

Stock Code: 1720

Standard Chem. & Pharm. Co., Ltd.

Handbook for the 2022 Annual Meeting of Shareholders

MEETING DATE: June 21, 2022

----Disclaimer----

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2022 ANNUAL SHAREHOLDERS' MEETING ("THE AGENDA") OF STANDARD CHEM. & PHARM. CO., LTD ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOT FOR OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

Table of Contents

I.	Meeting Procedure	1
II.	Meeting Agenda	2
III.	Report Items	3
IV.	Matters Proposed for Ratification	6
V.	Matters Proposed for Discussion	8
VI.	Extempore Motions	11
VII.	Adjournments	11

Attachments

1.	Business Report	12
2.	Independent Auditors' Report and Financial Statements	15
3.	Comparison Table for the "Articles of Incorporation"	40
4.	Comparison Table for the "Operating Procedures of Endorsements and Guarantees"	42
5.	Comparison Table for the "Operating Procedures of Loans to Others"	45
6.	Comparison Table for the "Operating Procedures of Acquisition or Disposal of Assets"	49

Appendices

Directors' Shares Held at Present	66
-----------------------------------	----

I. Meeting Procedure

Standard Chem. & Pharm. Co., Ltd.

Procedure for the 2022 Annual Meeting of Shareholders

1. Call Meeting to Order
2. Chairperson Remarks
3. Report Items
4. Matters Proposed for Ratification
5. Matters Proposed for Discussion
6. Extempore Motions
7. Adjournment

II. Meeting Agenda

Agenda of Annual Meeting of Shareholders

Meeting type: Physical Shareholders' Meeting

Time: 9:00 a.m. on Tuesday, June 21, 2022

Place: Standard Chem. & Pharm. Co., Ltd.'s Conference Hall, No. 154, Kaiyuan Rd.,
Tuku Village, Sinying District, Tainan City.

1. Call Meeting to Order
2. Chairperson Remarks
3. Report Items
 - (1) 2021 Business Report
 - (2) Audit Committee's Review Report on the 2021 Financial Results
 - (3) 2021 Annual Report on Remuneration of Employees, Directors and Supervisors
 - (4) Status of 2021 Dividend Distribution
 - (5) Status of 2021 Endorsement and Guarantee
 - (6) Other Reports
4. Matters Proposed for Ratification
 - (1) Ratification of 2021 Business Report and Financial Statements
 - (2) Ratification of Proposed 2021 Profit Distribution Plan
5. Matters Proposed for Discussion
 - (1) Amendment to the "Articles of Incorporation"
 - (2) Release of the Board of Director from non-competition restrictions
 - (3) Amendment to the "Operating Procedures of Endorsements and Guarantees"
 - (4) Amendment to the "Operating Procedures of Loans to Others"
 - (5) Amendment to the "Operating Procedures of Acquisition and Disposal of Assets"
6. Extempore Motions
7. Adjournments

III. Report Items

(1) 2021 Business Report

The result of overall operation for Standard Chem. & Pharm. Co., Ltd. and its subsidiaries' (the Group) were summarized as follows:

1. Operating Income

The Combined Operating Income for 2021 was NT\$4,604 million; representing an increase of 6.9% in comparison with 2020.

2. Gross Profit

Due to revenue growth, Gross Profit for 2021 increased by 7.7% in comparison with 2020.

3. Operating Profit

Due to the increase of Gross Profit and well controlled in operating expenses, the Operating Profit for 2021 increased 24.1% in comparison with 2020.

4. Non-operating Income and expenses

Due to gains on disposal of property, plant and equipment, Non-operating Income in 2021 increased 106.6% in comparison with 2020.

In summation from above, Net Income for 2021 was NT\$837 million; representing a 33.8% increase over Net Income of 2020.

(2) Audit Committee's review report on the 2021 financial statements

Audit Committee's Review Report

To Shareholders:

We have reviewed the Company's 2021 Business Report, Financial Statements, and Earnings Appropriation prepared by the Board of Directors. The standalone and consolidated financial statements were audited by PricewaterhouseCoopers Taiwan, to which they issued an unqualified opinion. Business Report, Financial Statements, and Earnings Appropriation has reviewed the abovementioned reports and found no misstatements. We hereby issue this report in accordance with Article 14-5 of the Securities and Exchange Act and Article 219 of the Company Act.

2022 Annual Meeting of Shareholders
Supervisor: Lin-Yu, Li

March 15, 2022

- (3) 2021 Annual Report on Remuneration of Employees, Directors, and Supervisors
The resolution was approved by the Board on March 15th, 2022.
- i. 2021 Annual Employees' Remuneration is NT\$ 8,340,553, the amount recognized is NT\$ 8,339,138. The difference of NT\$ 1,415 will be recognized as an expense in 2022.
 - ii. 2021 Annual Board's Remuneration is NT\$ 3,002,600, the amounts recognized is NT\$3,000,000. The difference NT\$ 2,600 will be recognized as an expense in 2022.
 - iii. The above remunerations are distributed in cash.
- (4) Status of 2021 Dividend Distribution
The special resolution was approved by the Board on March 15th, 2022.
- i. Pursuant Article 26-1 of Company's Article of Incorporation, 2021 distribution of cash dividends will be NT\$2.5 per share, the total amount to be distributed will be NT\$446,740,223.
 - ii. The distribution of cash dividends shall be based on the stock register record as shown on the distribution record date. It is proposed to distribute NT\$2.5 per share, and the total dividend shall be rounded down to nearest NT\$1.00, the remaining fraction will be adjusted by the Chairman of the Board, who is fully authorized by Board of Directors.
 - iii. The Board of Directors will determine the dividend distribution date in order to make adjustment and distribution for each share based on the number of actual shares outstanding on the distribution date.
- (5) The Status of 2021 Endorsement and Guarantee
Based on the resolution made by the Board of Directors on January 26th, 2021, SCPC canceled the endorsements and guarantee business for the subsidiary Standard Pharmaceutical Co., Ltd. (Samoa), and the guaranteed amount is US\$3 million before the cancellation.
- (6) Other Reports
In accordance with Article 172-1 of the Company Act, the proposals submitted by shareholders shall be listed; no proposal is submitted in this shareholders' meeting.

IV. Matters Proposed for Ratification

1.

Proposed by the Board

Proposal:

Ratification of 2021 Business Report and Financial Statements

Explanation:

The 2021 Business Report (please refer to page 12-14) and Financial Statements of SCPC (please refer to page 15-39) have been approved by the Board and examined by the Audit Committee of SCPC.

Resolution:

2.

Proposed by the Board

Proposal:

Ratification of 2021 Profit Distribution Plan

Explanation:

Please refer to the 2021 PROFIT DISTRIBUTION TABLE below.

Standard Chem. & Pharm. Co., Ltd.
PROFIT DISTRIBUTION TABLE
Year 2021

(Unit: NT\$)

Item	Amount
After-tax net profit	706,733,742
Add: Adjusted actuarial losses	15,099,988
Add: Disposal of financial assets at fair value through other comprehensive income	114,358,858
Less: Legal reserve	(83,619,259)
Less: Special reserve	(110,329,894)
Distributable profit from year 2021	642,243,435
Undistributed earnings from previous period	914,859,853
Accumulated undistributed earnings	1,557,103,288
Less: Dividend to shareholders-cash (NT\$2.5 per share) (2022/3/15 Board Resolution; Report on Shareholders' meeting)	(446,740,223)
Undistributed earnings as of the end of the period	1,110,363,065

Note 1: Earning distribution for this year shall be based on the distributable profit from year 2021

Note 2: Actual cash dividend amount per share shall be calculated based on the stock register record shown on the distribution record date

Resolution:

V. Matters Proposed for Discussion

1.

Proposed by the Board

Proposal:

Amendment to the “Articles of Incorporation”

Explanation:

According to Article 172-2 of the Company Act, it is proposed to amend Article 10-1 of the “Articles of Incorporation”. Please refer to attachment 3 for comparison table for before and after revision.

Resolution:

2.

Proposed by the Board

Proposal:

Release of the Board of Director from non-competition restrictions

Explanation:

- a. The proposal is conducted pursuant to the Article 209, paragraph 1 of the Company Act.
- b. Tzu-Ting, Fan, the director of SCPC might operate other businesses with similar business scope as SCPC and act as SCPC’s Director simultaneously. Without impeding SCPC’s interest and benefit, it is proposed to release the Director from non-complete clause restrictions.
- c. The Director’s business activities are listed as follow:

Title	name	Other business and Title
Director	Tzu-Ting, Fan	<ul style="list-style-type: none">• Geneferm Biotechnology Co., Ltd., Legal person director representative• Ho Yao Biopharm Co., LTD., Legal person director representative

Resolution:

3.

Proposed by the Board

Proposal:

Amendment to the “Operating Procedures of Endorsements and Guarantees”

Explanation:

In compliance with the need of Audit Committee establishment, it is proposed to amend the “Operating Procedures for Endorsements and Guarantees”. Please refer to Attachment 4 for comparison table for before and after revision.

Resolution:

4.

Proposed by the Board

Proposal:

Amendment to the “Operating Procedures of Loans to Others”

Explanation:

In compliance with the need of Audit Committee establishment, it is proposed to amend the “Operating Procedures of Loans to Others”. Please refer to Attachment 5 for comparison table for before and after revision.

Resolution:

5.

Proposed by the Board

Proposal:

Amendment to the “Operating Procedures of Acquisition and Disposal of Assets”

Explanation:

According to Letter NO.1110380465 issued by Financial Supervisory Commission on January 28, 2022, it is proposed to amend the “Operating Procedures of Acquisition and Disposal of Assets”. Please refer to Attachment 6 for comparison table for before and after revision.

Resolution:

VI. Extempore Motions

VII. Adjournments

Attachments

Attachment 1:

Standard Chem. & Pharm. Co., Ltd. 2021 Business Report

1. Company Business Direction

Standard Chem. and Pharm. Co., Ltd. (SCPC) has focused its operations on the development and manufacturing of pharmaceuticals. Through vertical integration of its corporate group and development of niche and brand differentiated specialty products, SCPC seeks to build a global marketing network. To establish itself as a world-class pharmaceutical manufacturer, SCPC strives to expand its presence in the United States, Japan, China, and Southeast Asian markets. SCPC's principal objectives for the year 2021 were:

- a. Continue to expand R&D investments
- b. Develop core technologies
- c. Actively expand international operations
- d. Strengthen internal management

2. Implementation Overview

Throughout 2021, SCPC continued to invest in drug development, and the R&D expenses for the year was NT\$167 million, which was about 6% of total revenue. To expand international business, besides markets in Japan, China, and Southeast Asian countries, SCPC has submitted ANDAs to the US-FDA, bringing our generic formulations to the next stage of the international pharmaceutical market. Strengthening of internal management and operations was evident in proposal improvement, cost reductions, and process improvements of various ongoing projects.

3. Results of Business Plan Implementation

SCPC's Net Sales for 2021 were NT\$2.8billion, which was a 3.6% increase over 2020. Sales from pharmaceuticals for human-use (NT\$2.5 billion) represented the largest contribution to overall Net Sales at 88.9%. Sales from Active Pharmaceutical Ingredients (NT\$168 million) contributed 5.9% overall. Sales of healthy food (NT\$133 million) contributed 4.7% overall. Other products, including veterinarian pharmaceuticals, had sales of NT\$14 million contributing 0.5% overall.

Due to increase of Sales, Gross Profit for 2021 increase by 5.4% in comparison with 2020 ; Due to the increase of Gross Profit and well controlled in operating expenses, the Operating Profit for 2021 increased 15.6% in comparison with 2020.

For non-operating income and expense, the profit increased NT\$114.46 million

because of the increase on long-term equity investment gain.

In summation of the above, Net Income After Tax (NIAT) for 2021 was NT\$707 million; representing a 34.8% increase over NIAT of 2020.

4. Operation Summary

Unit: NTD thousand

Items	Amount
Net Sales	2, 837, 930
Gross Profit	1, 366, 241
Income from Operations	624, 416
Non-operating Income/Expenses	198, 070
Income Before Income Tax	822, 486
Net Income	706, 734
Basic Earnings per shares (NTD)	3. 95

5. Budget Implementation

Unit: NTD thousand

Items	2021 Budget	2021 Actual	Achievement%
Net sales	2, 818, 002	2, 837, 930	100. 7
Costs	1, 458, 293	1, 471, 689	100. 9
Gross Profit	1, 359, 709	1, 366, 241	100. 5
Operating exp.	784, 924	741, 825	94. 5
Income from Operations	574, 784	624, 416	108. 6
Pre-tax income	746, 688	822, 486	110. 2

6. Profitability Analysis

Items	Ratio (%)
Return on Total Assets	12.40
Return on Shareholders' Equity	17.01
Operating income/paid-in capital ratio	34.94
Gain before tax/paid-in capital ratio	46.03
Net Margin	24.90
Basic Earnings per share (NTD)	3.95

7. Research and Development

SCPC's R&D expenses for 2021 were NT\$167 million. Most of SCPC's research techniques were self-developed, and all of SCPC's new products, including both domestic and international development, were applied for drug licenses. Development results are listed below:

- A. Domestic pharmaceutical preparations: 6 applications were submitted and 5 certificates were approved.
- B. International pharmaceutical preparations: 13 applications were submitted and 16 certificates were approved.
- C. Domestic API: 1 application was submitted for approval.
- D. Food: 13 applications were submitted and 11 certificates were approved.
- E. New products: 5 new products were launched.
- F. BA/BE studies: 4 applications were submitted and 4 applications received passing result.

SCPC continues its commitment to investment in R&D for new product development.

Attachment 2:

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of STANDARD CHEM. & PHARM. CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of STANDARD CHEM. & PHARM. CO., LTD. (the “Company”) as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants, as described in the other matter section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the parent company only financial statements of the current period are as follows:

Valuation of inventories

Description

Refer to Note 4(10) for accounting policies on the valuation of inventories, Note 5(2) for the uncertainty of significant accounting estimations and assumptions relating to valuation of inventories, and Note 6(5) for the details of allowance for inventory valuation loss. As of December 31, 2021, the carrying amount of inventories and allowance for inventory valuation loss are \$546,720 thousand and \$16,436 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of human medicine. Due to the influence of market demand and short expiration date of medicines, there is a risk of market price decline and obsolescence of inventories. The Company measures inventories at the lower of cost and net realisable value. The net realisable values of obsolete inventories are determined based on the historical information on the selling price.

Given that the valuation of inventories is subject to uncertainty of assumptions and the accounting estimations will have significant influence on the inventory values, we consider the valuation of inventories a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures on the above key audit matter:

1. Assessed the reasonableness of policies on allowance for inventory valuation loss.
2. Assessed the effectiveness of the management's inventory control, based on our understanding of the operations of the warehouse management, inspected the annual inventory taking plan and performed our observation.
3. Tested whether the basis of inventory aging used in calculating the net realisable value of inventory is consistent with the Company's policy.
4. Validated the net realisable value of inventories and the adequacy of allowance for inventory valuation loss.

Existence of domestic sales revenue from human medicines

Description

Refer to Note 4(27) for accounting policies on revenue recognition. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

The Company is primarily engaged in the manufacturing and sales of human medicines. The Company's sales is mainly domestic-based and its customers are numerous, including hospitals, clinics, pharmacies and drug administrations all over the country. Since the sales transactions are numerous and would require a longer period for verification, we consider the existence of domestic sales revenue from human medicines a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures for the above matter:

1. Assessed the consistency and effectiveness of internal control relevant to sales recognition.
2. Assessed basic information of the major customers, including the details of chairman and major shareholders, registered address, principal place of business, capital and main business activities, etc.
3. Selected samples of sales transactions and checked against related supporting documentation, including unit prices, quantities, reasonableness of sales allowance recognition, waybill and subsequent cash collection.

Other matter –Reference to the audits of other independent accountants

We did not audit the financial statements of certain investments accounted for under the equity method. These investments amounted to \$205,362 thousand and \$216,761 thousand, constituting 3.43% and 3.97% of total assets as of December 31, 2021 and 2020, respectively, and the share of profit or loss of subsidiaries, associates and joint ventures accounted for under the equity method was (\$11,473) thousand and \$14,008 thousand, constituting (1.65%) and 2.97% of total comprehensive income for the years then ended, respectively. The financial statements of these investee companies were audited by other independent accountants whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and information disclosed relative to these investments, is based solely on the reports of other independent accountants.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company

only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Tien, Chung-Yu

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 15, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

STANDARD CHEM. & PHARM. CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAINAN DOLLARS)

Assets		December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 669,875	11	\$ 462,332	8
1136	Financial assets at amortised cost - current	-	-	284,800	5
1150	Notes receivable, net	101,981	2	88,582	2
1170	Accounts receivable, net	538,485	9	525,240	10
1200	Other receivables	191,470	3	24,598	-
130X	Inventories	530,284	9	548,309	10
1410	Prepayments	37,331	1	33,632	1
1479	Other current assets	796	-	1,232	-
11XX	Total current Assets	<u>2,070,222</u>	<u>35</u>	<u>1,968,725</u>	<u>36</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	9,849	-	9,741	-
1517	Financial assets at fair value through other comprehensive income - non-current	225,274	4	350,150	7
1550	Investments accounted for under equity method	2,413,208	40	1,818,599	33
1600	Property, plant and equipment	966,414	16	1,013,896	19
1755	Right-of-use assets	17,746	-	22,057	-
1760	Investment property, net	46,207	1	46,320	1
1780	Intangible assets	6,625	-	6,110	-
1840	Deferred income tax assets	96,408	2	98,935	2
1915	Prepayments for equipment	92,585	1	43,950	1
1920	Guarantee deposits paid	37,632	1	20,967	-
1990	Other non-current assets	6,932	-	54,647	1
15XX	Total non-current assets	<u>3,918,880</u>	<u>65</u>	<u>3,485,372</u>	<u>64</u>
1XXX	TOTAL ASSETS	<u>\$ 5,989,102</u>	<u>100</u>	<u>\$ 5,454,097</u>	<u>100</u>

(Continued)

STANDARD CHEM. & PHARM. CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAINAN DOLLARS)

Liabilities and Equity		December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100	Short-term borrowings	\$ 710,500	12	\$ 490,000	9
2130	Contract liabilities - current	40,569	1	93,239	2
2150	Notes payable	110,969	2	113,486	2
2170	Accounts payable	176,821	3	136,191	3
2200	Other payables	249,178	4	273,017	5
2230	Current income tax liabilities	81,129	1	70,965	1
2280	Lease liabilities - current	3,998	-	4,206	-
2310	Receipts in advance	1,390	-	518	-
21XX	Total current Liabilities	<u>1,374,554</u>	<u>23</u>	<u>1,181,622</u>	<u>22</u>
Non-current liabilities					
2570	Deferred income tax liabilities	61,992	1	61,992	1
2580	Lease liabilities - non-current	14,111	-	17,967	-
2640	Net defined benefit liability - non-current	196,334	3	226,384	4
2645	Guarantee deposits received	235	-	200	-
25XX	Total non-current liabilities	<u>272,672</u>	<u>4</u>	<u>306,543</u>	<u>5</u>
2XXX	Total Liabilities	<u>1,647,226</u>	<u>27</u>	<u>1,488,165</u>	<u>27</u>
Equity					
Share capital					
3110	Common stock	1,786,961	30	1,786,961	33
3200	Capital surplus	204,313	3	203,274	4
Retained earnings					
3310	Legal reserve	709,879	12	658,657	12
3350	Unappropriated retained earnings	1,751,052	29	1,287,735	23
3400	Other equity interest	(110,329)	(1)	29,305	1
3XXX	Total equity	<u>4,341,876</u>	<u>73</u>	<u>3,965,932</u>	<u>73</u>
Significant contingent liabilities and unrecognised contract commitments					
Significant disaster loss					
3X2X	TOTAL LIABILITIES AND EQUITY	<u>\$ 5,989,102</u>	<u>100</u>	<u>\$ 5,454,097</u>	<u>100</u>

STANDARD CHEM. & PHARM. CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAINAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

		Year ended December 31			
		2021		2020	
Items		AMOUNT	%	AMOUNT	%
4000	Operating revenue	\$ 2,837,930	100	\$ 2,738,561	100
5000	Operating costs	(1,471,689)	(52)	(1,441,724)	(53)
5900	Net operating margin	1,366,241	48	1,296,837	47
	Operating expenses				
6100	Selling expenses	(416,241)	(15)	(444,593)	(16)
6200	General and administrative expenses	(157,806)	(5)	(157,958)	(5)
6300	Research and development expenses	(167,402)	(6)	(158,793)	(6)
6450	Expected credit (loss) gain	(376)	-	4,714	-
6000	Total operating expenses	(741,825)	(26)	(756,630)	(27)
6900	Operating profit	624,416	22	540,207	20
	Non-operating income and expenses				
7100	Interest income	2,804	-	10,151	-
7010	Other income	166,696	6	85,206	3
7020	Other gains and losses	(88,579)	(3)	(38,192)	(1)
7050	Finance costs	(3,473)	-	(4,861)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	120,622	4	31,302	1
7000	Total non-operating revenue and expenses	198,070	7	83,606	3
7900	Profit before income tax	822,486	29	623,813	23
7950	Income tax expense	(115,752)	(4)	(99,641)	(4)
8200	Profit for the year	<u>\$ 706,734</u>	<u>25</u>	<u>\$ 524,172</u>	<u>19</u>
	Other comprehensive income (loss)				
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurment of defined benefit plans	\$ 18,459	1	(\$ 14,637)	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	(14,673)	(1)	(17,991)	(1)
8330	Share of other comprehensive loss of associates and joint ventures accounted for under equity method	(6,084)	-	(21,223)	(1)
8349	Income tax related to components of other comprehensive (loss) income	(3,692)	-	2,927	-
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Financial statements translation differences of foreign operations	(4,186)	-	(2,244)	-
8300	Total other comprehensive income for the year	<u>(\$ 10,176)</u>	<u>-</u>	<u>(\$ 53,168)</u>	<u>(2)</u>
8500	Total comprehensive income for the year	<u>\$ 696,558</u>	<u>25</u>	<u>\$ 471,004</u>	<u>17</u>
	Earnings per share (in dollars)				
9750	Basic	\$ 3.95		\$ 2.93	
9850	Diluted	\$ 3.95		\$ 2.93	

STANDARD CHEM. & PHARM. CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAINAN DOLLARS)

	Capital Surplus					Retained Earnings		Other equity interest		
	Common stock	Additional paid-in capital	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Change in net equity of associates and joint ventures accounted for using the equity method	others	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains or losses from financial assets measured at fair value through other comprehensive income	Total equity
<u>For the year ended December 31, 2020</u>										
Balance at January 1, 2020	\$ 1,786,961	\$ 143,353	\$ 57,507	\$ 3,460	\$ 194	\$ 622,365	\$ 1,079,851	(\$ 14,544)	\$ 85,065	\$ 3,764,212
Profit for the year	-	-	-	-	-	-	524,172	-	-	524,172
Other comprehensive loss for the year	-	-	-	-	-	-	(11,952)	(2,244)	(38,972)	(53,168)
Total comprehensive income (loss) for the year	-	-	-	-	-	-	512,220	(2,244)	(38,972)	471,004
Difference between proceeds from acquisition of subsidiaries and book value	-	-	(53)	-	-	-	-	-	-	(53)
Adjustment to non-proportional acquisition of associates and joint ventures accounted for using equity method	-	-	-	(1,187)	-	-	-	-	-	(1,187)
Appropriations of 2019 earnings:										
Legal reserve	-	-	-	-	-	36,292	(36,292)	-	-	-
Cash dividends	-	-	-	-	-	-	(268,044)	-	-	(268,044)
Balance at December 31, 2020	\$ 1,786,961	\$ 143,353	\$ 57,454	\$ 2,273	\$ 194	\$ 658,657	\$ 1,287,735	(\$ 16,788)	\$ 46,093	\$ 3,965,932
<u>For the year ended December 31, 2021</u>										
Balance at January 1, 2021	\$ 1,786,961	\$ 143,353	\$ 57,454	\$ 2,273	\$ 194	\$ 658,657	\$ 1,287,735	(\$ 16,788)	\$ 46,093	\$ 3,965,932
Profit for the year	-	-	-	-	-	-	706,734	-	-	706,734
Other comprehensive income (loss) for the year	-	-	-	-	-	-	15,100	(4,186)	(21,090)	(10,176)
Total comprehensive income (loss) for the year	-	-	-	-	-	-	721,834	(4,186)	(21,090)	696,558
Difference between proceeds from acquisition of subsidiaries and book value	-	-	(77)	-	-	-	-	-	-	(77)
Adjustment to non-proportional acquisition of associates and joint ventures accounted for using equity method	-	-	-	1,068	-	-	-	-	-	1,068
Overdue cash dividends payable	-	-	-	-	48	-	-	-	-	48
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	114,358	-	(114,358)	-
Appropriations of 2020 earnings:										
Legal reserve	-	-	-	-	-	51,222	(51,222)	-	-	-
Cash dividends	-	-	-	-	-	-	(321,653)	-	-	(321,653)
Balance at December 31, 2021	\$ 1,786,961	\$ 143,353	\$ 57,377	\$ 3,341	\$ 242	\$ 709,879	\$ 1,751,052	(\$ 20,974)	(\$ 89,355)	\$ 4,341,876

STANDARD CHEM. & PHARM. CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAINAN DOLLARS)

	For the years ended December 31,	
	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 822,486	\$ 623,813
Adjustments		
Adjustments to reconcile profit (loss)		
Net (gain) loss on financial assets at fair value through profit and loss	(108)	500
Expected credit loss (gain)	376	(4,714)
Allowance (reversal of allowance) for inventory market price decline	7,403	(673)
Fire disaster loss - inventories	4,608	-
Share of profit or loss of subsidiaries, associates and joint ventures accounted for under equity method	(120,622)	(31,302)
Depreciation	101,113	116,160
Net gain on disposal of property, plant and equipment	(16)	(100)
Net loss on disposal of other non-current assets	5,872	-
Amortisation	17,607	21,999
Dividend income	(17,943)	(12,864)
Interest income	(2,804)	(10,151)
Interest expenses	3,473	4,861
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable	(13,399)	(1,835)
Accounts receivable	(13,621)	(43,145)
Other receivables	(67,287)	(5,567)
Inventories	6,014	26,883
Prepayments	1,879	2,462
Other current assets	436	1,849
Changes in operating liabilities		
Contract liabilities - current	(52,670)	38,763
Notes payable	(4,074)	(17,043)
Accounts payable	40,630	38,757
Other payables	(19,296)	20,118
Receipts in advance	872	(97)
Net defined benefit liability - non-current	(11,591)	(29,963)
Cash inflow generated from operations	689,338	738,711
Dividend received	62,223	50,818
Interest received	3,276	10,783
Interest paid	(3,351)	(4,961)
Income tax paid	(106,753)	(35,353)
Net cash flows from operating activities	644,733	759,998

(Continued)

STANDARD CHEM. & PHARM. CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAINAN DOLLARS)

	For the years ended December 31,	
	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease (increase) in financial assets at amortised cost - current	\$ 284,800	(\$ 209,850)
Decrease in other receivables - related parties	-	3,270
Acquisition of financial assets at fair value through other comprehensive income - non-current	(120,752)	(18,091)
Disposal of financial assets at fair value through other comprehensive income-non-current	18,921	-
Prepayment for investments accounted for under equity method	(5,578)	-
Acquisition of investments accounted for under equity method	(315,512)	(69,935)
Cash paid for acquisition of property, plant and equipment	(69,304)	(30,648)
Interest paid for acquisition of property, plant and equipment	(369)	(192)
Proceeds from disposal of property, plant and equipment	63	184
Acquisition of intangible assets	(4,798)	(155)
Increase in prepayment for equipment	(92,611)	(42,457)
(Increase) decrease in guarantee deposits paid	(16,665)	7,039
Increase in other non-current assets	(9,845)	(52,335)
Net cash flows used in investing activities	(331,650)	(413,170)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	360,500	190,000
Decrease in short-term borrowings	(140,000)	(265,000)
Decrease in notes and bills payable	-	(300,000)
Payments of lease liabilities	(4,470)	(4,436)
Increase (decrease) in guarantee deposit received	35	(6)
Overdue cash dividends payable	48	-
Payment of cash dividends	(321,653)	(268,044)
Net cash flows used in financing activities	(105,540)	(647,486)
Net increase (decrease) in cash and cash equivalents	207,543	(300,658)
Cash and cash equivalents at beginning of year	462,332	762,990
Cash and cash equivalents at end of year	\$ 669,875	\$ 462,332

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of STANDARD CHEM. & PHARM. CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of STANDARD CHEM. & PHARM. CO., LTD. and its subsidiaries (collectively referred herein as the “Group”) as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements of the current period are as follows:

Valuation of inventories

Description

Refer to Note 4(11) for accounting policies on the valuation of inventories, Note 5(2) for the uncertainty of significant accounting estimations and assumptions relating to valuation of inventories, and Note 6(5) for the details of allowance for inventory valuation loss. As of December 31, 2021, the carrying amount of inventories and allowance for inventory valuation loss are \$1,272,861 thousand and \$55,333 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of human medicine and dietary supplement. Due to the influence of market demand and short expiration date of medicines, there is a risk of market price decline and obsolescence of inventories. The Group measures inventories at the lower of cost and net realisable value. The net realisable values of obsolete inventories are determined based on the historical information on the selling price.

Given that the valuation of inventories is subject to uncertainty of assumptions and the accounting estimations will have significant influence on the inventory values, we consider the valuation of inventories a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures on the above key audit matter:

1. Assessed the reasonableness of policies on allowance for inventory valuation loss.
2. Assessed the effectiveness of the management's inventory control, based on our understanding of the operations of the warehouse management, inspected the annual inventory taking plan and performed our observation.
3. Tested whether the basis of inventory aging used in calculating the net realisable value of inventory is consistent with the Group's policy.
4. Validated the net realisable value of inventories and the adequacy of allowance for inventory valuation loss.

Existence of domestic sales revenue from human medicines and dietary supplements

Description

Refer to Note 4(28) for accounting policies on revenue recognition. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

The Group is primarily engaged in the manufacturing and sales of human medicines and dietary supplements. The Group's sales is mainly domestic-based and its customers are numerous, including hospitals, clinics, pharmacies, food and drug administrations all over the country. Since the sales transactions are numerous and would require a longer period for verification, we consider the existence of domestic sales revenue from human medicines and dietary supplements a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures for the above matter:

1. Assessed the consistency and effectiveness of internal control relevant to sales recognition.
2. Assessed basic information of the major customers, including the details of chairman and major shareholders, registered address, principal place of business, capital and main business activities, etc.
3. Selected samples of sales transactions and checked against related supporting documentation, including unit prices, quantities, reasonableness of sales allowance recognition, waybill and subsequent cash collection.

Other matter –Reference to the audits of other independent accountants

We did not audit the financial statements of certain investments accounted for under the equity method. These investments amounted to \$205,362 thousand and \$216,761 thousand, constituting 2.03% and 3.07% of consolidated total assets as of December 31, 2021 and 2020, respectively, and the share of profit or loss of associates and joint ventures accounted for under the equity method was (\$11,473) thousand and \$14,008 thousand, constituting (1.39%) and 2.45% of consolidated total comprehensive income for the years then ended, respectively. The financial statements of these investee companies were audited by other independent accountants whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these investments, is based solely on the reports of other independent accountants.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of STANDARD CHEM. & PHARM. CO., LTD. as of and for the years ended December 31, 2021 and 2020.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to

outweigh the public interest benefits of such communication.

Tien, Chung-Yu

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 15, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 2,564,395	25	\$ 1,036,183	15
1110	Financial assets at fair value through profit or loss - current	134,907	1	136,563	2
1136	Financial assets at amortised cost -current	289,932	3	308,540	4
1150	Notes receivable, net	277,426	3	169,902	3
1170	Accounts receivable, net	880,823	9	772,939	11
1200	Other receivables	331,809	3	24,413	-
1220	Current income tax assets	13	-	-	-
130X	Inventories	1,217,528	12	893,512	13
1410	Prepayments	86,621	1	93,157	1
1460	Non-current assets held for sale, net	-	-	165,110	2
1479	Other current assets	797	-	1,276	-
11XX	Total current assets	<u>5,784,251</u>	<u>57</u>	<u>3,601,595</u>	<u>51</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	15,152	-	14,047	-
1517	Financial assets at fair value through other comprehensive income - non-current	228,345	2	404,752	6
1550	Investments accounted for under equity method	525,839	5	250,693	4
1600	Property, plant and equipment	2,658,198	26	2,125,207	30
1755	Right-of-use assets	297,147	3	264,074	4
1780	Intangible assets	232,600	2	88,963	1
1840	Deferred income tax assets	141,445	2	138,588	2
1915	Prepayments for equipment	139,240	1	58,071	1
1920	Guarantee deposits paid	42,710	1	25,209	-
1990	Other non-current assets	39,094	1	78,248	1
15XX	Total non-current assets	<u>4,319,770</u>	<u>43</u>	<u>3,447,852</u>	<u>49</u>
1XXX	TOTAL ASSETS	<u>\$ 10,104,021</u>	<u>100</u>	<u>\$ 7,049,447</u>	<u>100</u>

(Continued)

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100	Short-term borrowings	\$ 1,067,989	11	\$ 566,000	8
2110	Short-term notes and bills payable	290,000	3	-	-
2130	Contract liabilities - current	79,115	1	135,662	2
2150	Notes payable	301,940	3	228,002	3
2170	Accounts payable	322,406	3	210,569	3
2200	Other payables	454,443	4	393,726	6
2230	Current income tax liabilities	164,066	2	99,088	1
2280	Lease liabilities - current	20,351	-	17,540	-
2310	Receipts in advance	1,013	-	29	-
2365	Current refund liabilities	14,774	-	-	-
21XX	Total current Liabilities	<u>2,716,097</u>	<u>27</u>	<u>1,650,616</u>	<u>23</u>
Non-current liabilities					
2540	Long-term borrowings	50,000	1	-	-
2570	Deferred income tax liabilities	92,827	1	61,992	1
2580	Lease liabilities - non-current	239,637	2	201,655	3
2640	Net defined benefit liability - non-current	205,314	2	227,978	3
2645	Guarantee deposits received	532	-	1,371	-
25XX	Total non-current liabilities	<u>588,310</u>	<u>6</u>	<u>492,996</u>	<u>7</u>
2XXX	Total Liabilities	<u>3,304,407</u>	<u>33</u>	<u>2,143,612</u>	<u>30</u>
Equity attributable to owners of parent					
Share capital					
3110	Common stock	1,786,961	18	1,786,961	25
3200	Capital surplus	204,313	2	203,274	3
Retained earnings					
3310	Legal reserve	709,879	7	658,657	9
3350	Unappropriated retained earnings	1,751,052	17	1,287,735	18
3400	Other equity interest	(110,329)	(1)	29,305	1
31XX	Equity attributable to owners of the parent	<u>4,341,876</u>	<u>43</u>	<u>3,965,932</u>	<u>56</u>
36XX	Non-controlling interest	<u>2,457,738</u>	<u>24</u>	<u>939,903</u>	<u>14</u>
3XXX	Total equity	<u>6,799,614</u>	<u>67</u>	<u>4,905,835</u>	<u>70</u>
Significant contingent liabilities and unrecognised contract commitments					
Significant disaster loss					
3X2X	TOTAL LIABILITIES AND EQUITY	<u>\$ 10,104,021</u>	<u>100</u>	<u>\$ 7,049,447</u>	<u>100</u>

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items		Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000	Operating revenue	\$ 4,604,082	100	\$ 4,305,400	100
5000	Operating costs	(2,536,209)	(55)	(2,385,562)	(55)
5900	Net operating margin	2,067,873	45	1,919,838	45
	Operating expenses				
6100	Selling expenses	(675,925)	(15)	(708,480)	(16)
6200	General and administrative expenses	(272,547)	(6)	(283,997)	(7)
6300	Research and development expenses	(241,788)	(5)	(227,211)	(5)
6450	Expected credit (losses) gains	(931)	-	6,437	-
6000	Total operating expenses	(1,191,191)	(26)	(1,213,251)	(28)
6900	Operating profit	876,682	19	706,587	17
	Non-operating income and expenses				
7100	Interest income	4,247	-	11,203	1
7010	Other income	170,182	4	92,985	2
7020	Other gains and losses	(23,954)	(1)	(33,323)	(1)
7050	Finance costs	(7,250)	-	(7,572)	-
7060	Share of (loss) profit of associates and joint ventures accounted for under equity method	(6,157)	-	3,047	-
7000	Total non-operating revenue and expenses	137,068	3	66,340	2
7900	Profit before income tax	1,013,750	22	772,927	19
7950	Income tax expense	(176,948)	(4)	(147,367)	(4)
8200	Profit for the year	\$ 836,802	18	\$ 625,560	15

(Continued)

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items		Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
	Other comprehensive income (loss)				
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurment of defined benefit plans	\$ 19,657	-	(\$ 14,169)	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	(21,903)	-	(39,372)	(1)
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	73	-	(365)	-
8349	Income tax related to components of other comprehensive (loss) income	(3,931)	-	2,834	-
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Financial statements translation differences of foreign operations	(1,283)	-	(1,757)	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method	(2,661)	-	(534)	-
8300	Total other comprehensive loss for the year	<u>(\$ 10,048)</u>	<u>-</u>	<u>(\$ 53,363)</u>	<u>(1)</u>
8500	Total comprehensive income for the year	<u>\$ 826,754</u>	<u>18</u>	<u>\$ 572,197</u>	<u>14</u>
	Profit attributable to:				
8610	Owners of the parent	\$ 706,734	15	\$ 524,172	12
8620	Non-controlling interest	130,068	3	101,388	3
		<u>\$ 836,802</u>	<u>18</u>	<u>\$ 625,560</u>	<u>15</u>
	Total comprehensive income attributable to:				
8710	Owners of the parent	\$ 696,558	15	\$ 471,004	12
8720	Non-controlling interest	130,196	3	101,193	2
		<u>\$ 826,754</u>	<u>18</u>	<u>\$ 572,197</u>	<u>14</u>
	Earnings per share				
9750	Basic	\$ 3.95		\$ 2.93	
9850	Diluted	\$ 3.95		\$ 2.93	

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of the parent											
	Capital Surplus					Retained Earnings		Other equity interest			Total	Non-controlling interest
	Common stock	Additional paid-in capital	Difference between the price for acquisition or disposal of subsidiaries and book amount	Change in net equity of associates and joint ventures accounted for under equity method	Others	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains or losses from financial assets measured at fair value through other comprehensive income			
For the year ended December 31, 2020												
Balance at January 1, 2020	\$ 1,786,961	\$ 143,353	\$ 57,507	\$ 3,460	\$ 194	\$ 622,365	\$ 1,079,851	(\$ 14,544)	\$ 85,065	\$ 3,764,212	\$ 882,209	\$ 4,646,421
Profit for the year	-	-	-	-	-	-	524,172	-	-	524,172	101,388	625,560
Other comprehensive loss for the year	-	-	-	-	-	-	(11,952)	(2,244)	(38,972)	(53,168)	(195)	(53,363)
Total comprehensive income (loss) for the year	-	-	-	-	-	-	512,220	(2,244)	(38,972)	471,004	101,193	572,197
Difference between proceeds from acquisition of subsidiaries and book value	-	-	(53)	-	-	-	-	-	-	(53)	(150)	(203)
Adjustment to non-proportional acquisition of associates and joint ventures accounted for using equity method	-	-	-	(1,187)	-	-	-	-	-	(1,187)	-	(1,187)
Appropriations of 2019 earnings:												
Legal reserve	-	-	-	-	-	36,292	(36,292)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(268,044)	-	-	(268,044)	-	(268,044)
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(43,349)	(43,349)
Balance at December 31, 2020	\$ 1,786,961	\$ 143,353	\$ 57,454	\$ 2,273	\$ 194	\$ 658,657	\$ 1,287,735	(\$ 16,788)	\$ 46,093	\$ 3,965,932	\$ 939,903	\$ 4,905,835
For the year ended December 31, 2021												
Balance at January 1, 2021	\$ 1,786,961	\$ 143,353	\$ 57,454	\$ 2,273	\$ 194	\$ 658,657	\$ 1,287,735	(\$ 16,788)	\$ 46,093	\$ 3,965,932	\$ 939,903	\$ 4,905,835
Profit for the year	-	-	-	-	-	-	706,734	-	-	706,734	130,068	836,802
Other comprehensive income (loss) for the year	-	-	-	-	-	-	15,100	(4,186)	(21,090)	(10,176)	128	(10,048)
Total comprehensive income (loss) for the year	-	-	-	-	-	-	721,834	(4,186)	(21,090)	696,558	130,196	826,754
Difference between proceeds from acquisition of subsidiaries and book value	-	-	(77)	-	-	-	-	-	-	(77)	(185)	(262)
Adjustment to non-proportional acquisition of associates and joint ventures accounted for using equity method	-	-	-	1,068	-	-	-	-	-	1,068	1,219	2,287
Overdue cash dividends payable	-	-	-	-	48	-	-	-	-	48	-	48
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	114,358	-	(114,358)	-	-	-
Appropriations of 2020 earnings:												
Legal reserve	-	-	-	-	-	51,222	(51,222)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(321,653)	-	-	(321,653)	-	(321,653)
Effect on business combinations	-	-	-	-	-	-	-	-	-	-	1,437,179	1,437,179
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(50,574)	(50,574)
Balance at December 31, 2021	\$ 1,786,961	\$ 143,353	\$ 57,377	\$ 3,341	\$ 242	\$ 709,879	\$ 1,751,052	(\$ 20,974)	(\$ 89,355)	\$ 4,341,876	\$ 2,457,738	\$ 6,799,614

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the years ended December 31,	
	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 1,013,750	\$ 772,927
Adjustments		
Adjustments to reconcile profit (loss)		
Net (gain) loss on financial assets at fair value through profit or loss	(1,449)	535
Expected credit loss (gain)	931	(6,437)
Allowance for loss on inventory market price decline	7,658	3,153
Fire disaster loss - inventories	4,608	-
Gain on disposal of non-current assets held for sale, net	(80,498)	-
Share of profit or loss of associates and joint ventures accounted for under equity method	6,157	(3,047)
Depreciation	200,758	208,671
Net loss on disposal of property, plant and equipment	846	79
Property, plant and equipment transferred to expenses	963	1,639
Net loss on disposal of other non-current assets	5,872	-
Amortisation	20,306	25,115
Impairment loss on non-financial assets	1,810	-
Interest income	(4,247)	(11,203)
Dividends revenue	(20,738)	(15,315)
Interest expense	7,250	7,572
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets at fair value through profit or loss	2,000	(544)
Notes receivable	(97,161)	37,722
Accounts receivable	(42,003)	(82,219)
Other receivables	(67,931)	(5,935)
Inventories	(41,143)	3,242
Prepayments	17,914	(6,601)
Other current assets	765	3,015
Other non-current assets	(2,195)	(7,035)
Changes in operating liabilities		
Contract liabilities - current	(56,576)	41,635
Notes payable	(29,305)	(12,145)
Accounts payable	105,314	45,772
Other payables	2,029	16,673
Receipts in advance	984	23
Reimbursement liabilities	(111)	-
Net defined benefit liability - non-current	(11,837)	(30,824)
Cash inflow generated from operations	944,721	986,468
Dividends received	21,735	15,315
Interest received	4,303	11,839
Interest paid	(7,242)	(6,012)
Income tax received	-	5,352
Income tax paid	(136,483)	(90,382)
Net cash flows from operating activities	827,034	922,580

(Continued)

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the years ended December 31,	
	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease (increase) in financial assets at amortised cost - current	\$ 181,625	(\$ 224,090)
Financial assets at fair value through profit or loss- noncurrent withdrawal of capital	-	506
Financial assets at fair value through profit or loss - non-current	(121,205)	(19,757)
Acquisition of investments accounted for under equity method	(288,810)	(69,732)
Disposal of financial assets at fair value through other comprehensive income	18,921	-
Cash paid for aquisition of property, plant and equipment	(126,817)	(307,126)
Interest paid for acquisition of property, plant and equipment	(369)	(192)
Proceeds from disposal of property, plant and equipment	88	214
Disposal of non-current assets held for sale, net	245,553	-
Acquisition of intangible assets	(4,808)	(161)
Increase in prepayments for equipment	(86,291)	(45,200)
(Increase) decrease in guarantee deposits paid	(17,496)	7,706
Increase in other non-current assets	(9,734)	(52,335)
Proceeds from business combinations	1,028,466	-
Net cash flows from (used in) investing activities	819,123	(710,167)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	390,213	451,000
Decrease in short-term borrowings	(165,992)	(450,000)
Decrease in short-term notes and bills payable	-	(300,000)
Payments of lease liabilities	(18,482)	(16,352)
Lending of long-term borrowings	50,000	-
Decrease in guarantee deposit received	(839)	(17,028)
Overdue cash dividends payable	48	-
Payments of cash dividends	(321,653)	(268,044)
Cash paid for transaction with non-controlling interests	(262)	(203)
Decrease in non-controlling interests	(50,574)	(43,349)
Net cash flows used in financing activities	(117,541)	(643,976)
Effects due to changes in exchange rate	(404)	(4,156)
Net increase (decrease) in cash and cash equivalents	1,528,212	(435,719)
Cash and cash equivalents at beginning of year	1,036,183	1,471,902
Cash and cash equivalents at end of year	\$ 2,564,395	\$ 1,036,183

Attachment 3:

Standard Chem. and Pharm. Co., Ltd. Comparison Table for the Articles of Incorporation

Amended Clause	Current Clause	Explanation
<p>Article 10-1</p> <p><u>The company's shareholders meeting may be held by video conference or other methods announced by the competent authority.</u></p>		Conform to the amendments to related regulations and business needs.
<p>Article 30</p> <p>These Articles of Incorporation are agreed and signed on June 8th, 1967</p> <p>The first Amendment on April 25th, 1968</p> <p>The second Amendment on March 30th, 1970</p> <p>The third Amendment on March 23rd, 1972</p> <p>The fourth Amendment on November 30th, 1980</p> <p>The fifth Amendment on August 20th, 1982</p> <p>The sixth Amendment on October 21st, 1983</p> <p>The seventh Amendment on September 25th, 1985</p> <p>The eighth Amendment on November 23rd, 1987</p> <p>The ninth Amendment on June 1st, 1988</p> <p>The tenth Amendment on September 20th, 1989</p> <p>The eleventh Amendment on October 5th, 1990</p> <p>The twelfth Amendment on October 19th, 1991</p> <p>The thirteenth Amendment on October 9th, 1992</p> <p>The fourteenth Amendment on March 5th, 1993</p> <p>The fifteenth Amendment on June 19th, 1993</p> <p>The sixteenth Amendment on June 6th, 1994</p> <p>The seventeenth Amendment on April 4th, 1995</p> <p>The eighteenth Amendment on May 28th, 1996</p> <p>The nineteenth Amendment on May 22nd, 1998</p> <p>The twentieth Amendment on May 26th, 2000</p> <p>The twenty-first Amendment on May 26th, 2000</p> <p>The twenty-second Amendment on May 23rd, 2001</p> <p>The twenty-third Amendment on May 29th, 2002</p> <p>The twenty-fourth Amendment on May 30th, 2006</p> <p>The twenty-fifth Amendment on June 18th, 2008</p> <p>The twenty-sixth Amendment on June 9th, 2009</p>	<p>Article 30</p> <p>These Articles of Incorporation are agreed and signed on June 8th, 1967</p> <p>The first Amendment on April 25th, 1968</p> <p>The second Amendment on March 30th, 1970</p> <p>The third Amendment on March 23rd, 1972</p> <p>The fourth Amendment on November 30th, 1980</p> <p>The fifth Amendment on August 20th, 1982</p> <p>The sixth Amendment on October 21st, 1983</p> <p>The seventh Amendment on September 25th, 1985</p> <p>The eighth Amendment on November 23rd, 1987</p> <p>The ninth Amendment on June 1st, 1988</p> <p>The tenth Amendment on September 20th, 1989</p> <p>The eleventh Amendment on October 5th, 1990</p> <p>The twelfth Amendment on October 19th, 1991</p> <p>The thirteenth Amendment on October 9th, 1992</p> <p>The fourteenth Amendment on March 5th, 1993</p> <p>The fifteenth Amendment on June 19th, 1993</p> <p>The sixteenth Amendment on June 6th, 1994</p> <p>The seventeenth Amendment on April 4th, 1995</p> <p>The eighteenth Amendment on May 28th, 1996</p> <p>The nineteenth Amendment on May 22nd, 1998</p> <p>The twentieth Amendment on May 26th, 2000</p> <p>The twenty-first Amendment on May 26th, 2000</p> <p>The twenty-second Amendment on May 23rd, 2001</p> <p>The twenty-third Amendment on May 29th, 2002</p> <p>The twenty-fourth Amendment on May 30th, 2006</p> <p>The twenty-fifth Amendment on June 18th, 2008</p> <p>The twenty-sixth Amendment on June 9th, 2009</p>	Added amendment date

Amended Clause	Current Clause	Explanation
The twenty-seventh Amendment on June 9 th , 2010	The twenty-seventh Amendment on June 9 th , 2010	
The twenty-eighth Amendment on June 15 th , 2011	The twenty-eighth Amendment on June 15 th , 2011	
The twenty-ninth Amendment on June 6 th , 2012	The twenty-ninth Amendment on June 6 th , 2012	
The thirtieth Amendment on June 18 th , 2013	The thirtieth Amendment on June 18 th , 2013	
The thirty-first Amendment on June 17 th , 2014	The thirty-first Amendment on June 17 th , 2014	
The thirty-second Amendment on June 17 th , 2016	The thirty-second Amendment on June 17 th , 2016	
The thirty-third Amendment on June 19 th , 2019	The thirty-third Amendment on June 19 th , 2019	
The thirty-fourth Amendment on June 17 th , 2020	The thirty-fourth Amendment on June 17 th , 2020	
The thirty-fifth Amendment on June 18 th , 2021	The thirty-fifth Amendment on June 18 th , 2021	
<u>The thirty-sixth Amendment on June 21th, 2022</u>		

Attachment 4:

Standard Chem. & Pharm Co., Ltd.

Comparison Table of Amended “Operating Procedures of Endorsements and Guarantees”

Amended provisions	Current provisions	Remark
<p>Article 6</p> <p>Procedures of endorsements/guarantees handlings.</p> <p>6.1~6.3 (omitted)</p> <p>6.4 The Company shall send an improvement plan to <u>Audit Committee</u>, and follow the plan accordingly when the target of the endorsement/guarantee does not comply with the requirements of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”.</p> <p>6.5~6.6 (omitted)</p>	<p>Article 6</p> <p>Procedures of endorsements/guarantees handlings.</p> <p>6.1~6.3 (omitted)</p> <p>6.4 The Company shall send an improvement plan to each Supervisor, and follow the plan accordingly when the target of the endorsement/guarantee does not comply with the requirements of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”.</p> <p>6.5~6.6 (omitted)</p>	<p>Amendment due to establishment of Audit Committee</p>
<p>Article 10 Others Matters</p> <p>10.1 Every business year, the Company and its subsidiaries’ endorsements/guarantees and related matters shall be submitted to the next annual shareholders’ meeting for reference.</p> <p>10.2 Internal Auditors of the Company shall review the Operational Procedures and the implementation conditions thereof at least on a quarterly basis and create written record. Should there be any violation found, <u>the Audit Committee</u> shall be notified in written in a prompt manner.</p> <p>10.3 Where managers and personnel in charge violate these Procedures, penalties shall be imposed in accordance with the severity of the violation subject to the employee manual.</p> <p>10.4 These operational procedures and all</p>	<p>Article 10 Others Matters</p> <p>10.1 Every business year, the Company and its subsidiaries’ endorsements/guarantees and related matters shall be submitted to the next annual shareholders’ meeting for reference.</p> <p>10.2 Internal Auditors of the Company shall review the Operational Procedures and the implementation conditions thereof at least on a quarterly basis and create written record. Should there be any violation found, Supervisors shall be notified in written in a prompt manner.</p> <p>10.3 Where managers and personnel in charge violate these Procedures, penalties shall be imposed in accordance with the severity of the violation subject to the employee manual.</p> <p>10.4 These operational procedures and all amendments have been approved by</p>	<p>Amendment due to establishment of Audit Committee</p>

Amended provisions	Current provisions	Remark
<p>amendments have been approved by <u>more than half of all Audit Committee members and by Board resolution, then</u> submitted to Shareholders Meeting for approval. Any dissent opinion expressed by the Directors which is recorded or in writing shall be submitted to the <u>Audited Committee</u> and for discussion by the Shareholders' Meeting.</p> <p>10.5 If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the Procedure may be implemented if approved by more than two-third of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all Audit Committee members" in <u>this paragraph and subparagraph 10.4</u> and "all Directors" shall be counted as the actual number of persons currently holding those positions.</p> <p>10.6 Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit reports to the Board of Directors of the Company for resolution prior to making endorsements/guarantees pursuant to Article 3. This restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>10.7 The Company shall notify the Independent Director in writing of the corrective plan been sent to <u>the Audit</u></p>	<p>the board of directors, sent to every Supervisors and submitted to Shareholders Meeting for approval. Any dissent opinion expressed by the Directors which is recorded or in writing shall be submitted to the Supervisors and for discussion by the Shareholders' Meeting.</p> <p>10.5 When Company submits the Operating Procedures of Endorsement and Guarantee to the Board for discussion in accordance with subparagraph 10.4, the Board shall take into full consideration each Independent Director's opinions. Any dissenting opinions of Independent Directors shall be stated in the minutes of the Board of Directors. The preceding provision does not apply if Audit Committee is established. Upon the establishment, the formulation or amendments of the Operating Procedures of Endorsement and Guarantee shall be approved by more than half of all Audit Committee members and by Board resolution.</p> <p>If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the Procedure may be implemented if approved by more than two-third of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>The terms "all Audit Committee members" in paragraph 3 and "all Directors" in the preceding paragraph shall be counted as the actual number</p>	

Amended provisions	Current provisions	Remark
<p><u>Committee</u> pursuant to the subparagraph 6.4 of Article 4 and notification sent to <u>the Audit Committee</u> pursuant to the subparagraph 10.2 of Article 10.</p>	<p>of persons currently holding those positions.</p> <p>10.6 Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit reports to the Board of Directors of the Company for resolution prior to making endorsements/guarantees pursuant to Article 3. This restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>10.7 The Company shall notify the Independent Director in writing of the corrective plan been sent to <u>Supervisors</u> pursuant to the subparagraph 6.4 of Article 4 and notification sent to <u>Supervisors</u> pursuant to the subparagraph 10.2 of Article 10.</p> <p>10.8 If Audit Committee is established, the provision on Supervisors in Article 6 and 10 shall apply mutatis mutandis to the Audit Committee.</p>	
<p>Article 11</p> <p>These Operational Procedures were promulgated on June 19, 1993.</p> <p>Amended for the first time on April 8, 1995.</p> <p>Amended for the second time on May 28, 1997</p> <p>Amended for the third time on December 23, 1997</p> <p>Amended for the forth time on May 28, 2003</p> <p>Amended for the fifth time on June 9, 2009</p> <p>Amended for the sixth time on June 9, 2010</p> <p>Amended for seventh time on June 18, 2013</p> <p>Amended for eighth time on June 19, 2019</p> <p><u>Amended for ninth time on June 21, 2022</u></p>	<p>Article 11</p> <p>These Operational Procedures were promulgated on June 19, 1993.</p> <p>Amended for the first time on April 8, 1995.</p> <p>Amended for the second time on May 28, 1997</p> <p>Amended for the third time on December 23, 1997</p> <p>Amended for the forth time on May 28, 2003</p> <p>Amended for the fifth time on June 9, 2009</p> <p>Amended for the sixth time on June 9, 2010</p> <p>Amended for seventh time on June 18, 2013</p> <p>Amended for eighth time on June 19, 2019</p>	<p>Addition of amendment date</p>

Attachment 5:

Standard Chem. & Pharm. Co., Ltd.

Comparison Table of Amended “Operating Procedures of Loans to Others”

Amended provisions	Current provisions	Remark
<p>Article 3</p> <p>Except the loan was existed before the effective date of this procedure or was caused due endorsement and guarantee action by the Company, the aggregate amount of loans shall not exceed 10% of the net worth of the Company. The reason of loan and the maximum loan amount permitted to a single borrower are as follow:</p> <p>3.1 In the case of loan to companies or entities having business relationship with the Company, the total loan amount to an individual borrower shall not exceed to the amount of purchase or sales between the parties in the past year, whichever is higher.</p> <p>3.2 In cases of loan to the companies or entities in need of short-term financing, the total loan to an individual borrower shall not exceed 5% of the net worth of the Company as stated in the most recent audited or reviewed financial statement.</p> <p>3.3 Should a borrower no longer satisfy the criteria set forth in the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided to <u>the Audit Committee</u> and the proposed correction actions should be implemented within the period</p>	<p>Article 3</p> <p>Except the loan was existed before the effective date of this procedure or was caused due endorsement and guarantee action by the Company, the aggregate amount of loans shall not exceed 10% of the net worth of the Company. The reason of loan and the maximum loan amount permitted to a single borrower are as follow:</p> <p>3.1 In the case of loan to companies or entities having business relationship with the Company, the total loan amount to an individual borrower shall not exceed to the amount of purchase or sales between the parties in the past year, whichever is higher.</p> <p>3.2 In cases of loan to the companies or entities in need of short-term financing, the total loan to an individual borrower shall not exceed 5% of the net worth of the Company as stated in the most recent audited or reviewed financial statement.</p> <p>3.3 Should a borrower no longer satisfy the criteria set forth in the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided to <u>Supervisors</u> and the proposed correction actions should be implemented within the period</p>	<p>Amendment due to establishment of Audit Committee</p>

Amended provisions specified in such plan.	Current provisions specified in such plan.	Remark
<p>Article 12</p> <p>Follow-up control and management measures for granted loans and handling of delinquent creditor's rights:</p> <p>12.1 The financial unit shall prepare a memorandum book for lending cases to truthfully record the following information in a detailed manner: beneficiaries, amounts, board approval dates, lending/borrowing dates, and related loan assessments.</p> <p>12.2 The financial unit shall prepare a loan to others statement at the end of each month and report it to the Board of Directors. Also the unit shall assess the status of the loans and reserve sufficient allowance for bad debts. It shall also adequately disclose relevant information in its financial reports and provide CPAs with relevant information for implementation of necessary auditing procedures to issue proper audited report.</p> <p>12.3 Internal auditors of the Company shall review and assess these operational procedures and the implementation condition thereof at least on a quarterly basis and create written records. Should there be any serious violation found, <u>Audit Committee</u> shall be notified in a prompt manner in written.</p> <p>12.4 In the event that a loan is overdue and cannot be recovered after collection attempt, a legal action against the debtor shall be immediately taken to</p>	<p>Article 12</p> <p>Follow-up control and management measures for granted loans and handling of delinquent creditor's rights:</p> <p>12.1 The financial unit shall prepare a memorandum book for lending cases to truthfully record the following information in a detailed manner: beneficiaries, amounts, board approval dates, lending/borrowing dates, and related loan assessments.</p> <p>12.2 The financial unit shall prepare a loan to others statement at the end of each month and report it to the Board of Directors. Also the unit shall assess the status of the loans and reserve sufficient allowance for bad debts. It shall also adequately disclose relevant information in its financial reports and provide CPAs with relevant information for implementation of necessary auditing procedures to issue proper audited report.</p> <p>12.3 Internal auditors of the Company shall review and assess these operational procedures and the implementation condition thereof at least on a quarterly basis and create written records. Should there be any serious violation found, Supervisors shall be notified in a prompt manner in written.</p> <p>12.4 In the event that a loan is overdue and cannot be recovered after collection attempt, a legal action against the debtor shall be immediately taken to</p>	<p>Amendment due to establishment of Audit Committee</p>

Amended provisions	Current provisions	Remark
ensure the rights and interests of the Company.	ensure the rights and interests of the Company.	
<p>Article 14</p> <p>These operational procedures and all amendments has been approved by <u>more than half of all Audit Committee members and by Board resolution, then</u> submitted to Shareholders Meeting for approval. Any dissent opinion expressed by the Directors which is recorded or in writing shall be submitted to the <u>Audited Committee</u> and for discussion by the Shareholders' Meeting.</p> <p>If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the Procedure may be implemented if approved by more than two-third of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>The terms "all Audit Committee members" in paragraph 1 and "all Directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	<p>Article 14</p> <p>These operational procedures and all amendments has been approved by the board of directors, sent to every Supervisors and submitted to Shareholders Meeting for approval. Any dissent opinion expressed by the Directors which is recorded or in writing shall be submitted to the Supervisors and for discussion by the Shareholders' Meeting.</p> <p>When Company submits the Operating Procedures of Loan to Others to the Board for discussion in accordance with provisions of the preceding paragraph, the Board shall take into full consideration each Independent Director's opinions. Any dissenting opinions of Independent Directors shall be stated in the minutes of the Board of Directors.</p> <p>The second provision of Article 14 does not apply if Audit Committee is established. Upon the establishment, the formulation or amendments of the Operating Procedures of Loan to Others shall be approved by more than half of all Audit Committee members and by Board resolution.</p> <p>If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the Procedure may be implemented if approved by more than two-third of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p>	<p>Amendment due to establishment of Audit Committee</p>

Amended provisions	Current provisions	Remark
	The terms “all Audit Committee members” in paragraph 3 and “all Directors” in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.	
Article 15 The Company shall notify the Independent Director in writing of the corrective plan been sent to <u>Audit Committee</u> pursuant to the subparagraph 1.3 of Article 1 and notification sent to <u>Audit Committee</u> pursuant to the subparagraph 12.3 of Article 12.	Article 15 The Company shall notify the Independent Director in writing of the corrective plan been sent to Supervisors pursuant to the subparagraph 1.3 of Article 1 and notification sent to Supervisors pursuant to the subparagraph 12.3 of Article 12.	Amendment due to establishment of Audit Committee
Article 16 These Operational Procedures were promulgated on June 16, 1993. Amended for the first time on April 4, 1995. Amended for the second time on March 28, 2002 Amended for the third time on July 23, 2002 Amended for the forth time on May 28, 2003 Amended for the fifth time on June 9, 2009 Amended for the sixth time on June 9, 2010 Amended for the seventh time on June 6, 2012 Amended for eighth time on June 18, 2013 Amended for ninth time on June 19, 2019 <u>Amended for tenth time on June 21, 2022</u>	Article 16 These Operational Procedures were promulgated on June 16, 1993. Amended for the first time on April 4, 1995. Amended for the second time on March 28, 2002 Amended for the third time on July 23, 2002 Amended for the forth time on May 28, 2003 Amended for the fifth time on June 9, 2009 Amended for the sixth time on June 9, 2010 Amended for the seventh time on June 6, 2012 Amended for eighth time on June 18, 2013 Amended for ninth time on June 19, 2019	Addition of amendment date

Attachment 6:

Standard Chem. & Pharm. Co., Ltd.

Comparison Table of Amended “Operating Procedures of Acquisition or Disposal of Assets”

Amended provisions	Current provisions	Remark
<p>Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>4.1 May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>4.2 May not be a related party or de facto related party of any party to the transaction.</p> <p>4.3 If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	<p>Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>4.1 May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>4.2 May not be a related party or de facto related party of any party to the transaction.</p> <p>4.3 If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	<p>In accordance with the amendment of the regulation</p>

Amended provisions	Current provisions	Remark
<p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:</u></p> <ul style="list-style-type: none"> a. <u>Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u> b. <u>When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u> c. <u>They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u> <p><u>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</u></p>		

Amended provisions	Current provisions	Remark
<p>Article 5 The transaction which specified in related laws and these regulations shall be approved by the Audit Committee and the Board of Directors. If any director expresses dissent and it is contained in the minutes or a written statement, this Corporation shall submit the director's dissenting opinion to each independent director. When <u>the Operating Procedures</u> for the acquisition and disposal of assets are submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</p>	<p>Article 5 The transaction which specified in related laws and these regulations shall be approved by the Audit Committee and the Board of Directors. If any director expresses dissent and it is contained in the minutes or a written statement, this Corporation shall submit the director's dissenting opinion to each independent director. When a transaction for the acquisition and disposal of assets are submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	

Amended provisions	Current provisions	Remark
<p>Article 7 Operating Procedure for Acquisition or Disposal of Real Properties and Equipment <u>or Right-of-Use assets</u></p> <p>7.1 Assessment and Operating Procedures</p> <p>The acquisition and disposal of real property, equipment <u>or right-of-use asset</u> shall be handled in accordance with the Company's internal control procedure of Real Property, Plant and Equipment.</p> <p>7.2 Decision Procedures of Transaction Terms and Authorization Amount</p> <p>7.2.1 For the acquisition or disposal of real property <u>or right-of-use asset</u>, announced present values, assessed values, or actual transaction prices of adjacent real estate properties shall serve as main reference for the determination of transaction conditions and prices, and to prepare analysis report, and the process shall be handled in accordance with the provision of Hierarchical Responsibility.</p> <p>7.2.2 For the acquisition or disposal of equipment <u>or right-of-use asset</u>, either of following method shall be conducted by the Company, prices inquiries, comparison, negotiation, or invitation to tender. The process shall be handled in accordance with the provision of Hierarchical Responsibility.</p> <p>7.3 Implementation Unit</p> <p>For the acquisition or disposal of real property, equipment <u>or right-of-use asset</u>, it shall be submitted</p>	<p>Article 7 Operating Procedure for Acquisition or Disposal of Real Properties or Equipment</p> <p>7.1 Assessment and Operating Procedures</p> <p>The acquisition and disposal of real property and equipment shall be handled in accordance with the Company's internal control procedure of Real Property, Plant and Equipment.</p> <p>7.2 Decision Procedures of Transaction Terms and Authorization Amount</p> <p>7.2.1 For the acquisition or disposal of real property, announced present values, assessed values, or actual transaction prices of adjacent real estate properties shall serve as main reference for the determination of transaction conditions and prices, and to prepare analysis report, and the process shall be handled in accordance with the provision of Hierarchical Responsibility.</p> <p>7.2.2 For the acquisition or disposal of equipment, either of following method shall be conducted by the Company, prices inquiries, comparison, negotiation, or invitation to tender. The process shall be handled in accordance with the provision of Hierarchical Responsibility.</p> <p>7.3 Implementation Unit</p> <p>For the acquisition or disposal of real property or equipment, it shall be submitted for approval in accordance with the approval authority in the preceding paragraph, and then the user</p>	<p>In accordance with the amendment of the regulation</p>

Amended provisions	Current provisions	Remark
<p>for approval in accordance with e approval authority in the preceding paragraph, and then the user department the administration department shall be responsible for execution.</p> <p>7.4 Appraisal Report of Real Estate, Equipment <u>or Right-of-Use Asset</u></p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>7.4.1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the <u>same</u> procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p>	<p>department the administration department shall be responsible for execution.</p> <p>7.4 Appraisal Report of Real Estate or Equipment</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>7.4.1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the previous procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>7.4.2 Where the transaction amount is NT\$1 billion or more, appraisals from two or more</p>	

Amended provisions	Current provisions	Remark
<p>7.4.2 Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>7.4.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>7.4.3.1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>7.4.3.2 The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. °</p> <p>7.4.4 (omitted)</p>	<p>professional appraisers shall be obtained.</p> <p>7.4.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>7.4.3.1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>7.4.3.2 The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. °</p> <p>7.4.4 (omitted)</p>	
<p>Article 8 Operating Procedure for Securities</p> <p>8.1~8.3(omitted)</p> <p>8.4 Acquisition of Expert Opinion</p>	<p>Article 8 Operating Procedure for Securities</p> <p>8.1~8.3(omitted)</p> <p>8.4 Acquisition of Expert Opinion</p>	<p>In accordance</p>

Amended provisions	Current provisions	Remark
Where the Company acquires or disposes of securities <u>shall, prior to the date of occurrence of the event, obtain financial statement of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price,</u> and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the agency.	Where the Company acquires or disposes of securities and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDE. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the agency.	with the amendment of the regulation
<p>Article 9 Operating Procedure for Related Party Transaction</p> <p>9.1 When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 % or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with Article 7 and following provisions.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>9.2 Assessment and Operation</p>	<p>Article 9 Operating Procedure for Related Party Transaction</p> <p>9.1 When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 % or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with Article 7 and following provisions.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>9.2 Assessment and Operation</p>	In accordance with the amendment of the regulation

Amended provisions	Current provisions	Remark
<p>Procedures</p> <p>When the Corporation intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the BOD and by the Audit Committee:</p> <p>9.2.1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>9.2.2 The reason for choosing the related party as transaction counterparty.</p> <p>9.2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with subparagraph 9.3.1 and 9.3.4 of Article 9.</p> <p>9.2.4 The date and price at which the related party originally acquired the real property, the</p>	<p>Procedures</p> <p>When the Corporation intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the BOD and by the Audit Committee:</p> <p>9.2.1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>9.2.2 The reason for choosing the related party as transaction counterparty.</p> <p>9.2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with subparagraph 9.3.1 and 9.3.4 of Article 9.</p> <p>9.2.4 The date and price at which the related party originally acquired the real property, the</p>	

Amended provisions	Current provisions	Remark
<p>original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>9.2.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>9.2.6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with subparagraph 9.1.</p> <p>9.2.7 Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may pursuant to subparagraph 7.2 of Article 7 delegate the Board Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>9.2.7.1 Acquisition or disposal of equipment or right-of-use assets</p>	<p>original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>9.2.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>9.2.6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with subparagraph 9.1.</p> <p>9.2.7 Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may pursuant to subparagraph 7.2 of Article 7 delegate the Board Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>9.2.7.1 Acquisition or disposal of equipment or right-of-use assets</p>	

Amended provisions	Current provisions	Remark
<p>thereof held for business use.</p> <p>9.2.7.2 Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to subparagraph 9.2, the Board of Directors shall take into full consideration each Independent Directors' opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p><u>The matters for which paragraph 9.2 requires, shall first be approved by one-half or more of all Audit Committee members and then submitted to the Board of Directors for a resolution.</u></p> <p><u>If the Company or its subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 9.2 and the transaction amount will reach 10 % or more of the the Company's total assets, the Company shall submit the materials in all the subparagraph of paragraph 9.2 to the Shareholders Meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in paragraph 9.1 and the preceding paragraph shall be made in accordance with Article 14, paragraph 14.1.7 herein, and "within the preceding year" as used herein refers to the year preceding the date of</u></p>	<p>thereof held for business use.</p> <p>9.2.7.2 Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to subparagraph 9.2, the Board of Directors shall take into full consideration each Independent Directors' opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>9.3 Evaluating reasonableness of transaction costs</p> <p>9.3.1~9.3.3 (omitted)</p> <p>9.3.4 Where the Company acquires real property or right-of-use assets from a related party and the results of appraisals conducted in accordance with subparagraph 9.3.1 and 9.3.2 of this Article are uniformly lower than the transaction price, steps shall be taken in accordance with subparagraph 9.3.5 of this Article. However, where the following circumstances exist, objective evidence has been submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:</p> <p>9.3.4.1 (omitted)</p> <p>9.3.4.2 Where the Company acquiring real property, or obtaining real property right-of-use assets</p>	

Amended provisions	Current provisions	Remark
<p><u>occurrence of the current transaction. Items that have been approved by the Shareholders Meeting or Board of Directors and recognized by the Audit Committee need not be counted toward the transaction amount.</u></p> <p>9.3 Evaluating reasonableness of transaction costs</p> <p>9.3.1~9.3.3 (omitted)</p> <p>9.3.4 Where the Company acquires real property or right-of-use assets from a related party and the results of appraisals conducted in accordance with subparagraph 9.3.1 and 9.3.2 of this Article are uniformly lower than the transaction price, steps shall be taken in accordance with subparagraph 9.3.5 of this Article. However, where the following circumstances exist, objective evidence has been submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:</p> <p>9.3.4.1 (omitted)</p> <p>9.3.4.2 Where the Company acquiring real property, or obtaining real property right-of-use assets though leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transaction involving neighboring or closely valued parcels of land of a similar size by</p>	<p>though leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transaction involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. The foresaid “Completed transaction for neighboring or closely valued parcels of land” refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; “transaction for similarly sized parcels” refers to transaction completed by unrelated parties for parcels with a land are of no less than 50 % of the property in the planned transaction; “within the preceding year” refers to the year preceding the date of occurrence of the acquisition of the real property.</p> <p>9.3.5 Where the Company acquires real property or right-of-use assets from a related party and the results of appraisals</p>	

Amended provisions	Current provisions	Remark
<p>unrelated parties within the preceding year. The foresaid “Completed transaction for neighboring or closely valued parcels of land” refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; “transaction for similarly sized parcels” refers to transaction completed by unrelated parties for parcels with a land are of no less than 50 % of the property in the planned transaction; “within the preceding year” refers to the year preceding the date of occurrence of the acquisition of the real property.</p> <p>9.3.5 Where the Company acquires real property or right-of-use assets from a related party and the results of appraisals conducted in accordance with subparagraph 9.3.1 and 9.3.2 are uniformly lower than the transaction price, the following steps shall be take. In addition, if the Company and a public company that recognize its investment toward the Company under equity method have set aside special reserve in</p>	<p>conducted in accordance with subparagraph 9.3.1 and 9.3.2 are uniformly lower than the transaction price, the following steps shall be take. In addition, if the Company and a public company that recognize its investment toward the Company under equity method have set aside special reserve in accordance with the following provisions may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.</p> <p>9.3.5.1.~9.3.5.2.(omitted)</p> <p>9.3.5.3 Actions taken pursuant to subparagraph 9.3.5.1 and 9.3.5.2 of this paragraph shall be reported to Shareholders Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>9.3.6 (omitted)</p> <p>9.3.7 When the Company obtains real property thereof from a related party, it shall also comply with subparagraphs 9.3.5 of this Article if there is other evidence indicating that the acquisition was not an</p>	

Amended provisions	Current provisions	Remark
<p>accordance with the following provisions may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.</p> <p>9.3.5.1.~9.3.5.2.(omitted)</p> <p>9.3.5.3 Actions taken pursuant to subparagraph 9.3.5.1 and 9.3.5.2 <u>of this Article</u> shall be reported to Shareholders Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>9.3.6 (omitted)</p> <p>9.3.7 When the Company obtains real property <u>or right-of-use asset</u> thereof from a related party, it shall also comply with subparagraphs 9.3.5 of this Article if there is other evidence indicating that the acquisition was not an arms-length transaction.</p>	<p>arms-length transaction.</p>	
<p>Article 10 Operating Procedure for Acquisition or Disposal of Membership or Right-of-Use Assets</p> <p>10.1~10.3 (omitted)</p> <p>10.4 Expert Assessment Opinion Report for Membership, or Intangible Assets, or Right-of-Use Assets Where the Company acquires or</p>	<p>Article 10 Operating Procedure for Acquisition or Disposal of Membership or Right-of-Use Assets</p> <p>10.1~10.3 (omitted)</p> <p>10.4 Expert Assessment Opinion Report for Membership, or Intangible Assets, or Right-of-Use Assets Where the Company acquires or</p>	<p>In accordance with the amendment of the regulation</p>

Amended provisions	Current provisions	Remark
disposes of membership or intangible assets or right-of-use assets thereof and the transaction amount reaches 20 % or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	disposes of membership or intangible assets or right-of-use assets thereof and the transaction amount reaches 20 % or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The CPA shall render an opinion in accordance with the provisions of Statement of Auditing Standard No. 20 published by the ROC Accounting Research and Development Foundation (ARFD).	
Article 10-1 The calculation of the transaction amounts referred to in the Article 7 to Article 10 shall be done in accordance with Article 14, paragraph14.1.7 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	Article 10-1 The calculation of the transaction amounts referred to in the Article 7 to Article 10 shall be done in accordance with Article 14, paragraph14.1.5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	Citation adjustment
Article 14 Procedure for Public Disclosure of Information 14.1 Matters for and Standards of Public Announcement and Report 14.1.1~14.1.5 (omitted) 14.1.6 Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or	Article 14 Procedure for Public Disclosure of Information 14.1 Matters for and Standards of Public Announcement and Report 14.1.1~14.1.5 (omitted) 14.1.6 Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or	Amendment due to establishment of Audit Committee

Amended provisions	Current provisions	Remark
<p>more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>14.1.6.1 Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>14.1.6.2 Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or of</u> ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an</p>	<p>more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>14.1.6.1 Trading of domestic government bonds.</p> <p>14.1.6.2 Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the domestic primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>14.1.6.3 Trading of bonds under repurchase and resale agreements, or</p>	

Amended provisions	Current provisions	Remark
<p>emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>14.1.6.3 Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>14.1.7 The amount of transactions in the above-mentioned subparagraph 14.1.1 to 14.1.6 shall be calculated as follows, and the so-called "within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>14.1.7.1~14.1.7.4 (omitted)</p> <p>14.2 Deadline of Public Announcement and Report</p> <p>Shall the acquisition or disposal of assets with matters that should be announced pursuant to the paragraph 4.1 of this Article and the transaction amount reaches the standard for public announcement and reporting occurs, the Company shall make the public announcement and report within 2 days counting inclusively from the date of occurrence of the event.</p> <p>14.3 Procedures of Public Announcement and Report</p>	<p>subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>14.1.7 The amount of transactions in the above-mentioned subparagraph 14.1.1 to 14.1.4 shall be calculated as follows, and the so-called "within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>14.1.7.1~14.1.7.4 (omitted)</p> <p>14.2 Deadline of Public Announcement and Report</p> <p>Shall the acquisition or disposal of assets with matters that should be announced pursuant to the paragraph 4.1 of this Article and the transaction amount reaches the standard for public announcement and reporting occurs, the Company shall make the public announcement and report within 2 days counting inclusively from the date of occurrence of the event.</p> <p>14.3 Procedures of Public Announcement and Report</p> <p>14.3.1~14.3.4 (omitted)</p> <p>14.3.5 Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding provision, a</p>	

Amended provisions	Current provisions	Remark
<p>14.3.1~14.3.4 (omitted)</p> <p>14.3.5 Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the provision, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(Hereinafter omitted)</p>	<p>public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(Hereinafter omitted)</p>	
<p>Article 19</p> <p>These Operational Procedures were promulgated on May 28, 2003.</p> <p>Amended for the first time on June 13, 2007.</p> <p>Amended for the second time on June 6, 2012</p> <p>Amended for the third time on June 18, 2013</p> <p>Amended for the forth time on June 17, 2014</p> <p>Amended for the fifth time on June 16, 2015</p> <p>Amended for the sixth time on June 16, 2017</p> <p>Amended for the seventh time on June 19, 2019</p> <p>Amended for eighth time on August 24, 2021</p> <p><u>Amended for ninth time on June 21, 2022</u></p>	<p>Article 19</p> <p>These Operational Procedures were promulgated on May 28, 2003.</p> <p>Amended for the first time on June 13, 2007.</p> <p>Amended for the second time on June 6, 2012</p> <p>Amended for the third time on June 18, 2013</p> <p>Amended for the forth time on June 17, 2014</p> <p>Amended for the fifth time on June 16, 2015</p> <p>Amended for the sixth time on June 16, 2017</p> <p>Amended for the seventh time on June 19, 2019</p> <p>Amended for eighth time on August 24, 2021</p>	<p>Addition of amendment date</p>

Appendices

Standard Chem. & Pharm. Co., Ltd. Shareholding of Directors and Supervisors

1. SCPC's total shares (issued and outstanding): 178,696,089 shares
2. Minimum shareholding required and record of shareholding by Directors and Supervisors according to SCPC's share register:

Title	Minimum share required	Shares record per register
Directors	10,721,766	35,435,363

Book closure date: 2022/4/23~2022/6/21

3. Directors and Supervisors shareholding record table: 2022/4/22

Position	Name	Shares per register	Shareholding ratio (%)
Chairman	Chin-Tsai, Fan	20,786,813	11.63
Director	Fan Dao Nan Foundation Representative: Tzu-Ting, Fan	5,523,881	3.09
Director	Yuan-Teh Lee	-	-
Director	Tsuey-Wen, Yeh	9,124,669	5.11
Independent Director	Hwei-Jiung, Wang	-	-
Independent Director	Lin-Yu, Li	-	-
Independent Director	Shao-Zong, Liu	-	-
Total		35,435,363	19.83

4. The total shareholding of SCPC Directors and Supervisors is in accordance with the minimum shareholding requirement.