Report for January to February, 2024. 4. Execution Report on Project Audit Plan Check Items for January to February of 2024. 5. Report on Self-Assessment of Internal Control System for 2023 (Including Review Opinion) 6. Summary Report on the Execution of Follow-up and Improvement Status of Internal Audit Reports for fourth quarter of 2023.		No Objections during This Meeting
May 7, 2024	1. Summary of Internal Audit Plan Review and Execution Report for March to April, 2024. 2. Execution Report on Project Audit Plan Check Items for March to April of 2024. 3. Summary Report on the Execution of Follow-up and Improvement Status of Internal Audit Reports for first		No Objections during This Meeting

	quarter of 2024.	
August 6, 2024	1. Summary of Internal Audit Plan Review and Execution Report for May to July, 2024. 2. Execution Report on Project Audit Plan Check Items for May to July of 2024. 3. Summary Report on the Execution of Follow-up and Improvement Status of Internal Audit Reports for second quarter of 2024.	No Objections during This Meeting
November 8, 2024	1. Summary of Internal Audit Plan Review and Execution Report for August to October, 2024. 2. Execution Report on Project Audit Plan Check Items for August to October of 2024. 3. Summary Report on the Execution of Follow-up and Improvement Status of Internal Audit Reports for the third quarter of 2024.	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 2024:

Date	Key Points of the Communications	Opinions from the Independent Directors
February 27, 2024	The accountant presented and communicated regarding the Individual and Consolidated Financial Reports for 2023.	No Objections during This Meeting
May 7, 2024	The accountant presented and communicated regarding the Consolidated Financial Report for the first quarter of 2024.	No Objections during This Meeting
August 6, 2024	The accountant presented and communicated regarding the Consolidated Financial Report for the second quarter of 2024.	No Objections during This Meeting
November 8, 2024	The accountant presented and communicated regarding the Consolidated Financial Report for the third quarter of 2024.	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>A. The company has established an "Internal Material Information Processing Procedure" as the basis for significant information processing and disclosure.</p> <p>B. The company has set up a website platform for KM and E-Learning to provide employee education and training, and periodically conducts physical courses throughout the company.</p> <p>C. Quarterly reminders are sent via email to internal personnel of the company, stating that they are prohibited from engaging in closed and related-party transactions involving the company's stocks 30 days prior to the announcement of annual financial reports and 15 days prior to the announcement of quarterly financial reports.</p>	No major difference
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		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	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	
			equality, directors must have the knowledge, skills and literacy to perform their duties in order to achieve the ideal goal of corporate governance. B. For the implementation of the professionalism, 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	The Company has set up a Remuneration Committee and an Audit Committee in accordance with the law. Currently, there are no other functional committees, which will be established in the future depending on the actual situation.	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		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.	No major difference
(4) Does the Company regularly evaluate the independence of CPAs?	V		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	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>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 25, 2025, and the Board of Directors' decision on the same date, which was the most recent assessment.</p>	
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 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)?	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 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</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>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 2024:</p> <ol style="list-style-type: none"> Understanding the amendments to corporate governance regulations, providing improvement suggestions for the consideration of the Board of Directors, and assisting in implementation. Assisted directors in performing their duties, provided necessary information and arranged trainings matters for directors. Assisted in organizing 6 board’s meetings and 1 shareholder’s meeting, participated in the discussions and resolutions of various agenda items during the meetings, and completed the minutes of the board meetings and shareholder meetings. Handled the amendment of Securities-related 	

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																			
			<div>laws and regulations, and company change registration, etc.</div> <div>e. Arrange for directors to get insured " D&O Insurance" and report the results to the Board of Directors.</div> <div>f. Conduct internal performance evaluations of the Board of Directors and functional committees and report the evaluation results to the Board of Directors.</div> <div>D. The status of trainings in 2024 is as follows:</div> <table><tr><th>Date</th><th>Organizer</th><th>Training Course</th><th>Training Hours</th></tr><tr><td>January 11, 2024</td><td rowspan="2">Accounting Research and Development Foundation</td><td>Common Internal Control Deficiencies in Enterprises and Practical Case Analysis</td><td>6 hours</td></tr><tr><td>January 31, 2024</td><td>Latest Developments in ESG Sustainability and Self-Prepared Financial Reporting Policies and Internal Control Practices</td><td>6 hours</td></tr><tr><td>September 20, 2024</td><td rowspan="2">Securities and Futures Institute</td><td>2024 Seminar on the Prevention of Insider Trading</td><td>3 hours</td></tr><tr><td>December 25, 2024</td><td>Seminar for Listed Companies: Expanding Asset Management in Asia through the Use of Derivatives</td><td>3 hours</td></tr></table>	Date	Organizer	Training Course	Training Hours	January 11, 2024	Accounting Research and Development Foundation	Common Internal Control Deficiencies in Enterprises and Practical Case Analysis	6 hours	January 31, 2024	Latest Developments in ESG Sustainability and Self-Prepared Financial Reporting Policies and Internal Control Practices	6 hours	September 20, 2024	Securities and Futures Institute	2024 Seminar on the Prevention of Insider Trading	3 hours	December 25, 2024	Seminar for Listed Companies: Expanding Asset Management in Asia through the Use of Derivatives	3 hours	
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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. The Company has set up spokespersons and acting spokespersons to establish communication channels with stakeholders, and their contact information has been placed on the Company’s website.</p> <p>B. 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> <p>C. The Company has set up a special area for stakeholders on the Company’s website, and stakeholders can contact us through the Company’s website. For different stakeholders, there are dedicated units responsible for responding related issues.</p>	No major difference
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates Stock Affairs Agency Dept. of MasterLink Securities Inc. to deal with 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		<p>The Company has Chinese and English versions of the website to disclose the relevant information of financial business and corporate governance.</p> <p>Website : www.standard.com.tw</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	
(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		<p>A. The Company has Chinese and English versions of the website to disclose the relevant information of financial business and corporate governance. Website : www.standard.com.tw .</p> <p>B. The Company has established a spokesman system and implemented the spokesman system in accordance with regulations.</p> <p>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.</p> <p>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.</p>	No major difference
(3) Does the Company announce and report annual financial statements within two 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?	V		<p>A. The Company has announced and reported annual financial statements for 2024 on February 27, 2025.</p> <p>B. The Company announced and reported its financial statements for Q1, Q2, and Q3, and filed monthly operating status before the prescribed time limit</p>	No major difference
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	V		<p>A. The Company pays great attention to the rights and wellness of employees. In addition to setting up an Employee Welfare Committee to organize</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	
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)?			<p>activities to connect employees’ camaraderie, the Company also provides various allowances and welfare systems e.g. employee cafeteria, fitness room, lounge, and breastfeeding room for employees to use, annual free health check, transportation, group insurance, performance bonus, employee travel, gift money for three festivals, gift money for wedding, scholarships for employees and their children, gold coins and prizes for senior employees, subsidies for various club activities, and funeral subsidies for employees or their family members, etc. This will allow employees to feel at ease in the workplace to contribute their own strength.</p> <p>B. The Company regularly holds relevant training courses every year to let employees understand the latest laws and regulations. The Company also sets up KM and E-Learning website platforms for training and publicity of related matters.</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. The Company has an Whistleblower Mailbox, a</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>platform for proposal improvement, and a line@ platform, which allow employees to have a variety of smooth appeal channels to reflect suggestions and opinions related to work and employee care, so that the Company can understand and improve. Protect the legal rights of employees and provide comprehensive care to jointly create a greater positive development of the Company.</p> <p>E. In accordance with relevant regulations, the Company regularly announces important information of the Company such as finance, business, and insiders’ shareholding changes in Taiwan Stock Exchange Market Observation Post System, and has established a spokesperson and acting spokesperson system.</p> <p>F. The Company established the procedures of supplier management to cultivate long-term relationships on the basis of mutual trust and mutual benefit, communicate smoothly with customers and suppliers, and have good relationships.</p> <p>G. Every year, the Company invites professionals to meet the continued development courses for directors, and requests directors to continue their development courses. On September 26, 2024, the Company invited Taiwan Corporate Governance Association to hold a training course on</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>"Corporate Sustainability Governance Core Course: Managing Diversified External Influences to Create Positive Corporate Value; How Companies and Directors/Supervisors Can Avoid Inadvertent Insider Trading", with a total of 6 hours of training. All directors have complied with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.</p> <p>H. In October 2024, during the tenure of the directors, the Company has purchased liability insurance for directors in accordance with the legal liability for the scope of their business execution, in order to reduce and disperse the risk of major damages to the Company and shareholders caused by directors due to mistakes or negligence.</p> <p>I. The Company's major proposals such as major policies related to operations, investment projects, endorsement guarantees, capital loans and bank financing, etc., have been all evaluated and analyzed by appropriate responsible departments and implemented in accordance with the resolutions of the Board of Directors. The audit office also draws up its annual audit plan based on the results of risk assessment and actually implements it, in order to implement 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>supervision mechanism and establish a sound risk management operation.</p> <p>J. The Company adheres to the business philosophy of "Honesty, Integrity, Innovation, and the Benefit of the People", improves the quality of the products and services, and enables the Company, employees, and customers to grow simultaneously. Continue to work hard to protect the rights and interests of investors, do a good job in environmental protection, maintain social resources, fulfill corporate responsibilities, and give back to the society.</p>	
<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.</p> <p>The Company's 2024 corporate governance evaluation ranks among the top 51-65% of TWSE Listed companies. In the future, the Company will give priority to improving and strengthening the un-scored indicators.</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: The CPA has not provided audit services to the company continuously for seven years.	V	
	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"> •Audit experience •Training hour •Turnover rate •Professional support 	<ul style="list-style-type: none"> •Accountant workload •Audit commitment •Quality Control Review (EQCR) •Quality Support capability 	<ul style="list-style-type: none"> •Non-audit service Fee •Customer familiarity 	<ul style="list-style-type: none"> •Deficiency and punishment of external audit •Deficiency and punishment of external audit 	<ul style="list-style-type: none"> •Innovative plan or initiative

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

(4) Composition, Responsibilities and Operations of the Remuneration Committee or Nomination Committee

A. Information of Remuneration Committee Members

March 31, 2025

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

Note : Acting as the convener.

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 qualifications and 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%	Reappointed
Committee Member	Shao-Zong Liu	2	-	100%	Reappointed
Committee Member	Lin-Yu Li	1	-	100%	Dismissed on June 20, 2024
Committee Member	Lawrence C. Lee	1	-	100%	Appointed on June 28, 2024
Committee Member	Yi-Zhen Zhang	1	-	100%	Appointed on June 28, 2024

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 6th Meeting of the 5th Term February 27, 2024	1. Review of the distribution ratio and method of employee remuneration and director remuneration for 2023 in our company.	All the members present had no objection and passed the proposal	Submitted to the Board of Directors and approved by all the attendance directors
The 1st Meeting of the 6th Term November 8 2024	1. Formulated the principles for the distribution of year-end bonuses for the Company's chairman and executive	All the members present had no objection and passed the proposal	Submitted to the Board of Directors and approved by all the attendance directors

	officers in 2024		
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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.

(4) 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 of the Company serves as the leading unit for sustainability affairs. To ensure the continuous promotion and execution of sustainability initiatives and enable timely responses, the General Manager is entrusted with overseeing the day-to-day sustainability affairs. The General Manager is also designated as the person responsible for climate change management, in charge of decision-making, assessment, and supervision of climate-related issues, such as the financial impact of climate change, climate-related capital expenditures, and advocacy for climate and energy issues. The management team regularly reports to the Board of Directors on the implementation status of corporate sustainability efforts, as well as the progress of greenhouse gas (GHG) reduction and control audits, enabling the Board to stay informed on sustainability trends and the company's progress and responses regarding climate governance.</p> <p>B. In 2024, the 2023 ESG Report has been compiled and disclosed on Taiwan Stock Exchange Market Observation Post System and the Company's website.</p> <p>C. Report on the 2024 Sustainable Development Promotion Implementation Plan and Results at the board meeting on February 25, 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							
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		<div>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:</div> <table><tr><th>Major Issues</th><th>Risk Assessment Project</th><th>Risk Management Policy or Strategy</th></tr><tr><td>Environment</td><td>Environmental Protection and Ecological Conservation</td><td><div>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.</div><div>B. The Company passed the verification of ISO14001 Environmental Management System in 2010. And obtained ISO14001:2015 in 2023, the validity</div></td></tr></table>	Major Issues	Risk Assessment Project	Risk Management Policy or Strategy	Environment	Environmental Protection and Ecological Conservation	<div>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.</div> <div>B. The Company passed the verification of ISO14001 Environmental Management System in 2010. And obtained ISO14001:2015 in 2023, the validity</div>	No major difference
Major Issues	Risk Assessment Project	Risk Management Policy or Strategy								
Environment	Environmental Protection and Ecological Conservation	<div>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.</div> <div>B. The Company passed the verification of ISO14001 Environmental Management System in 2010. And obtained ISO14001:2015 in 2023, the validity</div>								

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>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's air-conditioning system adopts the principle of energy-saving design. The lamps were replaced by T5 energy-saving lamps during the renovation of the factory building. Hot water recovery and water coolers are regularly inspected to reduce steam consumption, and energy consumption is regularly recorded.</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 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</p>	

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
				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.
				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.
			Social	Occupational Safety 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 periodically thereafter. 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.
			Product Safety	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

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<div>various countries.</div> <div>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.</div>	
			<div>Governance</div> <div>Social Economy and Legal Compliance</div> <div>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.</div>	
3. Environmental Issues				
(1) Does the Company establish proper environmental management systems based on the characteristics of their industries?	V		<div>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.</div> <div>B. The Company passed the verification of ISO14001 Environmental Management System in 2010. And obtained ISO14001:2015 in 2023, the validity period is 2023/2/13~2026/1/18.</div>	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>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>	
(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		<p>A. The Company's air-conditioning system adopts the principle of energy-saving design. The lamps were replaced by T5 energy-saving lamps during the renovation of the factory building. Hot water recovery and water coolers are regularly inspected to reduce steam consumption, and energy consumption is regularly recorded.</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 2023, it has been verified by the third party of Taiwan – Bureau Veritas Co., Ltd. (BV) and</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>obtained a verification statement; the verification process for the year 2024 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 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>													
(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><tr><td>Category</td><td>2023</td><td>2024</td></tr><tr><td>Greenhouse Gas Emissions</td><td>8,715.3004 mt CO2-e.</td><td>8,778.7658 mt CO2-e.</td></tr><tr><td>Water Consumption</td><td>146,563 m³</td><td>155,052 m³</td></tr><tr><td>Total Weight of General Waste</td><td>259.715 mt</td><td>261.743 mt</td></tr></table> <p>B. The Company pays attention to the sustainable operation of the environment, and sets environmental safety and health</p>	Category	2023	2024	Greenhouse Gas Emissions	8,715.3004 mt CO2-e.	8,778.7658 mt CO2-e.	Water Consumption	146,563 m³	155,052 m³	Total Weight of General Waste	259.715 mt	261.743 mt	No major difference
Category	2023	2024														
Greenhouse Gas Emissions	8,715.3004 mt CO2-e.	8,778.7658 mt CO2-e.														
Water Consumption	146,563 m³	155,052 m³														
Total Weight of General Waste	259.715 mt	261.743 mt														

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			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.	
4. Social Issues				
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	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 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.	No major difference
(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		A. The Company has established a complete employee benefit measure, training and retirement systems. For details, please refer to P95-98 of this annual report. B. Article 26 of the Company's Articles of Incorporation stipulated: According to the current year's profit status, after the loss is made up, 1% to 10% of the balance should be allocated as employee compensation.	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>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>【YB Achievement Award】:</p> <p>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 bonuses are disbursed semi-annually.</p> <p>【Monthly Performance Exceeding Award】:</p> <p>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>	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>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 2024.</p>	
(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,	V		A. The Company's selection of suppliers is based on different aspects such as legality, good reputation, employment	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	
requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.			<p>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 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.				

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
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> <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 2024 is briefly described as follows:</p> <p>(a) Scholarship Project: A total of 3,608 students from various of primary and junior high schools, senior high schools, and universities, with a total subsidy of NT\$7.37 million.</p> <p>(b) Hope, Sunflower Tutoring, and Winter and Summer Bento Subsidy Programs: a total of 1,270 people, with a total subsidy of NT\$1.40 million.</p> <p>(c) Public Welfare Subsidies: subsidies to 12 public welfare organizations, with a total donation of NT\$840,000.</p> <p>(d) Public Welfare Activities: The total expenditure for the STANDARD Cup Children's Sketching Competition was NT\$660,000, and the total expenditure for the STANDARD Cup National Table Tennis was NT\$1,900,000.</p> <p>D. A total of 26 community and LOHAS health lectures were held, with a total of 111,042 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 2024, a total of 12 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>				

Evaluation Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
C. The performance evaluations of the Board of Directors, Individual Directors, and Functional Committees in 2024 have all achieved an "excellent" rating.				
D. Two Investor Conference were held in 2024.				

2. Climate-related information and implementation

Project	Execution Situation		
1. Board and management oversight and governance of climate-related risks and opportunities.	The board of directors of Standard Chem. & Pharm. Co., Ltd is the leading unit for sustainable development affairs. In order to continuously promote and implement sustainable development matters and respond promptly, the general manager is appointed to guide daily sustainable development affairs. The general manager is the person in charge of climate change management issues and is responsible for decision-making. , assess and supervise climate-related issues and matters, such as climate's financial impact, climate-related capital expenditures and climate energy issue initiatives, etc. The management regularly reports to the board of directors the implementation status of the company's sustainable development, as well as the progress of greenhouse gas reduction and control inspections, so that the board of directors can keep abreast of trends related to sustainable development and the company's implementation progress and response to climate governance issues.		
2. How the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term).	Short-term	Mid-term	Long-term
	<ul style="list-style-type: none"> ▪ Transition Risk: 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. ▪ Physical Risk: 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. ▪ Market Opportunity: Reducing energy costs to improve company profitability. 	<ul style="list-style-type: none"> ▪ Transition Risk: 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. ▪ Market Opportunity: Expanding the use of green energy such as solar and wind power to reduce carbon footprint. 	<ul style="list-style-type: none"> ▪ Transition Risk: 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. ▪ Physical Risk: 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. ▪ Market Opportunity: Promoting green procurement, implementing energy-saving measures, and investing in green energy equipment to enhance corporate image.

Project	Execution Situation		
3. The financial impact of extreme climate events and transition actions.	In response to climate change, the Company's opportunities, response measures and financial impacts are as follows: :		
	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>According to the domestic Climate Change Response Act, a carbon fee may be imposed in the future. If the government implements a total 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. & 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 2025 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 2023 in the year 2024.
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 The company greenhouse gas inventory and confirmation status in the last two years.

		2023		2024	
		Emissions (tonCO ₂ e)	Density (tonCO ₂ e / NT\$ million)	Emissions (tonCO ₂ e)	Density (tonCO ₂ e / NT\$ million)
Company	Category 1 Direct greenhouse gas emissions	1,426.4816	0.47	1628.5207	0.50
	Category 2 Indirect greenhouse gas emissions	7,072.1525	2.37	6929.9204	2.15
	Total	8,498.6341	2.84	8558.4411	2.65
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.		Bureau Veritas Certification (Taiwan) Co., Ltd.	

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.	We have commissioned Bureau Veritas Certification (Taiwan) Co., Ltd. to conduct the verification, 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. & Pharm. Co., Ltd. This verification statement applies to relevant information within the scope of work described below. Standard Chem. & 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"> ● The Factory 1: No.6-20 , Tuku. , Tuku Village , Sinying District , Tainan City 73055 ● The Factory 2: No.154 , Kaiyuan Rd. , Sinying District , Tainan City 73055 ● During the interrogation : January 1, 2023 to December 31, 2023 and January 1, 2024 to December 31, 2024

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.

(6) 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, 2025 about the ethical management policy and its implementation status in 2024.</p> <p>B. The Company implements the ethical management policy, and the relevant implementation status in 2024 is as follows:</p> <p>a. In 2024, 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 177,769 people and 80,473 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 2024, no corruption incidents and anti-competitive conduct occurred.</p> <p>c. The Company has established a whistleblowing system, which stipulates the method of conveying suggestions. Employees can report related violations of the ethical management regulations by phone, letter or e-mail. In 2024, no reported cases were received, and there were no incidents involving major unethical conduct.</p>	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		A. The Company's "Ethical Code of Conduct" clearly states the policy of preventing conflicts of interest. If there is a conflict of interest, should take the initiative to explain to 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	
			<p>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. When employees have suggestions, they can put them in the Suggestion Box or on the Company's bulletin board for discussion at any time.</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 such as the "Regulations Governing Establishment of Internal Control Systems by Public Companies". Internal auditors conduct regular inspections in</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	
			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 2024, 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 177,769 people and 80,473 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 established a whistleblowing and reward system, which stipulates the method of conveying suggestions. Employees can report related violations of the ethical management regulations by phone, letter or e-mail. People outside the Company can ask questions or make suggestions through the Contact Area of the Company's website. In addition, the Company	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	
			assigned the full-time personnel to investigate and deal with reported cases.	
(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 established a whistleblowing system, and the content stipulated the handling process and confidentiality principles for accusation cases.	No major difference
(3) Does the Company provide proper whistleblower protection?	V		The Company's "Ethical Code of Conduct" clearly stipulated that the Company handles reported cases in a confidential manner, and makes every effort to protect the safety of whistleblowers to save them from reprisal.	No major difference
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):				
(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.				
(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.				
(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.				

(7) 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 2024 regular shareholders' meeting:

Date	Major Resolutions	Implementation Status
June 20, 2023	1.Ratification of the 2023 Financial Statements proposal.	The resolution was passed.
	2.Ratification of the 2023 Surplus Earnings Distribution proposal.	In 2024, shareholders were distributed cash dividends of NT\$482,479,440. And has set August 9, 2024 as the dividend record date, and the distribution date of cash dividend was on August 30, 2024.
	3. Amendment of part of provisions of the Company's "Rules of Procedure for Shareholders Meetings"	The amendment was completed.
	4. Election of Directors.	Approved for registration by the Ministry of Economic Affairs on July 16, 2024, and announced on the Company's website.
	5.Release of newly elected Board of Directors from non-competition restrictions.	The resolution was approved, and the announcement was made on June 20, 2024.

B. Major resolutions of the Board Meetings:

Date	Major Resolutions
March 25, 2025	1. Approved Participation in the Private Placement of EASYWELL BIOMEDICALS, INC. (Stock Code: 1799). 2. Approved the establishment of a new subsidiary in Thailand.
February 25, 2025	1. Approval of the operational plan for year 2025 of the Company. 2. Approval of the establishment of the ratio and method of employee remuneration and director remuneration distribution for 2024. 3. Approval of the annual operating report, individual financial statements, and consolidated financial statements for year 2024 of the Company. 4. Approval of the Company's 2024 earnings distribution plan. 5. Approval of the effectiveness assessment of the company's internal control system and internal control system statement in 2024. 6. Approval of the ratification of the addition of "Procurement Management Operations" to the 2025 Internal Audit Annual Plan. 7. Assessment of the appointed auditor's remuneration and their

Date	Major Resolutions
	<p>independence and suitability for 2025.</p> <ol style="list-style-type: none"> 8. Approval of the discussion on the change of the company's certifying accountant starting from the first quarter of 2025 and the evaluation of the independence and competence of the newly appointed accountant. 9. Approval of the Amendments to Certain Provisions of the Articles of Incorporation. 10. Approval of the discussion on the definition of frontline employees for 2025. 11. Approval of the discussion on the amendments to certain provisions of the Company's Regulations on Directors' and Managers' Remuneration. 12. Approval of the discussion on the release of the Company's directors from non-competition restrictions. 13. Approval of convening the 2025 Annual Shareholders' Meeting. 14. Approval of the discussion on participating in the cash capital increase of Ho Yao Biopharm Co., LTD. 15. Approval of the Company intends to renew the financing agreements with various financial institutions.
December 17, 2024	<ol style="list-style-type: none"> 1. Approval of the participation in the cash capital increase of the investee company, Taiwan Biosim Company, Limited. 2. Approved the investment in Rock BioMedical, Inc. 3. Approved the capital increase for the mainland sub-subsidiary, Jiangsu Standard Biotech Pharmaceutical Co., Ltd.
November 08, 2024	<ol style="list-style-type: none"> 1. Approved the Company's consolidated financial report for the third quarter of 2024. 2. Approved the establishment of the "Internal Audit Annual Audit Plan for 2025." 3. Approved the establishment of the principles for the distribution of year-end bonuses for the Chairman and managers for 2024. 4. Approved the sale of stock in TaiwanJ Pharmaceuticals Co., Ltd. (6549). 5. Approved the renaming of the Company's "Internal Major Information Handling Procedures" to "Internal Major Information Handling and Prevention of Insider Trading Management Procedures," along with the revision of certain articles. 6. Approved the establishment of "Sustainable Information Management Control Procedures." 7. Approved the addition of the auditing item "AR-15 Sustainable Information Management Operations" to the financing cycle operations. 8. Approved the amendment of the "Internal Control System Self-Assessment Procedures." 9. Approved the subsidiary Standard Pharmaceuticals Co., Ltd. (Samoa) to lend USD\$3 million to Jiangsu Standard Biotech Pharmaceutical Co., Ltd., now for capital increase, submitted for discussion. 10. Approved the Company's intention to renew the financing agreements with various financial institutions.
August 06, 2024	<ol style="list-style-type: none"> 1. Approved the company's consolidated financial report for the second quarter of 2024. 2. Approved the company's 2023 ESG Sustainability Report. 3. Approved the amendment of the "Audit Committee Organizational Rules." 4. Approved the Company's intention to renew the financing agreements with various financial institutions.

Date	Major Resolutions
June 28, 2024	<ol style="list-style-type: none"> 1. According to Article 208 of the Company Act, the newly appointed directors shall elect one among themselves as the chairman. 2. Approved the amendment of certain articles of the "Organizational Regulations of the Compensation Committee." 3. Approved the amendment of certain articles of the "Operating and Management Regulations of the Compensation Committee." 4. Approved the appointment of Compensation Committee Members.
May 07, 2024	<ol style="list-style-type: none"> 1. Approved the assessment of the appointed auditor's remuneration and their independence and suitability for 2024. 2. Approved the Company's Consolidated Financial Report for Q1 2024. 3. Approved the nomination and review of candidates for Directors and Independent Directors. 4. Approved the lifting of non-competition restrictions for newly appointed directors. 5. Approved the amendment of certain articles of the "Shareholders' Meeting Rules." 6. Approved the capital increase for the Philippine subsidiary. 7. Approved the increase in the buy-back price for ROSSMAX INTERNATIONAL LTD. (Code: 4121)'s stock. 8. Approved the repurchase of shares of ROSSMAX INTERNATIONAL LTD. (Code: 4121).
February 27, 2024	<ol style="list-style-type: none"> 1. Approved the operational plan for the year 2024 of the Company. 2. Approved the establishment of the ratio and method of employee remuneration and director remuneration distribution for 2023. 3. Approved the annual operating report, individual financial statements, and consolidated financial statements for the year 2023 of the Company. 4. Approved the Company's 2023 earnings distribution plan. 5. Approved the effectiveness assessment of the company's internal control system and internal control system statement for 2023. 6. Approved the increase of the total project budget for the company's new finished product warehouse project to NT\$320 million (inclusive). 7. Approved the election of members of the Board of Directors pursuant to Chapter 16 of the Company's Articles of Incorporation. 8. Approved the release of newly elected board members from the non-compete clause. 9. Approved the convening of the 2024 Annual Shareholders' Meeting. 10. Approved the acceptance of the list of director candidates proposed by shareholders. 11. Approved the amendment of the "Regulations Governing Procedure for Board of Directors Meetings." 12. Approved the amendment of the "Audit Committee Organizational Rules." 13. Approved the amendment of the "Measures for the Management of Employee Investment and Savings." 14. Approved the increase in the total investment amount in the cash capital increase case of EASYWELL BIOMEDICALS, INC. (OTC code: 1799). 15. Approved the extension of the shares buyback period for ROSSMAX INTERNATIONAL LTD. (OTC code: 4121). 16. Approved the Company's investment in We Can Medicines Co., Ltd. (Emerging code: 6929). 17. Approved the Company's intention to renew the financing agreements

Date	Major Resolutions
	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	Chung-Yu Tien	January 1, 2024	3,723	710	4,433	-
	Fang-Ting Yeh	December 31, 2024				

Note : The non-audit fees were tax compliance services, transfer pricing report services, tax advisory services, etc.

(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	20,536,813	11.49	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	20,536,813	11.49	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.	2,332,948	1.30	0	0	0	0	None	None	-
Baishida Investment Co., Ltd.	2,118,894	1.18	0	0	0	0	None	None	-
Representative: Zhou Tingyun	0	0	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 30, 2025; 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	29.89	0	0	13,444,909	29.89
Taiwan Biosim Co. Ltd.	7,485,000	49.90	0	0	7,485,000	49.90
Ho Yao Biopharm Co., Ltd.	3,680,000	84.99	0	0	3,680,000	84.99
Shanghai Standard Pharmaceuticals Co., Ltd.	It's a limited company without shares.	100.00	It's a limited company without shares.	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	It's a limited company without shares.	0	It's a limited company without shares.	100.00

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 30, 2025

Shareholding Shareholder's Name	Shares	Holding Percentage (%)
Chin-Tsai Fan	20,536,813	11.49
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.	2,332,948	1.30
Baishida Investment Co., Ltd.	2,118,894	1.18

(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 2023 annual profit distribution statement as follows has been approved by the Board of Directors on February 25, 2025:

Profit Distribution Statement 2024

Unit : NT\$

Item	Amount
Net Income after Tax for the Current Period	\$ 880,499,726
Add: Adjustment for Actuarial Benefits	30,363,409
Add: Disposal of Financial Assets Measured at Fair Value through other Comprehensive Income	6,418,582
Minus: Set aside of Legal Reserve	(91,728,172)
Distributable Earnings for the Year	\$ 825,553,545
Add: Opening Undistributed Earnings	1,828,260,610
Accumulated Distributable Earnings	2,653,814,155
Minus: Shareholders' Dividends - Cash (NT\$2.8 per share) (Resolution of Board of Directors on February 25, 2025; Shareholders' Meeting Report)	(500,349,049)
Undistributed Earnings at the End of the Period	\$ 2,153,465,106

Note 1: The dividends to be distributed this year will be distributed based on the undistributed earnings in 2024.

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

The Company plans to distribute cash dividends in 2024, and the stock dividends will have no impact on the Company's operating performance and earnings per share.

(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. Appropriate 1% to 10% of the balance as compensation for 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 compensation of employees and directors in this year is based on the percentage stipulated in the Articles of Incorporation, and the amount of compensation for employees and directors is provided in a certain proportion, and recognized as operating expenses of the current period. Afterwards, if there is a discrepancy between the actual distribution amount resolved by the Board of Directors and the estimated amount, it will be listed as profit or loss for the next 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 2024 was NT\$10,777,064. The estimated amount listed in the 2024 account was NT\$10,769,910. The underestimated difference of NT\$7,154 will be listed as profit and loss in 2025.

② The compensation of directors resolved to be distributed in 2024 was NT\$4,500,000, which is consistent with the amount accrued in the 2024 accounts..

(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	10,076	10,108	(32)	(Note)
Directors' Compensation	3,124	3,150	(26)	(Note)

Note : It was the estimated difference in 2023, and the amount of the difference had been listed as profit or loss in 2024.

(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	3,098,102	45.6%
Health Supplements	2,088,392	30.8%
Others	1,602,729	23.6%
Total	6,789,223	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 Ministry of Economic Affairs' 2024 White Paper on the Biotechnology Industry, the pharmaceutical industry recorded a revenue of NT\$129.1 billion in 2023, representing a significant growth of 34.34% compared to 2022. The number of companies in the sector has remained relatively stable in recent years; however, the number of employees surged after surpassing 20,000 in 2022, reaching 27,500 in 2023—a 34.9% increase, closely aligning with the revenue growth rate. Exports also experienced a substantial increase of 50.9% in 2023. The proportion of exports in the overall sales reached a historic high, approaching half of total sales, reflecting the industry's growing emphasis and efforts on expanding international markets. Overall, the domestic pharmaceutical market demand reached NT\$243.2 billion,

but there is still an excessive reliance on imports, indicating that there remains considerable room for improvement in Taiwan's pharmaceutical industry. The operational overview of Taiwan's pharmaceutical industry from 2018 to 2023 is shown in the figure below:

Unit : NT\$

Year	2018	2019	2020	2021	2022	2023
Revenue (NT\$ billion)	803	855	890	917	961	1,291
Number of Firms	358	360	375	378	372	366
Number of Employees	19,055	19,100	19,500	19,800	20,380	27,500
Export Value (NT\$ billion)	301	310	322	333	403	608
Import Value (NT\$ billion)	1,510	1,680	1,681	1,818	2,176	1,749
Domestic Sales: Export Sales (%)	63:37	63:37	62:38	64:36	58:42	53:47
Domestic Market Demand (NT\$ billion)	2,012	2,224	2,249	2,402	2,734	2,432

Source: Foundation for the Development of the Biomedical Industry Technology, 2024.

According to the 2024 Biotechnology Industry White Paper, the distribution of health insurance drug declaration amounts by pharmaceutical companies from 2018 to 2023 is as shown in the figure below. In 2023, domestically produced drugs accounted for 21.0% of pharmaceutical expenses, while research and development firms, although experiencing a slight decline, still accounted for a high proportion of 64.4%. The proportion of agent firms saw the continuous growth, reaching 14.6%. Overall, imported drugs accounted for 79.0% of the market. Domestic generic drugs in Taiwan's pharmaceutical market face competition from imported drugs, limiting their market share. Therefore, pharmaceutical companies are all eyeing the international market, seeking overseas inspections by health authorities in advanced countries and other international certifications, with the aim of obtaining licenses to enter the international market.

The percentage of Health Insurance drug declaration amounts categorized by pharmaceutical companies from 2018 to 2023

Classification of Pharmaceutical Companies	2018	2019	2020	2021	2022	2023
R&D Companies	66.1	67.0	67.1	67.4	65.8	64.4
Agencies	13.3	12.8	13.1	13.1	14.1	14.6
Domestic Producers	20.6	20.2	19.8	19.2	20.1	21.0

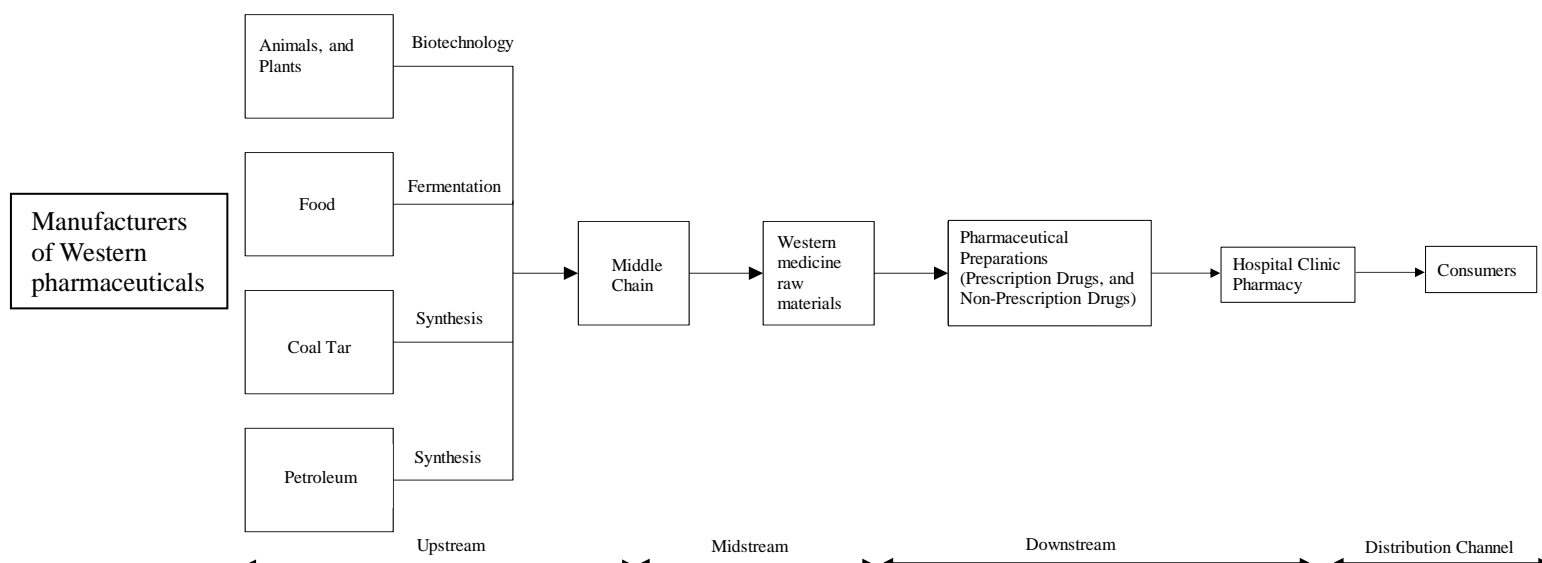
Source: National Health Insurance Administration, Ministry of Health and Welfare; 2024 White Paper on the Biotechnology Industry.

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 not 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 the ITIS 2024 Q4 and Full-Year Review and Outlook for the Applied Biotechnology Industry, the estimated total output value of Taiwan's food biotechnology industry in 2024 is NT\$73.67 billion, representing a growth of 3.2%. As a consumer-oriented sector, the food biotech industry benefits from the aging population and increasing awareness of health in daily life. In addition, companies are actively developing new products and services, as well as expanding into new industry fields and markets. As a result, the industry's total

output value in 2025 is projected to reach NT\$77.20 billion, an increase of 4.8%.

D. The Competitiveness of the Products

(a) Western Pharmaceutical Preparations:

For domestic pharmaceutical companies, the implementation of National Health Insurance (NHI) drug pricing and price surveys has constrained the development of Taiwan's pharmaceutical industry and limited the freedom of market mechanisms. As a result, profit margins on drug prices are narrow, leading to a vicious cycle of price competition. According to data from IQVIA, Taiwan's generic drug market reached NT\$112.17 billion in 2023, accounting for 46.5% of the total pharmaceutical market, representing a 2.4% growth compared to 2022. The combined sales of Taiwan's top ten local generic drug manufacturers amounted to approximately NT\$24.03 billion, only 21.4% of the total generic drug sales. This indicates that due to high product homogeneity, sales are widely dispersed among the 144 domestic PIC/S GMP-certified pharmaceutical manufacturers. Under tight pricing controls, product life cycles have shortened, and the elimination rate has increased, highlighting the growing importance of new product development.

International pharmaceutical companies are expanding their global footprint through mergers and acquisitions to expand their market presence and production capacity. Taiwan has internationally recognized GMP quality for pharmaceutical manufacturing, but compared to the low production costs in international markets, local pharmaceutical manufacturers have limited opportunities for international contract manufacturing. Therefore, a short-term reliance on domestic demand-based business models may not improve the situation for local pharmaceutical manufacturers. The Taiwanese pharmaceutical industry urgently needs to consider transformation, international market development, and strengthening competitiveness for sustainable business operations.

(b) Health Supplements :

As the society becomes more refined and aging, chronic diseases are gradually becoming a global pandemic. Compared to pharmaceuticals, there is an increasing trend in the development of the market for health supplements that aim to prevent or delay the onset of diseases. The Taiwan Food and Drug Administration has already announced 13 methods for evaluating the efficacy of health supplements and their advertising claims, including the regulation of blood lipids, improvement of gastrointestinal function, liver protection, immune modulation, bone health, reduction of body fat accumulation, anti-fatigue, assistance in managing allergic constitution, blood sugar regulation, anti-aging, dental health, promotion of iron absorption, and support in blood pressure regulation, and relevant regulations have become more comprehensive.

Due to lower regulations in terms of cost and benefits compared to pharmaceuticals, the market for health supplements is highly competitive with numerous competitors and products. Our company positions itself as a producer of high-priced, high-technology, innovative products with new efficacy and applications, to differentiate ourselves and avoid excessive competition in the market.

(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	2023	2024	For the period ending March 31, 2025
R&D Expenditure	266,272	288,094	61,869
Percentage of Revenue	4.27%	4.24%	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, to enhance competitiveness and identify new sources of revenue growth, Standard Chem has actively expanded into international markets—starting with the export of active pharmaceutical ingredients (APIs) in its early years, and later advancing to finished pharmaceutical products. The company's International Business Division has been established for over 30 years. In its global expansion strategy, Standard Chem positions Taiwan as its R&D and

manufacturing base, while partnering with exclusive distributors in target countries for sales operations. Currently, the company holds three import drug licenses in the United States, with two products already being shipped. In Japan, two products are being exported, and CDMO (Contract Development and Manufacturing Organization) agreements are underway. In mainland China, the company has long marketed its cephalosporin injectable powders, and several submitted products are pending regulatory approval. The Asia-Pacific region was Standard Chem's first step toward internationalization. With over 30 years of accumulated market experience, the company now holds more than 200 drug import licenses, with its major markets concentrated in Southeast Asian countries. In addition to partnering with local distributors, Standard Chem has established subsidiaries or offices in the Philippines, Vietnam, and Thailand. In Southeast Asia, the company leads the industry in both the number of product registrations and pharmaceutical export revenue. Standard Chem will continue to pursue international expansion—not only through product exports but also by developing strategic partnerships, including joint development and contract manufacturing services—to create further 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 : 5%
- (b) Southeast Asia : 20% °
- (c) Other Asian Countries : 25% °
- (d) Japan : 30% °
- (e) Other Countries in Americas : 5% °
- (f) Europe : 12% °
- (g) Africa : 1% °
- (h) United States : 2% °

Standard Chem. & Pharm. has over a hundred sales personnel engaged in direct sales in the domestic market, and there are five regions (Northern, Taoyuan-Hsinchu, Central, Southern, and Kaohsiung-Pingtung Region), each with its own office, for sales and business personnel education, training, and management. Overseas sales locations include subsidiaries in Shanghai, China, as well as in the Philippines and Vietnam. The company is actively developing markets in regions such as mainland China, the Middle East, Southeast Asia, Japan, the Americas, Europe, and Australia. By adopting an international professional division of labor approach, Standard Chem aims to reduce barriers to entry in international markets. This strategy helps address the challenges faced by the domestic market, including its limited size, difficulty 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) Central nervous system and orthopedic medications is the Company's top therapeutic area, accounting for the highest proportion of revenue. This includes various pain-relief medications, muscle relaxants, dementia medications, Parkinson's disease medications, and calcium supplements for osteoporosis. The Company not only meets the demand for basic pain-relief medications in various levels of healthcare institutions, but also addresses the needs of an aging society with dementia medications, Parkinson's disease medications, and calcium

supplements for osteoporosis. The oral suspension calcium supplement All-Right Calcium is a well-known product in the market, known for its pleasant taste, the convenience of use, and high market share. It's worth mentioning that the Company also has the only acetaminophen-based injectable medication in the domestic market, providing clinicians with a safer and more effective option for pain relief and fever reduction, allowing for more diversified treatment strategies for clinicians in different medical specialties. In recent years, the role and application of acetaminophen injectable medication have also been emphasized in mainstream multimodal analgesia (MMA) and enhanced recovery after surgery (ERAS) in the field of anesthesia. The role and application of acetaminophen injectable medication are also highly valued. This provides safer and better care for postoperative pain control and recovery. Central nervous system and orthopedic medications have accounted for 29% of company's revenue in 2024.

- (b) Cardiovascular medication accounts for the second largest proportion of our company's revenue in the therapeutic area. Our product range includes various classes of antihypertensive medications and cardiovascular risk management drugs, including popular ARB medications and long-standing beta-blocker medications. Our Propranolol, which is a main ingredient in our products, holds the highest market share in the domestic market and is widely recognized and adopted by various medical institutions. Our Co-Midis Tab. product, which utilizes special processing and excipients to overcome moisture susceptibility issues seen in other products, has gained recognition from physicians and achieved sustained sales growth. In 2021, it was awarded the Golden Quality Award for Pharmaceutical Technology Research and Development, and the formulation technology has also been granted a patent in Taiwan. Additionally, our Adapine S.R.F.C. Tab. 30 mg and Dustbin XL Tab. 4 mg are sustained-release formulations that utilize laser-drilled technology, allowing for a smooth and gradual release of medication to achieve stable blood pressure control. Our laser-drilling pharmaceutical technology has also been patented. Cardiovascular medication accounted for 21% of our company's revenue in 2023, demonstrating customer recognition and preference.
- (c) Gastrointestinal medication is the core specialty of our company which is also the product since the inception of our company. We have continuously invested in the development of gastrointestinal drugs, living up to our reputation as the "kingdom of gastric medicines." It remains our third largest therapeutic area, with many of our foundational drugs such as Omezol Cap. and Fading Tab. holding a significant market share. Our ulcer medication, Panzolec Gastro-Resistant Tab., also holds a brilliant sales performance. Gastrointestinal medication not only performs well in the domestic market but also has multiple exports to international markets. We have several unique formulations of gastrointestinal drugs, such as the only oral suspension in the country, Scat Suspension, which effectively treats upper gastrointestinal ulcers and symptoms related to gastroesophageal reflux using its unique formulation. We also produce various stable and unique frozen crystal injectable formulations using freeze-drying technology, such as Emazole Lyo-Injection and Panzolec Lyo-Injection also sell very well. In 2024, gastrointestinal medication accounted for 15% of our company's revenue.
- (d) Metabolic system medication, including diabetes medication and uric acid-lowering medication, is also one of the major therapeutic areas that our company focuses on. Keeping up with clinical trends and patient medication needs, we continue to invest in new drug development, with a comprehensive product line of blood glucose-lowering drugs with various mechanisms of action

and next-generation uric acid-lowering drugs. Our well-known brands for clinical diabetes medication include Lotion Tab. 500 mg and 850 mg, Acarose Tab., and Pioglit Tab., which have helped many diabetic patients achieve better blood glucose control. In response to the aging population and the increasing demand for multiple medications used by patients, we have developed many combination products for the convenience of patients and to improve medication adherence, such as Lodiglit Tablets and Grumed-M Tablets. We have also completed multicenter clinical trials for Migbose (Miglitol) Tab. 50mg. In the uric acid-lowering medication segment, Febuton F.C. Tab. 40mg and 80mg are new-generation products that have been selling well in recent years, with continued revenue growth and recognition for use in various levels of medical institutions in the country. In 2024, metabolic system medication accounted for 13% of our company's revenue.

- (e) Urinary system medication, includes medication for benign prostatic hyperplasia (BPH), sexual dysfunction, and urinary incontinence. For the treatment of BPH, our company has developed medication Tamlosin (Tamsulosin) in multiple dosage forms to meet the clinical needs of patients. This includes Tamlosin SR Cap., which is a sustained-release capsule, Tamlosin D Tab., which is a sustained-release orally disintegrating tablet, and Tamlosin PR Tab., which is a sustained-release film-coated tablet. These products are commonly prescribed in the market for clinical use. For medication related to sexual dysfunction, we have the well-known product Wellnitin ODT, which is an orally disintegrating tablet, and Lonfilis F.C. Tab., which is a film-coated tablet. In 2024, urinary system medication accounted for 9% of our company's revenue.
- (f) Respiratory system medication, which includes expectorants, cough suppressants, antihistamines, bronchodilators, and medication for treating cold and nasal congestion, is another important area for our company. Our main medications in this category are used for treating respiratory tract infections related to the common cold. We have well-known expectorants and cough suppressants such as Cough Mixture Solution, Colin Solution, Musco Tab, and Coheal Cap., which are widely used in various medical institutions. We also have popular antihistamines such as Levozine Tab and Fexodine Tab. In 2024, respiratory system medication accounted for 9% of our company's revenue.

Our company has undergone years of development and has established a solid foundation. With our excellent research and development talents, strong financial capabilities, and a comprehensive supply chain structure spanning upstream, midstream, and downstream products, our operational scale continues to expand. We have also obtained numerous domestic and international certifications and patents. Therefore, despite the ongoing growth of the global pharmaceutical market and the gradual elimination of small-scale pharmaceutical companies domestically, our company still has ample room for business development.

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

(a) Competitive Advantages:

- ①The 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.
- ②Possessing 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.
- ③Our 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.

③Consumer 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 ulcers, promoting digestion, and enhancing gastrointestinal motility.

(c) Respiratory system medication:

Suppressing cough and promoting expectoration, and bronchial dilation.

(d) Nervous system medication:

Antiallergic, antipyretic and analgesic, sedative, and skeletal muscle relaxant.

(e) Metabolic medication:

Hormone preparations, liver disease treatment, and diabetes management.

(f) General food and health food:

Health maintenance and well-being.

B. Manufacturing Processes

(a) The process of pharmaceutical formulation

① Tablet

Raw material → Sieving → Mixing → Granulator → Drying → Milling → Tablet → Sorting → Packaging → Repackaging

↓ ↑
Coating

② Injection

Raw material → Dissolution → Filtration
Vial washing → Drying and Sterilization

} → Filling → Sealing → Sterilization → Leak testing → Foreign Material Detection

→ Sterility Testing → Printing → Packaging

③ Powdered Formulation

Raw Material → Filling → Capping

} → Sealing → Various Inspections → Labeling → Sorting → Packaging

Material → Washing → Drying and Sterilization

④ Capsule Formulation

Materials → Sieving → Mixing → Capsule Filling → Sorting → Packaging

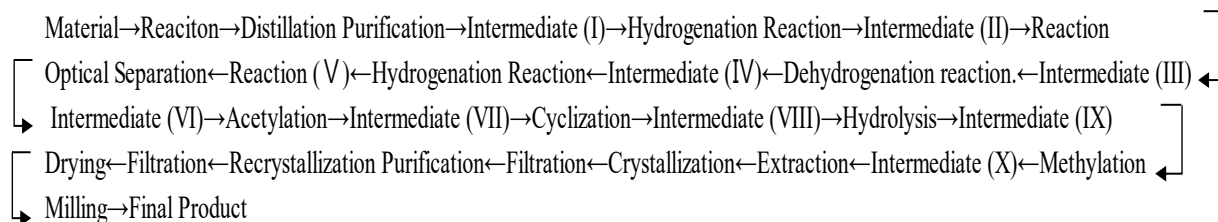
⑤ Ointment formulation

Raw Material → Dissolution → Mixing → Emulsification → Filling → Dispensing → Packaging

⑥ Liquid Formulation

Raw Material → Dissolution → Filtration → Filling → Sealing → Inspection → Labeling → Packaging

(b) Synthetic raw material manufacturing process:



(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) Names of customers who accounted for more than 10% of the total amount of goods purchased/sold in any of the most recent two years, and the amounts and percentages of the goods purchased/sold

A. Names of customers who accounted for more than 10% of the total amount of goods sold in any of the most recent two years:

None.

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		2023	2024	Current Year as of March 31
Number of Employees	Business Personnel	339	366	362
	Administration Personnel	283	283	283
	Manufacturing Personnel	943	977	962
	Researchers	130	139	135
	Total	1,695	1,765	1,742
Average Age		40	40	40
Average Years of Service		9	9	9
Academic Distribution	Ph.D.	1.5%	1.5%	1.5%
	Masters	20.0%	19.3%	19.1%
	Bachelor's Degree	54.6%	55.5%	55.6%
	Senior High School	21.3%	21.0%	21.6%
	Below Senior High School	2.6%	2.7%	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 2024 is as follows:

Category	Number of People	Hours	Fee (NT\$ thousands)
Departmental Training	177,113	75,921	5,475
GMP Training			
Outsourcing Training	656	4,552	
Total	177,769	80,473	

(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 suggestion 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\$3,094 thousand in information security-related expenses in 2024 and also budgeted approximately NT\$3,084 thousand for information security in 2025.

- (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, 2026	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	2024	2023	Difference	
			Amount	%
Current Assets	5,001,892	5,417,756	(415,864)	-7.7
Fixed Assets	4,128,811	4,021,526	107,285	2.7
Other Non-current Assets	2,044,842	1,749,442	295,400	16.9
Total Assets	11,175,545	11,188,724	(13,179)	-0.1
Current Liabilities	1,660,932	2,370,880	(709,948)	-29.9
Non-current Liabilities	538,545	680,507	(141,962)	-20.9
Total Liabilities	2,199,477	3,051,387	(851,910)	-27.9
Capital Stock	1,786,961	1,786,961	0	0.0
Capital Surplus	300,128	223,886	76,242	34.1
Retained Earnings	3,709,795	3,274,992	434,803	13.3
Other Equity Interest	108,131	13,177	94,954	720.6
Non-controlling Interests	3,071,053	2,838,321	232,732	8.2
Total Equity	8,976,068	8,137,337	838,731	10.3
<p>(1) Analysis of the change in the ratio of increase and decrease:</p> <ol style="list-style-type: none"> 1. Decrease in current liabilities: Mainly due to the reduction in short-term borrowings. 2. Decrease in non-current liabilities: Mainly due to the difference in the estimated net defined benefit liabilities based on the actuarial report. 3. Increase in capital surplus: Mainly due to the cash capital increase in an equity-method investee, and the adjustment of the net equity difference resulting from the parent company not subscribing based on its shareholding ratio. 4. Increase in other equity: Mainly due to the unrealized gains in financial assets measured at fair value through other comprehensive income. <p>(2) Future Response Actions: Not applicable.</p>				

2. Financial Performance

Comparative Analysis of Operating Results

Unit: NT\$ thousands

Item \ Year	2024	2023	Increase (Decrease) Amount	% of Change
Net Operating Revenue	6,789,223	6,239,768	549,455	8.8%
Operating Costs	(3,800,532)	(3,514,390)	286,142	8.1%
Gross Profit from Operations	2,988,691	2,725,378	263,313	9.7%
Operating Expenses	(1,592,375)	(1,465,826)	126,549	8.6%
Operating Income	1,396,316	1,259,552	136,764	10.9%
Non-operating Revenue and Expenses	231,043	178,315	52,728	29.6%
Profit from Continuing Operations before Tax	1,627,359	1,437,867	189,492	13.2%
Income Tax Expense	(333,049)	(279,938)	53,111	19.0%
Net Profit for Current Period	1,294,310	1,157,929	136,381	11.8%
Other Comprehensive Income (after Tax)	135,175	155,064	(19,889)	-12.8%
Total Comprehensive Income	1,429,485	1,312,993	116,492	8.9%
<p>(1) Analysis of the changes in the ratio of increase and decrease in the last two years:</p> <p>1. Increase in Non-operating Income and Expenses: Mainly due to the impact of the USD exchange rate, resulting in a increase in foreign exchange gains.</p> <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 2-3 and 89-93.</p>				

3. Cash Flow

(1) Analysis of Cash Flow Changes in Recent Years

Item \ Year	2024	2023	Increase (Decrease) Ratio (%)
Cash Flow Ratio (%)	102.05	56.37	81.04
Cash Flow Adequacy Ratio (%)	108.46	100.74	7.66
Cash Reinvestment Ratio (%)	9.53	7.61	25.23
Explanation of the increase and decrease ratio changes: 1. Increase in Cash Flow Ratio: Mainly due to the reduction in short-term borrowings. 2. Increase in Cash Reinvestment Ratio: Mainly due to the increase in cash inflows from operating activities.			

(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
1,520,128	1,899,340	884,287	2,535,181	-	-
Analysis of cash flow changes in this year: 1. Operating Activities: Continued increase in operating revenue will generate net cash inflow. 2. Investment Activities: Net cash outflow will be generated due to plant expansion and purchase of equipment. 3. Financing Activities: Issuing cash dividends will generate 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:

WE CAN MEDICINES CO., LTD. Loss: The business situation is still being adjusted.

Taiwan Biosim Company, Limited Profit: The most recent year showed a profit.

Shanghai Standard Pharmaceuticals Co., Ltd. Loss: The business situation is still being adjusted.

Standard Chem. & Pharm. Vietnam 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\$121 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\$ 6,209 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 2024 was increased by 2.18%. 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, 2025, 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 58 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) It is anticipated that future product prices will continue to be constrained and impacted by pharmaceutical pricing restrictions. Standard Chem. & Pharm. is a professional pharmaceutical manufacturer that has experienced continuous growth over the past 58 years. In the past, the Company has invested heavily in research and development annually, and in the future, the speed of developing and launching new drugs will be accelerated in order to replace products with shortened price life cycles and sustain

the growth of sales performance in Western medicine.

- (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\$3,094 thousand in information security protection-related expenses in 2024 and has budgeted approximately NT\$ 3,084thousand for information security-related expenses in 2025.

(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 5.86% 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 3.46% 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.