

Stock Code: 1720

Standard Chem. & Pharm. Co., Ltd.

Handbook for the 2021 Annual Meeting of Shareholders

MEETING DATE: June 18,2021

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THIS IS A TRANSLATION OF THE AGENDA FOR THE 2021 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 INTERPRETAION OF THE SUBJECT MATTER STATED HEREIN.

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I. Meeting Procedure

Standard Chem. & Pharm. Co., Ltd.

Procedure for the 2021 Annual Meeting of Shareholders

1. Call Meeting to Order
2. Chairperson takes Chair
3. Introduction
4. Chairperson Remarks
5. Report Items
6. Matters Proposed for Ratification
7. Matters Proposed for Discussion and Election Resolution
8. Extempore Motions
9. Adjournment

II. Meeting Agenda

Agenda of Annual Meeting of Shareholders

Time: 9:00 a.m. on Friday, June 18, 2021

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) 2020 Business Report
 - (2) Supervisors' Review Report on the 2020 Financial Results
 - (3) 2020 Annual Report on Remuneration of Employees , Directors and Supervisors
 - (4) Status of 2020 Dividend Distribution
 - (5) Status of 2020 Endorsement and Guarantee
 - (6) Status of Implementation of Investment in Mainland China
 - (7) Special Committee for merger/consolidation and acquisition (hereinafter referred to as "Special Committee") submits the reviewing result of the division between the Company and Syn-Tech Chem & Pharm Co., Ltd. (hereinafter referred to as "STCP") for public record.
 - (8) Other Reports
4. Matters Proposed for Ratification
 - (1) Ratification of 2020 Business Report and Financial Statements
 - (2) Ratification of Proposed 2020 Profit Distribution Plan
5. Matters Proposed for Discussion and Election Resolution
 - (1) The Company divide its synthesis department and transfers to "STCP", which will adopt the mode of issuing new shares as a quid pro quo for the transaction °
 - (2) Amendment of Article of Incorporation
 - (3) To repeal Company's original "Rules of Procedure for Shareholders Meetings" and enactment of new one
 - (4) To repeal Company's original "Procedures for Election of Directors and Supervisors" and enactment of "Procedures for Election of Directors"
 - (5) Amendment to the Operational procedures for Acquisition and Disposal of

Assets

(6) Election of Board of Directors

(7) Release of newly elected Board of Directors from non-competition restrictions

6. Extempore Motions

7. Adjournments

III. Report Items

(1) 2020 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 2020 was NT\$4,305 million; representing an increase of 9.4% in comparison with 2019.

2. Gross Profit

Due to revenue growth, Gross Profit for 2020 increased by 12.3% in comparison with 2019.

3. Operating Profit

Due to the increase of Gross Profit and minor increase in operating expenses, the Operating Profit for 2020 increased 37.0% in comparison with 2019.

4. Non-operating Income and expenses

Due to compensation income in 2019, but no such incident in 2020, Non-operating Income in 2020 decreased by 5.2% when compared with 2019.

In summation from above, Net Income for 2020 was NT\$626 million; representing a 33.0% increase over Net Income of 2019.

(2) Supervisors' review report on the 2020 financial statements

Supervisor's Review Report

To Shareholders:

The Board of Directors has prepared Standard Chem. & Pharm. Co., Ltd. (SCPC)'s 2020 Business report, parent and consolidated Financial Statements. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit SCPC's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report and Financial Statements have been reviewed and determined to be correct and accurate by the Supervisor of SCPC. According to Article 219 of the Company Act, I hereby submit this report.

Supervisor: Yuan-Feng, Kao

March 16, 2021

Supervisor's Review Report

To Shareholders:

The Board of Directors has prepared Standard Chem. & Pharm. Co., Ltd. (SCPC)'s 2020 Business report, parent and consolidated Financial Statements. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit SCPC's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report and Financial Statements have been reviewed and determined to be correct and accurate by the Supervisor of SCPC. According to Article 219 of the Company Act, I hereby submit this report.

Supervisor: Tsuey-Wen Yeh

March 16, 2021

Supervisor's Review Report

To Shareholders:

The Board of Directors has prepared Standard Chem. & Pharm. Co., Ltd. (SCPC)'s 2021 proposal of the 2020 surplus earning distribution. According to Article 219 of the Company Act, I hereby submit this report.

Supervisor: Yuan-Feng, Kao

May 4, 2021

Supervisor's Review Report

To Shareholders:

The Board of Directors has prepared Standard Chem. & Pharm. Co., Ltd. (SCPC)'s 2021 proposal of the 2020 surplus earning distribution. According to Article 219 of the Company Act, I hereby submit this report.

Supervisor: Tsuey-Wen Yeh

May 4, 2021

- (3) 2020 Annual Report on Remuneration of Employees, Directors, and Supervisors
The resolution was approved by the Board on March 16th, 2021.
- i. 2020 Annual Employees' Remuneration is NT\$ 6,323,137, the amount recognized is NT\$ 6,305,664. The difference of NT\$ 17,473 will be recognized as an expense in 2021.
 - ii. 2020 Annual Board's Remuneration is NT\$ 2,213,098, the amounts recognized is NT\$2,000,000. The difference NT\$ 213,098 will be recognized as an expense in 2021.
 - iii. The above remunerations are distributed in cash.
- (4) Status of 2020 Dividend Distribution
The special resolution was approved by the Board on May 4th, 2021.
- i. Pursuant Article 26-1 of Company's Article of Incorporation, 2020 distribution of cash dividends will be NT\$1.8 per share, the total amount to be distributed will be NT\$321,652,960.
 - 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\$1.8 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 2020 Endorsement and Guarantee
Based on the resolution made by the Board of Directors on April 18th, 2012, the endorsements and guarantees provided by SCPC to its subsidiary, Standard Pharmaceutical Co., Ltd. (Samoa), have totaled US\$3 million. By the end of December 2020, US\$0 of the amount was actually used.
- (6) The Status of Implementation of Investment in China
- i. SCPC invested through Standard Pharmaceutical Co., Ltd. (Samoa) to Jiangsu Standard Biopharm Co., Ltd., a 100% owned subsidiary, located in Taizhou City of Jiangsu province in China. The total amount to be invested is US\$9 million; the registered paid-in capital at the end of 2020 was US\$9 million.
 - ii. SCPC joint ventured through Jiangsu Standard Biopharm Co., Ltd. with a Japanese company to Jiangsu Standard-Dia Biopharm Co., Ltd., a 55% owned subsidiary. The registered paid-in capital at the end of 2020 was US\$6.78 million.
- (7) Special Committee for merger/consolidation and acquisition (hereinafter referred to as "Special Committee") submits the reviewing result of the division

between the Company and Syn-Tech Chem & Pharm Co., Ltd. (hereinafter referred to as "STCP"). Special Committee's Reviewing Report on Division Case , please refer to page 19-20 .

(8) Other Reports

1. 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.
2. In accordance with Article 192-1 of the Company Act, the proposed nomination submitted by shareholders shall be listed; no nomination is submitted in this shareholders' meeting.

IV. Matters Proposed for Ratification

1.

Proposed by the Board

Proposal:

Ratification of 2020 Business Report and Financial Statements.

Explanation:

The 2020 Business Report (please refer to page 21-23) and Financial Statements of SCPC (please refer to page 24-48) have been approved by the Board and examined by the supervisors of SCPC.

Resolution:

2.

Proposed by the Board

Proposal:

Ratification of 2020 Profit Distribution Plan.

Explanation:

Please refer to the 2020 PROFIT DISTRIBUTION TABLE below.

Standard Chem. & Pharm. Co., Ltd.
PROFIT DISTRIBUTION TABLE
Year 2020

(Unit: NT\$)

Item	Amount
After-tax net profit	524,172,383
Less: Adjusted actuarial losses	(11,952,371)
Less: Legal reserve	(51,222,001)
Distributable profit from year 2020	460,998,011
Undistributed earnings from previous period	775,514,802
Accumulated undistributed earnings	1,236,512,813
Less: Dividend to shareholders-cash (NT\$1.8 per share) (2021/5/4 Board Resolution; Report on Shareholders' meeting)	(321,652,960)
Undistributed earnings as of the end of the period	914,859,853

Note 1: Earning distribution for this year shall be based on the distributable profit from year 2020

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 & Election Resolution

1.

Proposed by the Board

Proposal

The Company divides its synthesis department and transfers to "STCP", which will adopt the mode of issuing new shares as a quid pro quo for the transaction.

Explanation:

- (1) To implement the specialization and the resource integration to enhance competitiveness and operating performance, the Company intends to divide its synthesis department and transfer it to STCP for expertizing operation in the future; it can duly augment our operating scale and promote the business benefit to create the maximum profits for our shareholders. The business value of our synthesis department (to be divided) is taking the proforma statement reviewed by accountant on Dec. 31, 2020 as a basis, and commissioning the third party mutually designated by both parties to appraise a reasonable fair value, the price of which is negotiated and finally agreed at NT\$ 341,000,000.
- (2) STCP issues 4,532,163 shares of the new stock at NT\$ 75.24/per share (issuing price), among which, the value of less than one share will be paid in cash by STCP in once to the Company within 30 days after completion of the amendment to the registration.
- (3) Fairness and rationality of the dividing transaction is conducting in accordance with the provision of Business Mergers and Acquisitions Act, and Regulations Governing the Acquisition and Disposal of Assets by Public Companies while accountants are consulted and retained to express their reviewing opinions on rationalities in regard to the division of synthesis department and the stock-swap price. Company's Special Committee deliberates and examines the fairness and rationality of this ceding and dividing transaction. The case was passed by all committee's members presented without

objection on March 16, 2021, and the final resolution was submitted to the Board of Directors.

- (4) In accordance with the provision of the Business Mergers and Acquisitions Act and other statutes, this case of dividing synthesis department can only be completion upon acquiring the competent authority's approval. The tentative division base date is set on Oct. 1, 2021.
- (5) The division case shall be submitted to the Shareholders Meeting for approval, and the shareholders meeting is requested to authorize the Board of Directors (hereinafter referred to as "BOD") to dispose the division (If adjustment is necessary). All relevant matters (included, but not limited, schedule and division base date) and any omission in this case shall be submitted to Shareholders Meeting for authorization if the competent authority is otherwise issuing the administrative direction, or other statutes and objective environment are changed.
- (6) In compliance with the provision of Business Mergers and Acquisitions Act, Company Act, and other relevant statutes, the Company produces the Division Plan (inclusive of the divided asset, liability, and business value) and issues the Reviewing Opinions on rationality of the synthesis department division and the stock-swap price. (Please refer to the attachment 4 on page 49-75).

Resolution:

2.

Proposed by the Board

Proposal:

Amendment to the Articles of Incorporation.

Explanation:

In compliance with the establishment of Audit Committee, it is proposed to amend part of the Article of Incorporation. Please refer to attachment 5 for comparison table for before and after revision.

Resolution:

3.

Proposed by the Board

Proposal:

To repeal Company's original "Rules of Procedure for Shareholders Meetings" and enactment of new one.

Explanation:

It is proposed to update Company's "Rules of Procedure for Shareholders Meetings" in accordance to the provisions of Article 5 of the "Code of Practice for Corporate Governance for Listed Companies on OTC" and in referencing of the official "Rules of Procedure for Shareholders Meetings" sample issued by the Taiwan Stock Exchange. However, in consideration of the scale of the amendment, it is planned to re-enact and repeal all the original provision. Please refer to Attachment 6 for the re-enacted "Rules of Procedures of Shareholders' Meetings".

Resolution:

4.

Proposed by the Board

Proposal:

To repeal Company's original "Procedures for Election of Directors and Supervisors" and enactment of "Procedures for Election of Directors".

Explanation:

In compliance with establishment of Audit Committee, it is proposed to update Company's "Procedures for Election of Directors and Supervisors" in accordance to the provisions of Article 21 of the "Code of Practice for Corporate Governance for Listed Companies on OTC" and in referencing of the official "Procedures for Election of Directors" sample issued by the Taiwan Stock Exchange. However, in consideration of the scale of the amendment, it is planned to re-enact and repeal all the original provision. Please refer to Attachment 7 for the re-enacted "Procedures for Election of Directors".

Resolution:

5.

Proposed by the Board

Proposal:

Proposal for amendment of the Operational procedure for Acquisition and Disposal of Assets

Explanation:

In compliance with the need of Audit Committee establishment, it is proposed to amend the Operational procedure of Acquisition and Disposal of Assets. Please refer to Attachment 8 for comparison table for before and after revision.

Resolution:

6.

Proposed by the Board

Proposal:

Election of members of Board of Directors pursuant to chapter 16 of SCPC's Articles of Incorporation.

Explanation:

- a. The election of new Directors is proposed to this Annual Shareholders' Meeting due to the expiration of SCPC's current Directors and Supervisors' tenure on June 19, 2021.
- b. Pursuant to SCPC's Articles of Incorporation, seven Directors (including three independent directors) shall be elected. The tenure of newly elected Directors will be three years, commencing from June 18, 2021 to June 17, 2024.
- c. The Directors and Supervisors will be elected by adopting candidates' nomination system pursuant to SCPC's Articles of Incorporation. The nominated candidates education and professional qualifications, experience and relevant information are attached hereto as Attachment 9 on page 104-105.

Resolution:

7.

Proposal:

Release of newly elected board members from non-compete clause

Explanation:

- a. The proposal is conducted pursuant to the Article 209, paragraph 1 of the Company Act.
- b. Newly elected Directors 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 newly elected Directors from non-compete clause restrictions.
- c. The newly elected Directors' business activities are listed as follow:

Title	name	Other business and Title
Director	Chin-Tsai, Fan	<ul style="list-style-type: none"> • AdvPharma, Inc., Legal person director representative • Fan Dao Nan Foundation, Chairman • Syngen Biotech Co., Ltd., Legal person director representative • CNH TECHNOLOGIES, INC., Legal person director representative
Director	Fan Dao Nan Foundation Representative Tzu-Ting, Fan	<ul style="list-style-type: none"> • Chia Scheng Investment Co., Ltd., Legal person director representative • Inforight Technology Co., Ltd., Legal person director representative • Standard Pharmaceutical Co., Ltd., Legal person director representative • Standard Chem. & Pharm. Philippines, Inc., Legal person director representative • Multipower Enterprise Corp., Legal person director representative • Jiangsu Standard Biotech Pharmaceutical Co., Ltd., Legal person director representative • Jiangsu Standard-Dia Biopharma Co., Ltd., Legal person director representative • Taiwan Biosim Company, Ltd., Legal person director representative • SYN-TECH Cham. & Pharm. Co., Ltd., Legal person director representative • Syngen Biotech Co., Ltd., Legal person director representative • Souriree Biotech & Pharm. Co., Ltd., Legal person director representative • HER-SING CO., LTD., Legal person director representative • New Nutrition Sources, Chairman
Director	Yuan-Teh Lee	<ul style="list-style-type: none"> • Yida International Hospital Management & Consultant Co., LTD., Chairman
Independent Director	Hwei-Jiung, Wang	<ul style="list-style-type: none"> • Lin BioScience Inc., Independent Director • Up Cell Biomedical Inc., Chairman • MetaTech Inc., Director

Resolution:

VI. Extempore Motions

VII. Adjournments

Attachments

Attachment 1:

Standard Chem. & Pharm. Co., Ltd.

Special Committee's Reviewing Report on Division of SCPC's Synthesis Department & Transfer of the Ownership to STCP

Special Committee for merger/consolidation and acquisition (hereinafter referred to as "Special Committee") submits the reviewing result that SCPC intends to divide its synthesis department and transfer the ownership to Syn-Tech Chem & Pharm Co., Ltd. (hereinafter referred to as "STCP") as a quid pro quo to exchange the new stock issued by STCP:

- 一、The Special Committee exercises its functions and powers according the provision of Article 2 and 6 of the "*Regulations Governing the Establishment and Related Matters of Special Committees of Public Companies for Merger/Consolidation and Acquisition*" and Article 6 of the "*Business Mergers & Acquisition Act*".
- 二、Special Committee is taking the proforma statement reviewed by accountant on Dec. 31, 2020 as a basis and commissioning the third party designated mutually by both parties to evaluate a reasonable fair value, the price of which is negotiated and agreed at NT\$ 341,000,000.
- 三、STCP issues 4,532,163 shares of the new stock at NT\$ 75.24/per share (issuing price), among which, the value of less than one share will be paid in cash by STCP in once to SCPC within 30 days upon completion of the registration. The aforesaid transaction reviewed by Accountant Qiu Fang-cai /Independent Expert (Cing Sin C.P.A. Firm) has been appraised as reasonable and the Division Plan is reviewed according to the provision of relevant statues; in addition, the stock-swap proportion acted as a quid pro quo for acquisition of the divided synthesis department is consistent with the fair principle.
- 四、The Special Committee was convened on March 16, 2021 to review fairness and rationality of the Division; all presented committee members passed the case without any objection, and agreed to obtain STCP's new stock as a quid pro quo for this transaction. The reviewing result will be reported on the Board of Directors and submitted to the 2021

Shareholders Regular Meeting.

To:

The Board of Directors

2021 Shareholders Regular Meeting

Special Committee of the Standard Chem. & Pharm. Co., Ltd

Convener: Wang Huei-jun

Date: March 16, 2021

Attachment 2:

Standard Chem. & Pharm. Co., Ltd. 2020 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 2020 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 2020, SCPC continued to invest in drug development, and the R&D expenses for the year was NT\$159 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 2020 were NT\$2.7billion, which was a 13.9% increase over 2019. Sales from pharmaceuticals for human-use (NT\$2.4 billion) represented the largest contribution to overall Net Sales at 87.4%. Sales from Active Pharmaceutical Ingredients (NT\$224 million) contributed 8.2% overall. Sales of healthy food (NT\$112 million) contributed 4.1% overall. Other products, including veterinarian pharmaceuticals, had sales of NT\$9 million contributing 0.3% overall.

Due to increase of Sales, Gross Profit for 2020 increase by 19.5% in comparison with 2019 ;
Due to the increase of Gross Profit and minor increase in operating expenses, the Operating Profit for 2020 increased 54.3% in comparison with 2019.

For non-operating income and expense, the profit decreased NT\$6.25 million because of the decrease on long-term equity investment gain.

In summation of the above, Net Income After Tax (NIAT) for 2020 was NT\$524 million; representing a 39.2% increase over NIAT of 2019.

4. Operation Summary

Unit: NTD thousand

Items	Amount
Net Sales	2, 738, 561
Gross Profit	1, 296, 837
Income from Operations	540, 207
Non-operating Income/Expenses	83, 606
Income Before Income Tax	623, 813
Net Income	524, 172
Basic Earnings per shares (NTD)	2. 93

5. Budget Implementation

Unit: NTD thousand

Items	2020 Budget	2020 Actual	Achievement%
Net sales	2, 627, 837	2, 738, 561	104. 2
Costs	1, 408, 387	1, 441, 724	102. 4
Gross Profit	1, 219, 450	1, 296, 837	106. 3
Operating exp.	838, 166	756, 630	90. 3
Income from Operations	381, 284	540, 207	141. 7
Pre-tax income	486, 098	623, 813	128. 3

6. Profitability Analysis

Items	Ratio (%)
Return on Total Assets	9.66
Return on Shareholders' Equity	13.56
Operating income/paid-in capital ratio	30.23
Gain before tax/paid-in capital ratio	34.91
Net Margin	19.14
Basic Earnings per share (NTD)	2.93

7. Research and Development

SCPC's R&D expenses for 2020 were NT\$159 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 3 certificate was approved.
- B. International pharmaceutical preparations: 15 applications were submitted and 10 certificates were approved.
- C. Domestic API: 1 application was submitted for approval.
- D. New products: 6 new products were launched.
- E. BA/BE studies: 4 application was submitted and 3 application received passing result.

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

Attachment 3:

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, 2020 and 2019, 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, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, 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. 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, 2020, the carrying amount of inventories and allowance for inventory valuation loss are \$557,342 thousand and \$9,033 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 \$216,761 thousand and \$134,573 thousand, constituting 3.97% and 2.45% of total assets as of December 31, 2020 and 2019, respectively, and the share of profit or loss of subsidiaries, associates and joint ventures accounted for under the equity method was \$14,008 thousand and \$1,323 thousand, constituting 2.97% and 0.38% 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 supervisors, 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 ROC GAAS 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 ROC GAAS, 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.

Independent Accountants
Tien, Chung-Yu
Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan
Republic of China
March 16, 2021

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 report of independent accountants 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.

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

Assets		December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 462,332	8	\$ 762,990	14
1136	Financial assets at amortised cost -				
	current	284,800	5	74,950	1
1150	Notes receivable, net	88,582	2	86,747	2
1170	Accounts receivable, net	525,240	10	477,381	9
1200	Other receivables	22,772	-	16,663	-
1210	Other receivables - related parties	1,826	-	92,940	2
130X	Inventories	548,309	10	574,519	10
1410	Prepayments	33,632	1	36,094	1
1479	Other current assets	1,232	-	3,081	-
11XX	Total current assets	<u>1,968,725</u>	<u>36</u>	<u>2,125,365</u>	<u>39</u>
Non-current assets					
1510	Financial assets at fair value through				
	profit or loss - non-current	9,741	-	10,241	-
1517	Financial assets at fair value through				
	other comprehensive income -				
	non-current	350,150	7	350,050	6
1550	Investments accounted for under the				
	equity method	1,818,599	33	1,693,353	31
1600	Property, plant and equipment	1,013,896	19	1,069,039	20
1755	Right-of-use assets	22,057	-	8,098	-
1760	Investment property, net	46,320	1	46,433	1
1780	Intangible assets	6,110	-	10,911	-
1840	Deferred income tax assets	98,935	2	102,429	2
1915	Prepayments for equipment	43,950	1	18,424	-
1920	Guarantee deposits paid	20,967	-	28,006	1
1990	Other non-current assets	54,647	1	19,355	-
15XX	Total non-current assets	<u>3,485,372</u>	<u>64</u>	<u>3,356,339</u>	<u>61</u>
1XXX	TOTAL ASSETS	<u>\$ 5,454,097</u>	<u>100</u>	<u>\$ 5,481,704</u>	<u>100</u>

(Continued)

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

Liabilities and Equity		December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100	Short-term borrowings	\$ 490,000	9	\$ 565,000	10
2110	Short-term notes and bills payable	-	-	300,000	6
2130	Contract liabilities - current	93,239	2	54,476	1
2150	Notes payable	113,486	2	103,420	2
2160	Notes payable - related parties	-	-	26,361	1
2170	Accounts payable	136,191	3	97,434	2
2200	Other payables	273,017	5	245,111	4
2230	Current income tax liabilities	70,965	1	13,098	-
2280	Lease liabilities - current	4,206	-	3,005	-
2310	Receipts in advance	518	-	615	-
21XX	Total current liabilities	<u>1,181,622</u>	<u>22</u>	<u>1,408,520</u>	<u>26</u>
Non-current liabilities					
2570	Deferred income tax liabilities	61,992	1	61,992	1
2580	Lease liabilities - non-current	17,967	-	5,064	-
2640	Net defined benefit liability - non-current	226,384	4	241,710	4
2645	Guarantee deposits received	200	-	206	-
25XX	Total non-current liabilities	<u>306,543</u>	<u>5</u>	<u>308,972</u>	<u>5</u>
2XXX	Total liabilities	<u>1,488,165</u>	<u>27</u>	<u>1,717,492</u>	<u>31</u>
Equity					
Share capital					
3110	Common stock	1,786,961	33	1,786,961	33
3200	Capital surplus	203,274	4	204,514	4
Retained earnings					
3310	Legal reserve	658,657	12	622,365	11
3350	Unappropriated retained earnings	1,287,735	23	1,079,851	20
3400	Other equity interest	29,305	1	70,521	1
3XXX	Total equity	<u>3,965,932</u>	<u>73</u>	<u>3,764,212</u>	<u>69</u>
Significant contingent liabilities and unrecognised contract commitments					
Significant event after balance sheet date					
3X2X	TOTAL LIABILITIES AND EQUITY	<u>\$ 5,454,097</u>	<u>100</u>	<u>\$ 5,481,704</u>	<u>100</u>

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

		For the years ended December 31,			
		2020		2019	
Items		AMOUNT	%	AMOUNT	%
4000	Operating revenue	\$ 2,738,561	100	\$ 2,403,678	100
5000	Operating costs	(1,441,724)	(53)	(1,318,348)	(55)
5900	Gross profit	1,296,837	47	1,085,330	45
	Operating expenses				
6100	Selling expenses	(444,593)	(16)	(429,302)	(18)
6200	General & administrative expenses	(157,958)	(5)	(159,274)	(7)
6300	Research and development expenses	(158,793)	(6)	(149,216)	(6)
6450	Expected credit gains	4,714	-	2,615	-
6000	Total operating expenses	(756,630)	(27)	(735,177)	(31)
6900	Operating profit	540,207	20	350,153	14
	Non-operating income and expenses				
7100	Interest income	10,151	-	15,230	1
7010	Other income	85,206	3	60,453	3
7020	Other gains and losses	(38,192)	(1)	(37,491)	(2)
7050	Finance costs	(4,861)	-	(6,657)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method, net	31,302	1	58,318	2
7000	Total non-operating income and expenses	83,606	3	89,853	4
7900	Profit before income tax	623,813	23	440,006	18
7950	Income tax expense	(99,641)	(4)	(63,524)	(2)
8200	Profit for the year	\$ 524,172	19	\$ 376,482	16
	Other comprehensive income (loss)				
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurment of defined benefit plan	(\$ 14,637)	-	(\$ 7,270)	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(17,991)	(1)	17,152	1
8330	Share of other comprehensive loss of associates and joint ventures accounted for under the equity method	(21,223)	(1)	(31,841)	(2)
8349	Income tax related to components of other comprehensive income	2,927	-	1,454	-
	Components of other comprehensive loss that will be reclassified to profit or loss				
8361	Financial statements translation differences of foreign operations	(2,244)	-	(4,691)	-
8300	Total other comprehensive loss for the year	(\$ 53,168)	(2)	(\$ 25,196)	(1)
8500	Total comprehensive income for the year	\$ 471,004	17	\$ 351,286	15
	Earnings per share (in dollars)				
9750	Basic	\$ 2.93		\$ 2.11	
9850	Diluted	\$ 2.93		\$ 2.10	

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

		Capital Reserves				Retained Earnings		Other Equity Interest			
	Notes	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
For the year ended December 31, 2019											
Balance at January 1, 2019		\$ 1,786,961	\$ 143,353	\$ 50,453	\$ 3,460	\$ 49	\$584,929	\$ 1,022,410	(\$ 9,853)	\$ 99,463	\$ 3,681,225
Effect of retrospective application		-	-	-	-	-	-	(7,454)	-	-	(7,454)
Adjusted balance at January 1, 2019		1,786,961	143,353	50,453	3,460	49	584,929	1,014,956	(9,853)	99,463	3,673,771
Profit for the year		-	-	-	-	-	-	376,482	-	-	376,482
Other comprehensive loss for the year		-	-	-	-	-	-	(6,107)	(4,691)	(14,398)	(25,196)
Total comprehensive income (loss) for the year		-	-	-	-	-	-	370,375	(4,691)	(14,398)	351,286
Difference between proceeds from acquisition of subsidiaries and book value		-	-	7,054	-	-	-	-	-	-	7,054
Cash dividends payable expired		-	-	-	-	145	-	-	-	-	145
Appropriations of 2018 earnings:											
Legal reserve		-	-	-	-	-	37,436	(37,436)	-	-	-
Cash dividends		-	-	-	-	-	-	(268,044)	-	-	(268,044)
Balance at December 31, 2019		\$ 1,786,961	\$ 143,353	\$ 57,507	\$ 3,460	\$ 194	\$ 622,365	\$ 1,079,851	(\$ 14,544)	\$ 85,065	\$ 3,764,212
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
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)
Adjustments to non-proportional acquisition of associates and joint ventures accounted for under the 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

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

	Notes	For the years ended December 31,	
		2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 623,813	\$ 440,006
Adjustments			
Adjustments to reconcile profit (loss)			
Net loss (gain) on financial assets at fair value through profit and loss		500 (	926)
Expected credit gain	(	4,714)	(2,615)
Reverse of allowance for loss on inventory market price decline	(	673)	(10,833)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	(	31,302)	(58,318)
Depreciation		116,160	125,699
Net (gain) loss on disposal of property, plant and equipment	(	100)	545
Amortisation		21,999	19,718
Dividend income	(	12,864)	(13,957)
Interest income	(	10,151)	(15,230)
Interest expense		4,861	6,657
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit and loss		- (	117)
Notes receivable	(	1,835)	13,087
Accounts receivable	(	43,145)	(1,661)
Other receivables	(	6,741)	1,240
Other receivables - related parties		1,174 (	2,807)
Inventories		26,883 (	53,655)
Prepayments		2,462	2,724
Other current assets		1,849 (	381)
Changes in operating liabilities			
Contract liabilities - current		38,763	13,950
Notes payable		9,318 (	19,220)
Notes payable - related parties	(	26,361)	(1,202)
Accounts payable		38,757	37,640
Other payables		20,118	30,485
Receipts in advance	(	97)	(119)
Net defined benefit liability - non-current	(	29,963)	(34,981)
Cash inflow generated from operations		738,711	475,729
Dividend received		50,818	41,257
Interest received		10,783	15,486
Interest paid	(	4,961)	(6,700)
Income tax paid	(	35,353)	(113,150)
Net cash flows from operating activities		759,998	412,622

(Continued)

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

	For the years ended December 31,	
	Notes	
	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Increase in financial assets at amortised cost - current	(\$ 209,850)	(\$ 44,230)
Decrease in other receivables - related parties	3,270	2,220
Acquisition of financial assets at fair value through other comprehensive income - non-current	(18,091)	(19,138)
Acquisition of investments accounted for under the equity method	(69,935)	(256,316)
Cash paid for acquisition of property, plant and equipment	(30,648)	(32,045)
Interest paid for acquisition of property, plant and equipment	(192)	(113)
Proceeds from disposal of property, plant and equipment	184	-
Acquisition of intangible assets	(155)	(858)
Increase in prepayment for equipment	(42,457)	(37,188)
Decrease (increase) in guarantee deposits paid	7,039	(7,492)
Increase in other non-current assets	(52,335)	(19,818)
Net cash flows used in investing activities	(413,170)	(414,978)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	190,000	365,000
Decrease in short-term borrowings	(265,000)	(220,000)
(Decrease) increase in short-term notes and bills payable	(300,000)	50,000
Payments of lease liabilities	(4,436)	(4,357)
Decrease in long-term borrowings	-	(100,000)
Decrease in guarantee deposit received	(6)	(3,651)
Cash dividends payable expired	-	145
Payment of cash dividends	(268,044)	(268,044)
Net cash flows used in financing activities	(647,486)	(180,907)
Net decrease in cash and cash equivalents	(300,658)	(183,263)
Cash and cash equivalents at beginning of year	762,990	946,253
Cash and cash equivalents at end of year	<u>\$ 462,332</u>	<u>\$ 762,990</u>

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, 2020 and 2019, 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, 2020 and 2019, 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, 2020, the carrying amount of inventories and allowance for inventory valuation loss are \$927,530 thousand and \$34,018 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(29) 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 \$216,761 thousand and \$134,573 thousand, constituting 3.07% and 1.94% of consolidated total assets as of December 31, 2020 and 2019, respectively, and the share of profit or loss of associates and joint ventures accounted for under the equity method was \$14,008 thousand and \$1,323 thousand, constituting 2.45% and 0.30% 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, 2020 and 2019.

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 supervisors, 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 ROC GAAS 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 ROC GAAS, 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.

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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 16, 2021

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, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 1,036,183	15	\$ 1,471,902	21
1110	Financial assets at fair value through profit or loss - current	136,563	2	135,816	2
1136	Financial assets at amortised cost - current	308,540	4	84,450	1
1150	Notes receivable, net	169,902	3	207,668	3
1170	Accounts receivable, net	772,939	11	684,239	10
1200	Other receivables	24,413	-	19,114	1
1220	Current income tax assets	-	-	5,352	-
130X	Inventories	893,512	13	914,629	13
1410	Prepayments	93,157	1	86,556	1
1460	Non-current assets held for sale, net	165,110	2	-	-
1479	Other current assets	1,276	-	4,291	-
11XX	Total current assets	<u>3,601,595</u>	<u>51</u>	<u>3,614,017</u>	<u>52</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	14,047	-	15,291	-
1517	Financial assets at fair value through other comprehensive income - non-current	404,752	6	424,367	6
1550	Investments accounted for under equity method	250,693	4	180,000	3
1600	Property, plant and equipment	2,125,207	30	2,116,644	31
1755	Right-of-use assets	264,074	4	203,681	3
1780	Intangible assets	88,963	1	96,586	1
1840	Deferred income tax assets	138,588	2	141,583	2
1915	Prepayments for equipment	58,071	1	67,325	1
1920	Guarantee deposits paid	25,209	-	32,915	-
1990	Other non-current assets	78,248	1	35,595	1
15XX	Total non-current assets	<u>3,447,852</u>	<u>49</u>	<u>3,313,987</u>	<u>48</u>
1XXX	TOTAL ASSETS	<u>\$ 7,049,447</u>	<u>100</u>	<u>\$ 6,928,004</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, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100	Short-term borrowings	\$ 566,000	8	\$ 565,000	8
2110	Short-term notes and bills payable	-	-	300,000	4
2130	Contract liabilities - current	135,662	2	94,027	1
2150	Notes payable	228,002	3	256,779	4
2170	Accounts payable	210,569	3	164,797	3
2200	Other payables	393,726	6	371,169	5
2230	Current income tax liabilities	99,088	1	47,932	1
2280	Lease liabilities - current	17,540	-	13,346	-
2310	Receipts in advance	29	-	6	-
21XX	Total current Liabilities	<u>1,650,616</u>	<u>23</u>	<u>1,813,056</u>	<u>26</u>
Non-current liabilities					
2570	Deferred income tax liabilities	61,992	1	61,992	1
2580	Lease liabilities - non-current	201,655	3	144,114	2
2640	Net defined benefit liability - non-current	227,978	3	244,022	4
2645	Guarantee deposits received	1,371	-	18,399	-
25XX	Total non-current liabilities	<u>492,996</u>	<u>7</u>	<u>468,527</u>	<u>7</u>
2XXX	Total liabilities	<u>2,143,612</u>	<u>30</u>	<u>2,281,583</u>	<u>33</u>
Equity attributable to owners of parent					
Share capital					
3110	Common stock	1,786,961	25	1,786,961	26
3200	Capital surplus	203,274	3	204,514	3
Retained earnings					
3310	Legal reserve	658,657	9	622,365	9
3350	Unappropriated retained earnings	1,287,735	18	1,079,851	15
3400	Other equity interest	29,305	1	70,521	1
31XX	Equity attributable to owners of the parent	<u>3,965,932</u>	<u>56</u>	<u>3,764,212</u>	<u>54</u>
36XX	Non-controlling interest	<u>939,903</u>	<u>14</u>	<u>882,209</u>	<u>13</u>
3XXX	Total equity	<u>4,905,835</u>	<u>70</u>	<u>4,646,421</u>	<u>67</u>
Significant contingent liabilities and unrecognised contract commitments					
Significant event after balance sheet date					
3X2X	TOTAL LIABILITIES AND EQUITY	<u>\$ 7,049,447</u>	<u>100</u>	<u>\$ 6,928,004</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		For the years ended December 31,			
		2020		2019	
		AMOUNT	%	AMOUNT	%
4000	Operating revenue	\$ 4,305,400	100	\$ 3,937,129	100
5000	Operating costs	(2,385,562)	(55)	(2,227,998)	(57)
5900	Gross profit	1,919,838	45	1,709,131	43
	Operating expenses				
6100	Selling expenses	(708,480)	(16)	(690,312)	(17)
6200	General and administrative expenses	(283,997)	(7)	(283,246)	(7)
6300	Research and development expenses	(227,211)	(5)	(225,765)	(6)
6450	Expected credit gains	6,437	-	6,036	-
6000	Total operating expenses	(1,213,251)	(28)	(1,193,287)	(30)
6900	Operating profit	706,587	17	515,844	13
	Non-operating income and expenses				
7100	Interest income	11,203	1	14,299	-
7010	Other income	92,985	2	119,673	3
7020	Other gains and losses	(33,323)	(1)	(55,287)	(1)
7050	Finance costs	(7,572)	-	(10,470)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	3,047	-	1,751	-
7000	Total non-operating income and expenses	66,340	2	69,966	2
7900	Profit before income tax	772,927	19	585,810	15
7950	Income tax expense	(147,367)	(4)	(115,377)	(3)
8200	Profit for the year	\$ 625,560	15	\$ 470,433	12

(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		For the years ended December 31,			
		2020		2019	
		AMOUNT	%	AMOUNT	%
	Other comprehensive (loss) income				
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss				
8311	Remeasurment of defined benefit plans	(\$ 14,169)	-	(\$ 7,310)	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	(39,372)	(1)	(14,476)	(1)
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	(365)	-	(263)	-
8349	Income tax related to components of other comprehensive income	2,834	-	1,462	-
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Financial statements translation differences of foreign operations	(1,757)	-	(4,372)	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method	(534)	-	(319)	-
8300	Total other comprehensive loss for the year	(\$ 53,363)	(1)	(\$ 25,278)	(1)
8500	Total comprehensive income for the year	<u>\$ 572,197</u>	<u>14</u>	<u>\$ 445,155</u>	<u>11</u>
	Profit attributable to:				
8610	Owners of the parent	\$ 524,172	12	\$ 376,482	10
8620	Non-controlling interest	101,388	3	93,951	2
		<u>\$ 625,560</u>	<u>15</u>	<u>\$ 470,433</u>	<u>12</u>
	Total comprehensive income attributable to:				
8710	Owners of the parent	\$ 471,004	12	\$ 351,286	9
8720	Non-controlling interest	101,193	2	93,869	2
		<u>\$ 572,197</u>	<u>14</u>	<u>\$ 445,155</u>	<u>11</u>
	Earnings per share				
9750	Basic	<u>\$ 2.93</u>		<u>\$ 2.11</u>	
9850	Diluted	<u>\$ 2.93</u>		<u>\$ 2.10</u>	

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

Notes	Equity attributable to owners of the parent											
	Capital Reserves					Retained Earnings		Other equity interest			Total	Non-controlling interest
	Common stock	Additional paid-in capital	Difference between proceeds from acquisition or disposal of subsidiaries and book value	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			
<u>For the year ended December 31, 2019</u>												
Balance at January 1, 2019	\$ 1,786,961	\$ 143,353	\$ 50,453	\$ 3,460	\$ 49	\$ 584,929	\$ 1,022,410	(\$ 9,853)	\$ 99,463	\$ 3,681,225	\$ 565,087	\$ 4,246,312
Effect of retrospective application	-	-	-	-	-	-	(7,454)	-	-	(7,454)	-	(7,454)
Adjusted balance at January 1, 2019	<u>1,786,961</u>	<u>143,353</u>	<u>50,453</u>	<u>3,460</u>	<u>49</u>	<u>584,929</u>	<u>1,014,956</u>	<u>(9,853)</u>	<u>99,463</u>	<u>3,673,771</u>	<u>565,087</u>	<u>4,238,858</u>
Profit for the year	-	-	-	-	-	-	376,482	-	-	376,482	93,951	470,433
Other comprehensive loss for the year	-	-	-	-	-	-	(6,107)	(4,691)	(14,398)	(25,196)	(82)	(25,278)
Total comprehensive income (loss) for the year	-	-	-	-	-	-	370,375	(4,691)	(14,398)	351,286	93,869	445,155
Difference between proceeds from acquisition of subsidiaries and book value	-	-	7,054	-	-	-	-	-	-	7,054	(25,190)	(18,136)
Cash dividends payable expired	-	-	-	-	145	-	-	-	-	145	-	145
Appropriations of 2018 earnings:												
Legal reserve	-	-	-	-	-	37,436	(37,436)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(268,044)	-	-	(268,044)	-	(268,044)
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	248,443	248,443
Balance at December 31, 2019	<u>\$ 1,786,961</u>	<u>\$ 143,353</u>	<u>\$ 57,507</u>	<u>\$ 3,460</u>	<u>\$ 194</u>	<u>\$ 622,365</u>	<u>\$ 1,079,851</u>	<u>(\$ 14,544)</u>	<u>\$ 85,065</u>	<u>\$ 3,764,212</u>	<u>\$ 882,209</u>	<u>\$ 4,646,421</u>
<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	\$ 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	<u>\$ 1,786,961</u>	<u>\$ 143,353</u>	<u>\$ 57,454</u>	<u>\$ 2,273</u>	<u>\$ 194</u>	<u>\$ 658,657</u>	<u>\$ 1,287,735</u>	<u>(\$ 16,788)</u>	<u>\$ 46,093</u>	<u>\$ 3,965,932</u>	<u>\$ 939,903</u>	<u>\$ 4,905,835</u>

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,	
Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 772,927	\$ 585,810
Adjustments		
Adjustments to reconcile profit (loss)		
Net loss (gain) on financial assets at fair value through profit or loss	535 (	1,189)
Expected credit gain	(6,437 ) (	6,036)
Allowance for loss (reversal of allowance) on inventory market price decline	3,153 (	5,221)
Share of profit of associates and joint ventures accounted for under the equity method	(3,047 ) (	1,751)
Net loss on disposal of investments accounted for under equity method	-	4,404
Depreciation	208,671	205,511
Net loss on disposal of property, plant and equipment	79	1,385
Property, plant and equipment transferred to expenses	1,639	527
Amortisation	25,115	23,121
Net loss on disposal of intangible assets	-	7,630
Share-based compensation	-	8,648
Dividend income	(15,315 ) (	16,433)
Interest income	(11,203 ) (	14,299)
Interest expense	7,572	10,470
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets at fair value through profit or loss	(544)	9,564
Notes receivable	37,722	27,945
Accounts receivable	(82,219 ) (	657)
Other receivables	(5,935 ) (	1,269)
Inventories	3,242 (	126,631)
Prepayments	(6,601)	28,023
Other current assets	3,015 (	1,548)
Other non-current assets	(7,035 ) (	3,137)
Changes in operating liabilities		
Contract liabilities - current	41,635	32,229
Notes payable	(12,145 ) (	28,613)
Accounts payable	45,772	49,981
Other payables	16,673	39,265
Receipts in advance	23 (	2,365)
Net defined benefit liability - non-current	(30,824 ) (	34,958)
Cash inflow generated from operations	986,468	790,406
Dividends received	15,315	16,433
Interest received	11,839	14,552
Interest paid	(6,012 ) (	10,590)
Income tax received	5,352	-
Income tax paid	(90,382 ) (	158,354)
Net cash flows from operating activities	922,580	652,447

(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,	
	Notes	
	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Increase in financial assets at amortised cost - current	(\$ 224,090)	(\$ 33,370)
Proceeds from capital reduction of financial assets at fair value through profit or loss - non-current	506	-
Acquisition of financial assets at fair value through other comprehensive income - non-current	(19,757)	(22,876)
Acquisition of investments accounted for under the equity method	(69,732)	(29,940)
Cash paid for aquisition of property, plant and equipment	(307,126)	(102,245)
Interest paid for acquisition of property, plant and equipment	(192)	(113)
Proceeds from disposal of property, plant and equipment	214	80
Acquisition of intangible assets	(161)	(1,486)
Increase in prepayments for equipment	(45,200)	(75,378)
Decrease (increase) in guarantee deposits paid	7,706	(7,710)
Increase in other non-current assets	(52,335)	(21,673)
Net cash flows used in investing activities	(710,167)	(294,711)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	451,000	435,000
Decrease in short-term borrowings	(450,000)	(355,000)
(Decrease) increase in short-term notes and bills payable	(300,000)	50,000
Payments of lease liabilities	(16,352)	(14,568)
Redemption of long-term borrowings	-	(212,312)
(Decrease) increase in guarantee deposit received	(17,028)	5,062
Cash dividends payable expired	-	145
Payments of cash dividends	(268,044)	(268,044)
Cash paid for transaction with non-controlling interests	(203)	(18,136)
(Decrease) increase in non-controlling interests	(43,349)	239,795
Net cash flows used in financing activities	(643,976)	(138,058)
Effects due to changes in exchange rate	(4,156)	(1,837)
Net (decrease) increase in cash and cash equivalents	(435,719)	217,841
Cash and cash equivalents at beginning of year	1,471,902	1,254,061
Cash and cash equivalents at end of year	<u>\$ 1,036,183</u>	<u>\$ 1,471,902</u>

Attachment 4:

Division Plan

Plan Producer:

Standard Chem. & Pharm. Co., Ltd. (hereinafter referred to as “SCPC”)

Syn-Tech Chem. & Pharm. Co., Ltd. (hereinafter referred to as “STCP”)

To implement specialization and resources integration to enhance competitiveness and operating performance, SCPC intends to divide its synthesis department and the related business thereof (inclusive of assets, liabilities, and operations) and transfer the ownership to STCP as a quid pro quo for exchanging STCP’s newly issued stock. We enact this “Division Plan” (hereinafter referred to as “Plan”) according to the provision of the Business Mergers & Acquisition Act, Company Act, and other relevant statutes,

Article 1: Division Mode/Companies Joining in the Division

The division case is adopting an existed division mode, i.e., SCPC divides and transfers its synthesis department and the related business thereof to STCP, and STCP issues the new stock as a quid pro quo for exchange. The companies participated in this Division are specified as follows:

The divided company: SCPC

The surviving (transferee) company: STCP

Article 2: The surviving (transferee) company shall change its Articles of Incorporation:

STCP’s Articles of Incorporation is no need to be changed, the articles of which is specified in Appendix 1.

Article 3: The division Plan comprises the divided company’s business range, business value, asset, and liability.

1、The divided and ceded business range includes

- (1) SCPC synthesis department’s R&D, production, quality control, quality assurance, and business, as well as other related operations;
- (2) Upon division of SCPC’s synthesis department, the machine equipment, inventories, receivables, and other assets (inclusive of tangible and intangible properties) and liabilities necessary for independent operation and production.
- (3) SCPC synthesis department’s relevant contracts (include, but not limit, the sales contract, supply contract, license agreement, and other related covenants), litigation case, legal implication, juridical status, license, permit, and relevant equities. The contractual assignment, if it needs to be consented by original contract counterpart, can only be effect upon

the counterpart's approval.

(4) Prior to the division base date, all authentication, technique, software, know-how, trade secret, and other related parts possessed and developed by SCPC shall be transferred to STCP. SCPC and STCP shall coordinate each other to transact the transferring procedure in regard to the abovementioned intellectual property rights, authentication, or technic know-how, and to provide the formula, document, and data for other party able to exercise his/her relevant rights. Division of the intellectual rights shall not affect other authorized parties' rights and confidential liability (the authorized party means that they have obtained the authority prior to division). Both parties may otherwise negotiate authorization or transfer of the pending applications for the patents in relation to the synthesis department.

(5) All subjects in connection with SCPC's synthesis department, include the asset, liability, relation of duty and right, equity, divided and ceded business/property, the tax incentives that is not yet deducted or not expired for the assets or business, license, permits, and related legal implication, factual relationship, and status.

2 、 Divided and ceded business value: it is calculated, at the division base date, by a formula as the book value of divided and ceded assets minus the liability ; the estimated value is NT\$ 124,295,331.

3 、 Divided and ceded asset: the divided and ceded asset book value as per Appendix 2 is estimated at NT\$ 176,211,816.

4 、 Divided and ceded liability: the divided and ceded liability book value as per Appendix 2 is estimated at NT\$ 51,916,485.

5 、 The aforementioned divided and ceded business value, asset, and liability is taking the SCPC synthesis department's proforma statement as a basis, the statement of which was reviewed by accountant on Dec. 31, 2020. The SCPC synthesis department's business value is appraised by the third party commissioned mutually by both parties according to the fair price appraised on Dec. 31, 2020, nevertheless, the actual amount shall still be basic upon the fair value at the division base date.

6 、 Unless otherwise prescribed by Division Plan, the cash can be used to adjust the difference if the practically divided and ceded business value, asset, and liability amount differs from the actual amount.

Article 4: Totality, category, and quantity of the shares issued by the surviving company; category, quantity, and calculating basis of the shares issued by STCP and acquired by the divided company:

- 1、Since the business value accepted by STCP in this Division, as per NT\$ 75.24 / per share, STCP estimates to issue 4,532,163 shares of the common stock for SCPC, and STCP's paid-in capital is estimated to reach NT\$ 345,917,130 which can be separated as 34,591,713 shares at NT\$10/per share. The value of less than one share will be paid in cash by STCP in once to SCPC within 30 days upon completion of the registration.
- 2、Calculating Basis: The aforesaid shares issued by STCP is enacted in compliance with that SCPC synthesis department's business value appraised by the third party is using the fair value, and that both parties commission respectively the independent expert to issue a reviewing opinion on rationality of the price of the new stock issued by the surviving company in the course of dividing synthesis department and of the stock swap; as to the content of expert's opinion, please refer to Appendix 3 and 4.

Article 5: The proportion of the shares issued by STCP to exchange for the divided company's business value, asset, and liability is set as per Division Plan; however, if any of following circumstances occurs, it shall authorize both Boards of Directors of SCPC and STCP to consult or change the number of issued shares and/or each share's price while the business value arising from Division and acquired by STCP shall also be adjusted synchronously.

1. At the division base date, when the Plan's divided and ceded business is necessary to be adjusted because of the variation of the asset or liability scope leads to the business value having a significant increase or decrease;
2. When specification or amount of the asset and liability SCPC intends to divide or cede varies because of the asset re-estimation, depreciation, amortization, addition, or depletion;
3. When any market factor beyond control occurs and results in the stock price that sharply fluctuates, both parties agree to maintain the number of total shares set in Article 4, and both parties' BOD shall jointly consult and adjust converted price of the new stock. The cash may be used to cover the differences between the total value of STCP's new stock (the converted price) and the agreed business value.
4. When STCP appraises or assumes that it has the necessity to be adjusted, or that the adjustment is essential due to the statute amendment or the competent authority's instruction.

Article 6: Totality, category, and quantity of the stock issued by the surviving company

- 1、SCPC synthesis department's business value sustained by STCP is referring to the

fair value evaluated by the third party (appraising institution). The third party commissioned by both parties jointly sets the value at NT\$ 341,000,000, and proposes that STCP shall issue 4,532,163 shares of common stock to SCPC.

- 2、Upon division base date, STCP shall complete the amendment to the registration and issue common stock for SCPC, as a direct holder of 4,532,163 shares of the common stock issued by STCP.

Article 7: Acquisition and elimination dissident shareholders' stock

SCPC's shareholders may request the Company to buy back his/her shares if the shareholder has expressed his/her objection and waived his/her voting right, in writing or verbally with a record, before or during the shareholders meeting to make a resolution on division. The said shares being bought back shall be transacted in accordance with the provision of Article 13 of the Business Mergers & Acquisitions Act.

Article 8: Obligations of creditors' notice and proclamation

- 1、As the division case is passed by resolution made by SCPC's shareholders meeting, SCPC shall immediately produce the balance sheet and general inventory, send notice to individual creditor, and promulgate the division resolution. The said creditor may raise objections within 30 days; if SCPC's creditor did, SCPC shall transact the case in accordance with the provision of related statutes.
- 2、If SCPC made a liquidation of the debt onto the dissident creditor is subject to the dividing and ceding scope prescribed in the Plan, BOD is authorized to adjust the business range, business, asset, and liability provided By Article 3; hence, the proportion and price of the new stock issued by STCP shall also be modified.

Article 9: Duty and right acceptance and its related matters upon division

1. Since the division base date, SCPC's all asset, liability, and the duty and right that is still maintaining its legal effect as of the division base date shall be generally accepted by STCP by law; SCPC shall coordinate with STCP to transact all related procedures (if any).
2. Ownership alteration of the property divided and ceded by SCPC in compliance with provisions of the Division Plan shall be completed within 6 months since STCP has completed the amendment to the registration, unless otherwise a longer term is prescribed by other statutes, or because of the force majeure factors.
3. Unless the divided and ceded liability, and the SCPC's liability existing before the division is dividable, in accordance with the provision of Paragraph 7, Article 35, of the Business Mergers & Acquisition Act, STCP shall, within the

scope of contributions made by the transferee company, be jointly and severally liable to discharge the liability incurred by SCPC (the divided company) prior to the division. However, the creditors' right to claim for the performance of the joint and several liabilities shall become extinguished, if not exercised by the creditors within two years from the reference date of the division.

Article 10: Disposition of employees' transfer and employment

STCP will continue to employ/retain SCPC synthesis department's employees, and by law, advise them of inquiry about their intentions to remain in office; STCP also acknowledge these employees' seniority.

Article 11: Division Base Date

The division base date is temporarily set on Oct. 1, 2021; both parties' BOD may consult with and agree on another date (if necessary) upon the competent authority's approval or permission, or after the motion is passed by resolution made at SCPC's shareholders meeting.

Article 12: Schedule of the plan performance; estimated completion date; and overdue disposition

- 1 、 The division case is scheduled to convene shareholders meeting on June 18, 2021 and make a resolution of passing the division, but SCPC's BOD may rely on practical circumstances to set another date.
- 2 、 By operation of Law, both parties' BOD may negotiate and decide the date to convene BOD meeting or shareholders meeting if the performance schedule, division base date, or division completion date is overdue.

Article 13: Shares of taxation and expense

- 1 、 Unless otherwise provided by Plan, SCPC and STCP shall consult each other to bear all cost and duties taxes arising from the action to sign or perform the Plan except the exemption from taxation or imposition. SCPC shall bear all costs of attorney fee, accountant expense, and other expenditures if the shareholders meeting declines or the competent authority rejects the Plan, or other matters avoid it.
- 2 、 SCPC and STCP shall coordinate each other to endeavor after the tax preference in relation to this case.

Article 14: Alteration of the divided company's paid-in capital

Except the share elimination or capital reduction, SCPC's paid-in capital, upon completion of the division, shall be maintained as its original quota according to the legal provisions, in addition, no capital reduction is allowed.

Article 15: Disposing modes when participant entities or parties are increased, decreased, or changed

After the Plan and the related information thereof are opening to the public, if the participant entities or parties are varied, SCPC and STCP agree that all participant companies are entitled to reset the completed procedure or legal action; If there is any omission or unsettled affair, BOD shall have the authorization to handle the case in accordance with the provision of the Law.

Article 16: Applicable Law

- 1、The division case is executed according to the provision of Business Mergers & Acquisitions Act; if there is any new law promulgated in favor of the parties concerned, it shall be applicable to this case of division.
- 2、The Plan shall be construed and governed according to the laws of the R.O.C.: any dispute arising with respect to the Plan shall be subject to the jurisdiction of the Tainan District Court, Taiwan.

Article 17: Other Matters

- 1、If any provision in the Plan conflicted with the related statutes is held to be invalid, void or unenforceable, the remain provision shall nevertheless continue in full force and effect; as to the invalid provision, SCPC's BOD may otherwise negotiate with STCP's BOD to make a resolution within the legal scope in accordance with the provision of the related statutes.
- 2、If any clause in the Plan is necessary to be altered according to the competent authority's instruction, both parties' BOD shall amend the clause in compliance with the instruction.
- 3、The Plan can only be effect upon approval of the shareholders meeting; fail to obtain the competent authority's approval or permission, the Plan shall be deemed as invalid since the very beginning.

Article 18: If there is any unsettled matter or omission in this Plan, it shall be transacted in accordance with the provision of related statutes, or with the competent authority's instruction; if no provision or instruction is set, SCPC's BOD shall authorize both parties' BOD to deal with the case.

This Plan shall be in duplicate to hold each by the parties hereof.

The Parties Concerned:

Standard Chem. & Pharm. Co., Ltd.

President: Fan, Chin-Tsai

Sen-Tech Chem. & Pharm. Co., Ltd.

President: Xiao, Zhen-Ming

Date: March 16, 2021

Attachment 4: Appendix 1

SYN-TECH CHEM. & PHARM. CO., LTD Articles of Incorporation

CHAPTER I General Provisions

Article 1:

The Company shall be incorporated, as a company limited by shares, under the Company Act and its name shall be 生泰合成工業股份有限公司 in the Chinese language, and SYN-TECH CHEM. & PHARM. CO., LTD. in the English language. (the "Company")

Article 2:

The Company's business is as follows:

1. Manufacturing, processing and selling of reagents, food additives, spices, surfactants and other chemicals.
2. The production, processing and sales of drugs (Herbs, Western, Animal Drugs), environmental drugs and cosmetics.
3. As an agent of domestic and foreign products.
4. Trading of the previous items related to import and export.
5. All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3:

The Company is located in Tainan City, Taiwan; if necessary, may set up branches at home and abroad upon a resolution of the Board of Directors.

Article 4:

Depending on the needs of the business, the Company's external endorsements/guarantees are handled in compliance with the Regulations Making of Endorsements/Guarantees.

CHAPTER II Shares

Article 5:

The total capital amount of the Company shall be NT\$600 million dollars, divided into 60 million shares, at a par value of NT\$10 dollars per share, and may be issued separately according to the resolution of the Board of Directors.

Article 6:

The total amount of the Company's reinvestment shall not be subject to the restriction of not exceeding 40% of its paid-in capital, free of the restriction of Article 13 of Company Act.

Article 7:

The Company issuing shares may be exempted from printing stocks, and shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.

Article 8:

The shareholder services of the Company shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by competent authority.

Article 9:

Within 60 days before the regular shareholders' meeting, within 30 days before the special shareholders' meeting, or within 5 days before the date of the company's decision to distribute dividends and bonuses or other benefits, the share transfer registration is suspended.

CHAPTER III Shareholders' meeting

Article 10:

The Company's shareholders' meeting shall be two kinds of regular meeting of shareholders and special meeting of shareholders. The regular meeting of shareholders shall be held once every year, and be convened by the Board of Directors within 6 months after close of each fiscal year. The special meeting of shareholders shall be held pursuant to the law when necessary .

Article 10-1:

A writing notice which state the meeting date, location and causes or subjects for convening a regular meeting of shareholders, shall be given to each shareholder no later than 30 days prior to the scheduled meeting date; in case of a special meeting of shareholders, a writing notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date, in case of extraordinary meetings. For shareholders holding less than one thousand shares of registered shares, the notice of convening a shareholders' meeting may be announced in accordance with the provisions of the Securities Exchange Act.

Article 11:

The chairman of the board of directors shall preside the shareholders' meeting. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. Where as for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 12:

When a shareholder is unable to attend a shareholders' meeting in person, in addition to the provisions of Article 177 of the Company Act, it shall be handled in accordance with the provisions of the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 13:

Except those who are restricted or have no voting rights under the Company Act, shareholders of the Company shall have one voting power in respect of each share in

his/her/its possession.

Article 14:

Unless otherwise provided in the Company Act, a resolution shall be attended by shareholders who represent more than one-half of the total number of issued and outstanding shares, and adopted by more than one-half of the total votes of the shareholders.

Article 14-1:

The voting on the shareholders' meeting may be taken by written or by way of electronic transmission consents to exercise their voting power in accordance with the relevant laws. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within 20 days after the close of the meeting. The distribution of the minutes of shareholders' meeting aforementioned may be effected by means of a public notice.

CHAPTER IV Directors, supervisors, managerial officers

Article 15:

The Company shall have five to nine directors and three supervisors to serve a term of three years. A director may be eligible for re-election.

The percentage of shareholdings of all the directors and supervisors is according to the provisions of the competent securities authority.

Among the Company's directors, the number of independent directors shall not less than two in number and not less than one-fifth of the total number of directors. A candidates nomination system is adopted by the Company for election of the directors (including independent directors) and supervisors of the Company; and the shareholders shall elect from among the nominees listed in the roster of director and supervisor candidates. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and election, and other matters for compliance with respect to independent directors shall be handled in accordance with the relevant provisions of the competent securities authority.

Article 16:

When the number of vacancies falls short by one third of the total number of directors, or all supervisors of the Company are discharged, the board of directors shall convene a special shareholders meeting within 30 days to elect succeeding directors to fill the vacancies. However, after the Company whose shares are issued to the public, the special meeting of shareholders for electing succeeding directors and supervisors, shall be convened by the board of directors within 60 days.

Article 17:

The directors shall elect a chairman of directors from among the directors by a majority of directors at a meeting attended by two-thirds or more of the total number of directors; and to represent the company externally.

In calling a meeting of the board of directors is handled in accordance with the provisions of the Company Act, unless otherwise provided for in the law, shall be convened by the

chairman. In the case of emergency, a meeting of the board of directors may be convened at any time. The convening notice in the preceding paragraph can also be given in writing, by e-mail or by fax.

Article 18:

Unless otherwise provided for in the Company Act, meetings of the board of directors shall be convened by the chairman of the board of directors. Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 19:

The chairman of the board of directors shall preside the meeting of the board of directors. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.

Each director shall attend the meeting of the board of directors in person, In case a director can not attend the meeting of the board of directors, that a director may be represented by another director. A director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other director only.

Article 20:

The remuneration of directors and supervisors, regardless of operating profit or loss every year, may authorize the board of directors to set the payment standard according to the normal level of another company in the same industry.

Article 21:

The Company may have one or more managerial personnel. Appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with the Article 29 of the Company Act.

Article 22:

A managerial personnel shall be empowered to manage the operation of the Company and to sign relevant business documents for the Company, subject to the scope of his/her duties and power as specified in the Articles of Incorporation or his/her employment contract.

CHAPTER V Accounting

Article 23:

The Company shall be in accordance with the provisions of Article 228 of the Company Act, at the close of each fiscal year, the board of directors shall prepare the following statements and records, in accordance with the laws, to the shareholders' meeting for approval.

1. the business report;
2. the financial statements; and
3. the surplus earning distribution or loss off-setting proposals.

Article 24:

When the Company makes a profit of the current year ("a profit" refers to the pre-tax Income before deduction of the following employees' compensation and the compensation of directors and supervisors), after losses have been covered, shall make distribution as follows:

1. to require 1 to 10 percent of the balance as employees' compensation.
2. to require not more than 3 percent of the balance as directors and supervisors' compensation.

The employees' compensation in the preceding paragraph may distributed in the form of shares or in cash; qualification requirements of employees, including the employees of subsidiaries of the Company. The directors and supervisors' compensation in the preceding paragraph may distributed in the form of cash only.

The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable in the preceding two paragraphs shall be reported to the Board by the Remuneration Committee; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 24-1:

The Company considers the changing industrial environment and the growth of the company. In response to future capital needs and long-term planning, and meeting the shareholders' demand for cash inflows, the Company will distribute the surplus profits in the following order after the final settlement:

1. to paid all taxes and dues;
2. making good the deficit (or loss) of the Company;
3. to set ten percent of profits as legal reserve;
4. to set or reverse special reserve when necessary;
5. the balance, together with the accumulated undistributed profits in the previous year, is at least 20 percent as the dividend for the shareholders, wherein the cash dividend shall not be less than 20 percent of the total dividend, but if the cash dividend is less than NT\$0.2 per share, it may be distributed by stock dividends after the resolution of the board of directors, and distributed after being recognized by the shareholders' meeting.

Article 25:

The dividends distribution is limited to the shareholders who are recorded in the shareholders' roster within 5 days prior to the target date fixed for distribution of dividends and bonus.

CHAPTER VI Supplemental Provisions

Article 26:

The internal organization of the Company and the detailed procedures of operation shall be determined by the Board of Directors.

Article 27:

In regard to all matters not provided for in these Articles of Incorporation, the Company Act or other laws and regulations shall govern.

Article 28:

These Articles of Incorporation have enacted on August 27th 1982. First amended on September 20th 1982, second amended on October 19th 1982, third amended on April 14th 1983, fourth amended on March 4th 1984, fifth amended on May 26th 1987, sixth amended on August 20th 1989, seventh amended on June 23th 1991, eighth amended on July 28th 1993, ninth amended on February 10th 1991, tenth amended on February 22th 1995, eleventh amended on July 9th 1995, twelfth amended on May 3rd 1996, thirteenth amended on August 16th 1997, fourteenth amended on June 27th 1998, fifteenth amended on June 29th 2002, sixteenth amended on June 26th 2003, seventeenth amended on June 9th 2004, eighteenth amended on January 27th 2005, nineteenth amended on January 27th 2005, twentieth amended on June 13th 2007, twenty-first amended on June 9th 2009, twenty-second amended on June 15th 2011, twenty-third amended on June 6th 2012, twenty-fourth amended on June 17th 2014, twenty-fifth amended on June 17th 2016, twenty-sixth amended on June 17th 2020.

Attachment 4: Appendix 2

SCPC's synthesis department the proforma Balance Sheets Dec. 31,2020

Unit:NTD

ASSETS		Liabilities	
Current assets		Current liabilities	
Notes receivable, net	1,472,175	Notes payable	10,066,782
Accounts receivable, net	31,036,204	Accounts payable	5,222,957
Inventories	31,102,743	Lease liabilities - current	2,516,655
Prepayments	1,875,962	Other payables	11,315,782
Total current assets	65,487,084	Total current liabilities	29,122,176
Non-current assets		Non-current liabilities	
Property, plant and equipment	79,496,912	Net defined benefit liability - non-current	22,794,309
Prepayments for equipment	31,227,820	Total non-current liabilities	22,794,309
Total non-current assets	110,724,732		
		Total liabilities	51,916,485
		Total equity	124,295,331
TOTAL ASSETS	176,211,816	TOTAL LIABILITIES AND EQUITY	176,211,816

Note: This form has been reviewed by an accountant

Attachment 4: Appendix 3

Standard Chem. & Pharm. Co., Ltd.

Reviewing Opinions

Standard Chem. & Pharm. Co., Ltd. segmenting its synthesis department to exchange for price rationality of the new stock issued by Syn-Tech Chem. & Pharm Co., Ltd.

1. Specification of Background and Transaction

Standard Chem. & Pharm. Co., Ltd. (hereinafter referred to as SCPC) was founded on June 30, 1967, and to date, its paid-in capital has been accumulated to NT\$ 1,786,961 thousand (NT\$ 10 /par value per share). SCPC's primary business item is to manufacture and market various pharmaceuticals, cosmetics, beverages, general instruments, and medical devices.

Syn-Tech Chem. & Pharm. Co., Ltd. (hereinafter referred to as STCP), was founded on Nov. 9, 1982, and its paid-in capital now has reached NT\$ 300,595 thousand (NT\$ 10 / par value per share). STCP's principal business item is to produce and sell diverse reagents, surface-active agent, and Chinese and Western animal medicines while SCPC is one of STCP's corporate directors.

For reorganization and specialization to enhance competitiveness and operating performance, SCPC intends to invest NT\$ 341,000 thousand to divide its synthesis department and transfer it to STCP, so as to obtain 4,532 thousand shares of the new stock issued by STCP; both parties agree that NT\$75.24/per share is the converted prices according to the average closing price two months before the price-fixing base date on Jan. 31, 2021 (which is set by STCP).

SCPC has commissioned CRIF TAIWAN (hereinafter referred to as "External Expert") to set the base date of assets evaluation on Dec. 31, 2020, and to issue an appraisal report of the fair value for SCPC's synthesis department, the price of which is amid NT\$ 340,823 thousand to NT 399,944 thousand basic upon External Expert's evaluation. STCP uses its equivalent shares (NT\$ 75.24/per share) to purchase SCPC's synthesis department, and SCPC may obtain approximately 4,530 thousand to 5,316 thousand shares of the new stock issued by STCP as a convertible stock occupies 13.10% to 15.03% of STCP's total outstanding shares. The accountant issues this Reviewing Opinion in accordance with the fair-value appraisal report issued by External Expert.

2. Reviewing opinions to appraise the fair value and conversion ratio

SCPC was obtaining the fair-value appraisal report (hereinafter referred to as "Appraisal Report") of SCPC's synthesis department issued by External Expert on Feb. 19, 2021.

Aiming at the External Expert's appraisal report and the transaction background information provided by SCPC, the accountant has conducted an essential analysis and review, in addition, the reviewing findings are specified as follows:

The assessing method, in substance, has three major evaluating modes respectively as the income approach, market approach, and assets approach. The External Expert assesses the fair value of SCPC's synthesis department on its appraisal report is complying with the provision of "Evaluation Criteria Communiqué" issued by Accounting Research and Development Foundation to conduct an integral assessment. The subject in this assessment is the value of SCPC's synthesis department. For the similar transacting case is unable to be founded on the existed market for references, the *market approach* is impossible to be used in the assessment, furthermore, the *assess approach* failed to be adopted in the assessment is considering that the evaluating subject is a growing business entity, and within a foreseeable future, there exists no possibility of dissolution or liquidation. Under the hypothetical premises of sustainable operation, we primarily adopt the income approach's freely discounted cashflow model (DCF) to conduct the evaluation of the synthesis department. The accountant assumed that the evaluating method adopted by External Expert is reasonable.

The income approach's freely discounted cashflow model is to hypothesize that subject's principal value is consisting of the benefit flow derived from subject's asset, and that the annual benefit flow in the future is added upon adjustment of the operating risk to evolve into the subject's assets value. On the public market, External Experts acquire researching report and coverage of the industrial and economic environment, Bloomberg's data, and according to SCPC's information, it is inclusive of the historically annual financial statement, base date of the financial statement, and the subject's financial prediction in the next 5 years, proforma asset, balance sheet, income statement, and relevant drug-permit invoices, therefore, External Expert uses the abovementioned to appraise the benefit flow derived from subject's asset for references. If the related numerical values in the sustaining period are respectively appropriate for current income tax rate at 20%, the growing rate adopts IMF's prediction that average value at 2.32% is confirmed for Taiwanese economic growing rate amid Y2021 to Y2025, and the weighted average cost of capital (WACC) after referring to fellow traders' adjustment is 11.75% discount rate, together the discount rate and growing rate uses the plus-minus 0.50% to conduct the sensitivity analysis and adjust the operating risk; as the subject's fair value is assessed through these premises, the accountant assumed, there is no gross impropriety according to the evaluating practice.

The fair value of SCPC's synthesis department calculated by External Expert shall be amid NT\$ 340,823 thousand to NT\$ 399,944 thousand. Both parties use the date of Jan. 31, 2021 as the pricing base date to calculate the average closing prices for the previous 6 months, 3 months, 2 months, and 1 month. The average closing prices showed as NT\$ 76.54, NT\$ 75.23, NT\$ 75.24, and NT\$74.09, respectively. Hence, both parties agree to adopt the average closing price (NT\$ 75.24) for the first two months as the converted price to issue the newly equivalent shares. SCPC may obtain approximately 4,530 thousand to 5,316 thousand shares of the new stock issued by STCP as a convertible stock occupies 13.10% to 15.03% of STCP's total outstanding shares. SCPC invests NT\$ 341,000 thousand to divide its synthesis department, transfer it to STCP, and acquire approximately 4,532 thousand shares (NT\$ 75.24/per share) of the new stock issued by STCP as the quid pro quo, which is still amid the value section evaluated by External Expert. Upon reviewing the result, the accountant did not find any grave misconduct which is inconsistent with the economic practice, therefore, the evaluating process shall be deemed as rational.

3. Conclusion

Having obtained the relevant information, the accountant conducts the essential review and appraising analysis onto the data resource, appraising method, basic hypothesis, evaluating result, and other critical considerations used in the appraisal report. The Income Method's freely discount cashflow model (DCF) used by External Expert is a method widely used in practices, and the related basic hypotheses are reviewed and verified by evidence, moreover, its assessing method and the subject's fair-value result calculated by basic hypothesis is consistent upon reviewing process while the transferred price and stock-exchanging ratio agreed by both parties are also set within the reasonable section of the appraisal report.

In accordance with the aforesaid reviews and appraising analysis, the accountant assumed, as the quid pro quo, it is reasonable that SCPC invests NT\$ 341,000 thousand to divide its synthesis department, transfer it to STCP, and acquire 4,532 thousand shares (NT\$ 75.24/per share) of the new stock issued by STCP.

Cing Sin C.P.A. Firm

Accountant: Qiu, Fang-cai

Date: March 5, 2021

Statement of Independent Expert

In accordance with the provision of “Regulations Governing the Acquisition and Disposal of Assets by Public Company” and other relevant statutes, the accountant, referring to the Evaluation Criteria Communique and the self-discipline provision enacted by Craft Unions, issues the reviewing opinions in regard to the rational price for SCPC dividing its synthesis department’s related operation (comprise assets, liability, and operation) and transferring it to STCP for exchange of STCP’s stock. I do hereby announce the statement as follows:

1. All data resource, parameter, and information being used in the Opinion issued by the undersigned and to execute the operative procedure are completed, correct, and reasonable to serve as the basis of the Opinion. Definition of what so-called the “Completed, Correct, and Reasonable” herein is transacted in accordance with the explanation issued by Accounting Research and Development Foundation (103-Ji-Mi-Zi-Di 298), and the provision of Article 19, 21, and 23 of the Evaluation Criteria Communique (reviews on No. 8 Appraisal) published by the said Foundation (hereinafter referred to as “ARDF”).
2. Prior to accepting the case, my professional capabilities and pragmatic experiences have been verified in consistency with the qualification and condition as per Paragraph 1, Article 5 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, and prudentially appraised in accordance with the provision of Paragraph 2-1 of the identical clause.
3. Performing this case, I have properly projected and executed the appropriate operating process to evolve into a conclusion as the basis to issue my Opinion; furthermore, all executing procedure, collected data, and the conclusion are being fully and accurately carried in the original manuscript for the case operation.
4. Among the transacting parties concerned and the professional appraiser (or appraisers), I have nothing concerned with the related parties or de facto related parties of each other according the provision of Paragraph 1-2 and 1-3, Article 5 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, and declared that no following circumstances occur:
 - (1) I and my spouse at present are not employed/retained by the transacting parties to serve the regular work, receive fixed salary, or act as director or supervisor.
 - (2) I and my spouse have not served as the transacting parties’ director, supervisor, manager, or the staff who has gross influence on this case, or has been removed or leaving office less than two years
 - (3) The unit that my spouse and I now served is not a related party with the transaction parties.
 - (4) I have no kinship, either spouse or second-class relatives, with the transacting

parties' director, supervisor, manager, or staff who has gross influence onto the function of office.

- (5) I, or my spouse, am not the party related to the transacting party in major investment or sharing finance benefits.

Independent Expert: Accountant Qiu, Fang-cai

Approval Number: Tai-Cai-Zen-Deng (6)-3049

Date: March 5, 2021

Attachment 4: Appendix 4

Syn-Tech Chem. & Pharm. Co., Ltd.

Reviewing Opinions

Reviewing Opinions on Rationality of the new stock prices issued for the Synthesis Department to be divided and transferred from Standard Chem. & Pharm. Co., Ltd.

Principal: Syn-Tech Chem. & Pharm. Co., Ltd.

Report User and Receiver: Syn-Tech Chem. & Pharm. Co., Ltd. (hereinafter referred to as "STCP")

1. Preface, Background, and Transaction Specification

STCP was founded on Nov. 9, 1982, and to date, its paid-in capital has been accumulated to NT\$ 300,595 thousand (NT\$ 10/per share). STCP's main business item is engaging in various reagents and surface-active agents, and manufacturing and selling manifold veterinary medicinal products

Standard Chem. & Pharm. Co., Ltd. (hereinafter referred to as SCPC) was founded on June 30, 1967, and to date, 178,696 thousand shares of ordinary shares were issued and outstanding with the paid-in capital accumulated to NT\$ 1,786,961 thousand (NT\$ 10 /par value per share). SCPC's primary business item is to manufacture and market various pharmaceuticals, cosmetics, beverages, general instruments, and medical devices.

In consideration of long-term developing strategy to augment operating scale, STCP intends to invest NT\$ 341,000 thousand to obtain SCPC's Synthesis Department in order to upgrade the existed technique, enhance product combination, and expand customer groups. Setting the price-fixing base date on Jan. 31, 2021, STCP adopts the converted prices in compliance with the average-closing price two month before the base date to issue 4,532 thousand shares of new stock (NT\$ 75.24/per share) as the proforma price in exchange for the Department mentioned above.

SCPC has commissioned CRIF TAIWAN (hereinafter referred to as "External Expert") to set the base date at on Dec. 31, 2020, and to issue an appraisal report of the fair value for SCPC's synthesis department, the price of which is amid NT\$340,823 thousand to NT\$399,944 thousand basic upon External Expert's evaluation. STCP uses its equivalent shares (NT\$ 75.24/per share) in exchange for SCPC's synthesis department, and SCPC may obtain approximately 4,530 thousand to 5,316 thousand shares of the new stock issued by

STCP as consideration, which accounted for 13.10% to 15.03% of STCP's total outstanding shares. The accountant issues this Reviewing Opinion in accordance with the appraisal report issued by External Expert.

2. Reviewing on evaluation of the newly issued stock

STCP obtained the "Fair-value appraisal report of SCPC's synthesis department" issued by External Expert. Aiming at the External Expert's appraisal report and the transaction background information provided by STCP, the accountant has completed an essential analysis, and specified these reviewing findings as follows:

The subject appraised by External Expert is the fair value of SCPC's synthesis department. External Expert assesses the fair value of SCPC's synthesis department on its appraisal report is complying with the provision of "Evaluation Criteria Communiqué" issued by Accounting Research and Development Foundation to conduct an integral assessment. The assessing method can roughly be divided into three major evaluating modes respectively as the income approach, market approach, and assets approach. For the similar transacting case is unable to be founded on the existed market for references, the market approach is impossible to be used in the assessment according to External Expert's assumption, furthermore, the assets approach failed to be adopted in the assessment is considering that the evaluating subject is a growing business entity, and within a foreseeable future, there exists no possibility of dissolution or liquidation. Under the hypothetical premises of sustainable operation, we primarily adopt the income approach's freely discounted cashflow model (DCF). The accountant assumed that the evaluating method adopted by External Expert is reasonable.

What so-called the income approach's freely discounted cashflow model is referring oncoming 5-year financial forecast and historical financial data to assess subject's annual profit stream generated in the future. If current income tax rate at 20% remains unchanged, the growing rate in the sustaining period adopts 2.32% of the average value of Taiwanese economic growing rate amid Y2021 to Y2025 (estimated by IMF), and the weighted average cost of capital (WACC) after referring to fellow traders' adjustment is 11.75% discount rate, together the discount rate and growing rate uses the plus-minus 0.50% to conduct the sensitivity analysis. The finding of sensitivity analysis is used to determine the range of the value and to conclude subjects estimated value. The value conclusion compiled in External Expert's assessing report is displayed as follow:

Compilation of the value conclusion listed in External Expert's appraisal report		
Item	Range	
Value range calculated by income approach(NT thousand dollar)	NT\$ 340,823	NT\$399,944
Converted Price	NT\$ 75.24 / per share	
Impute STCP's issued shares range	Approximate 4,530 shares	Approximate 5,316 shares
Total shares before STCP issues new stock	30,059 shares	
Total shares after STCP issues new stock	Approximate 34,589 shares	Approximate 35,375 shares
Ratio of the convertible share to total outstanding stock (after STCP issues new stock).	13.10%	15.03%

It was learned, analysis, data resource, and basic assumption listed in External Expert's assessing report is primarily relying on SCPC's internal administering statement data, oncoming financial forecast, and the information available on public market; upon sufficient discussion, analysis, and reconfirmation. The value range is computed by using previous 6 months, 3 months, 2 months, and 1 month of its pricing base date, Jan. 31, 2021, and it showed NT\$ 76.54, NT\$ 75.23, NT\$ 75.24, and NT\$ 74.09, respectively. Hence, both parties agree to adopt the average closing price (NT\$ 75.24) for the previous two months as the converted price to result in the value conclusion compiled as the Chart above.

Upon reviewing the result, the accountant did not find any grave misconduct which is inconsistent with the economic practice in accordance with the appraisal's pragmatic practice in appraisal.

3. Conclusion

According to the income approach's freely discounted cashflow model, fair price of SCPC's synthesis department is amid NT\$ 340,823 thousand to NT\$ 399,944 thousand. STCP shall issue equivalent shares at NT\$ 75.24 per share to acquire SCPC's synthesis department. The new issuance shall be approximately 4,530 thousand to 5,316 thousand shares of the new common stock as a consideration for the transferred subject. Those newly issued stocks will be accounted for 13.10% to 15.03% of STCP's total outstanding shares. The accountant reviews the calculation and assumes the process is reasonable.

This Opinion is analyzed and assessed by Income Approach in accordance with the financial forecast, self-closing statement, and internal report provided by STCP, as well as the information available on public. In consideration of both managements' quantifiable digit, market objective information, operating status, and future developing direction, STCP intends to use NT\$ 341,000 thousand to acquire SCPC's synthesis department, and both parties set the date of Jan. 31, 2021 as the price closing base date to calculate the average closing prices for the previous 6 months, 3 months, 2 months, and 1 month. The average closing prices showed as NT\$ 76.54, NT\$ 75.23, NT\$ 75.24, and NT\$ 74.09, respectively. Hence, both parties agree to adopt the average closing price of NT\$ 75.24 (2 months average previous to the price closing date) as the conversion price to issue the newly equivalent shares. The accountant assumed the whole process is reasonable, but the practical environment may differ from predictive circumstance, therefore, the result arising from the fact may also differ from the financial forecast data and the analysis foundation.

Jian Gi Accountant Firm

Yu, Jian-Gi

Assumption and Restriction

The undersigned assumes no responsibility for any legal affair in regard to the asset evaluation, and there is no investigation onto the asset ownership and proprietary liability. Unless otherwise provided by law, all information provided by STCP is hypothetical as validity, and the property rights are intact and transactional, without any cumbrance unable to be eliminated through normal procedures.

Based upon the commissioned scope, my assessing operation is conducting in accordance with the public market information and the financial and operation data related to the subject company. I have not engaged in independent authenticating operation on correction, existence, or completeness of the data or hypotheses, and have no comment on these subjects.

According to the best of my knowledge, all information listed in this report are correct, true, and reliable. Not but that the data resource is reliable, I will not pledge or respond in damages whenever there is a doubt onto the data resource, or the provided information, opinion, or evaluating precision. If the Court sentences that I shall be responsible for the intentional or negligent acts, I do hereby consent to make compensation for the loss or damage, but its upper limit shall not exceed the paid-up amount. The evaluation provided in this report is basic upon the aforesaid item as a premise, and shall be valid only within the statement purpose.

Appearing in court to evidence or defend any lawsuit shall not cite this evaluating content unless a prearrangement is scheduled in the beforehand and reasonable time.

Basic Hypothesis of the Value Assessment

The principally fundamental assumption of the value-assessing operation is specified as follows:

1. As of the Appraisal Base Day, the subject company has no major, unsettled affair, litigation (include taxation and other legal disputes), or liability.
2. The subject company's business operation is approximately consistent with the normal studying institutions' prediction and analysis.
3. The subject company's industrial norm and policy has no cardinal change.
4. Politics, statute, finance, and microeconomic of the market where subject company exists has no significant change.
5. Taxation and related rules of the market where the subject company exists has no grave alteration.
6. Current interest rate and exchange-rate level of the market where the subject company locates in has no major fluctuation.

If the practical condition differs from any hypothesis mentioned above, or adopting other assumptions differ from the aforesaid assumption, it could result in variation of the analyzing outcome listed in this report.

Statement of Independent Expert

In accordance with the provision of “Regulations Governing the Acquisition and Disposal of Assets by Public Company” and other relevant statutes, the accountant, referring to the Evaluation Criteria Communique and the self-discipline provision enacted by Craft Unions, issues the reviewing opinions in regard to the rational price for SCPC dividing its synthesis department’s related operation (comprise assets, liability, and operation) and transferring it to STCP for exchange of STCP’s stock. I do hereby announce the statement as follows:

1. All data resource, parameter, and information being used in the Opinion issued by the undersigned and to execute the operative procedure are completed, correct, and reasonable to serve as the basis of the Opinion. Definition of what so-called the “Completed, Correct, and Reasonable” herein is transacted in accordance with the explanation issued by Accounting Research and Development Foundation (103-Ji-Mi-Zi-Di 298), and the provision of Article 19, 21, and 23 of the Evaluation Criteria Communique (reviews on No. 8 Appraisal) published by the said Foundation (hereinafter referred to as “ARDF”).
2. Prior to accepting the case, my professional capabilities and pragmatic experiences have been verified in consistency with the qualification and condition as per Paragraph 1, Article 5 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, and prudentially appraised in accordance with the provision of Paragraph 2-1 of the identical clause.
3. Performing this case, I have properly projected and executed the appropriate operating process to evolve into a conclusion as the basis to issue my Opinion; furthermore, all executing procedure, collected data, and the conclusion are being fully and accurately carried in the original manuscript for the case operation.
4. Among the transacting parties concerned and the professional appraiser (or appraisers), I have nothing concerned with the related parties or de facto related parties of each other according the provision of Paragraph 1-2 and 1-3, Article 5 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, and declared that no following circumstances occur:
 - (1) I and my spouse at present are not employed/retained by the transacting parties to serve the regular work, receive fixed salary, or act as director or supervisor.
 - (2) I and my spouse have not served as the transacting parties’ director, supervisor, manager, or the staff who has gross influence on this case, or has been removed or leaving office less than two years
 - (3) The unit that my spouse and I now served is not a related party with the transaction parties.
 - (4) I have no kinship, either spouse or second-class relatives, with the transacting

parties' director, supervisor, manager, or staff who has gross influence onto the function of office.

- (5) I, or my spouse, am not the party related to the transacting party in major investment or sharing finance benefits.

Independent Expert: Yu, Jian-Gi, CPA

Approval Number: Jin-Quan-Zen-N5402

Date: March 5, 2021

Attachment 5:

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

Amended Clause	Current Clause	Explanation
<p>Chapter 4 directors and Audit Committee</p> <p>Article 16</p> <p>The company will have 5 to 9 board of directors with tenure period of 3 years and can be re-elected after the tenure. Elections of both directors and supervisors shall be conducted in accordance with the candidate nomination system, which will be conducted during shareholders meeting. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The percentage of shareholdings of all the directors and supervisors is subject to the provisions prescribed by the competent authority in charge of securities affairs.</p> <p>In compliance with Security and Exchange Act Article 14-2, number of independent directors should be included in the above mentioned number of directors for not less than three in number and not less than one-fifth of the total number of directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors are subject to the provisions prescribed by the competent authority in charge of securities affairs.</p> <p>The company is establishing Audit Committee starting from the 19th Board of Director meeting.</p> <p>The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.</p>	<p>Chapter 4 directors and supervisors</p> <p>Article 16</p> <p>The company will have 5 to 9 board of directors and- 2-supervisors with tenure period of 3 years and can be re-elected after the tenure. Elections of both directors and supervisors shall be conducted in accordance with the candidate nomination system, which will be conducted during shareholders meeting. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates.</p> <p>The percentage of shareholdings of all the directors and supervisors is subject to the provisions prescribed by the competent authority in charge of securities affairs.</p> <p>In compliance with Security and Exchange Act Article 14-2, number of independent directors should be included in the above mentioned number of directors for not less than two in number and not less than one-fifth of the total number of directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors are subject to the provisions prescribed by the competent authority in charge of securities affairs.</p> <p>The company is establishing Audit Committee starting from the 19th Board of Director meeting.</p> <p>The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall</p>	<p>In accordance with Audit Committee establishment and regulation</p>

Amended Clause	Current Clause	Explanation
<p>Powers exercised by the Audit Committee, committee's rules of procedure, and other matters for compliance with shall be in accordance with related regulation or company's rule of procedure. Supervisors shall be dismissal and all articles related to Supervisors within this Charter shall become invalid by the date of the Audit Committee's establishment.</p> <p>For purpose of promoting sound decision making and enhancing managerial mechanism, the Company shall establish different functional committees. Each committee's rule and procedures shall be submitted to the Board of Directors for a resolution.</p>	<p>have accounting or financial expertise.</p> <p>Powers exercised by the Audit Committee, committee's rules of procedure, and other matters for compliance with shall be in accordance with related regulation or company's rule of procedure. Supervisors shall be dismissal and all articles related to Supervisors within this Charter shall become invalid by the date of the Audit Committee's establishment.</p> <p>For purpose of promoting sound decision making and enhancing managerial mechanism, the Company shall establish different functional committees. Each committee's rule and procedures shall be submitted to the Board of Directors for a resolution.</p>	
<p>Article 17</p> <p>In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.</p>	<p>Article 17</p> <p>In case no election of new directors and supervisors is effected after expiration of the term of office of existing directors and supervisors, the term of office of out-going directors and supervisors shall be extended until the time new directors and supervisors have been elected and assumed their office.</p>	Same as above
<p>Article 19</p> <p>When the number of vacancies falls short by one third of the total number of directors of the Company are discharged, the board of directors shall convene a special shareholders meeting within 60 days to elect succeeding directors to fill the vacancies.</p>	<p>Article 19</p> <p>When the number of vacancies falls short by one third of the total number of directors, or all supervisors of the Company are discharged, the board of directors shall convene a special shareholders meeting within 60 days to elect succeeding directors to fill the vacancies.</p>	Same as above
<p>Article 22</p> <p>The company shall pay remuneration to Directors of the company for their performance of duties, regardless of the Company's profit or loss. Board of Directors is authorized to resolve the remuneration based on their participation, the value contributed to the Company, and the average level of the industry.</p>	<p>Article 22</p> <p>The company shall pay remuneration to Directors and supervisors of the company for their performance of duties, regardless of the Company's profit or loss. Board of Directors is authorized to resolve the remuneration based on their participation, the value contributed to the Company, and the average level of the industry.</p>	Same as above

Amended Clause	Current Clause	Explanation
<p>Article 22-1</p> <p>The company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy , the Board of Directors is authorized to determined insurance matters.</p>	<p>Article 22-1</p> <p>The company shall take out directors and supervisors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy , the Board of Directors is authorized to determined insurance matters.</p>	Same as above
<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>The twenty-seventh Amendment on June 9th, 2010</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> <p>The twenty-seventh Amendment on June 9th, 2010</p>	Added amendment date

Amended Clause	Current Clause	Explanation
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	
<u>The thirty-fifth Amendment on June 18th, 2021</u>		

Attachment 6:

Standard Chem. & Pharm. Co., Ltd. Rules of Procedure for Shareholders Meetings

Article 1 : The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2 : Convening shareholders meetings and shareholders meeting notices

- (1) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
- (2) This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
- (3) The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- (4) Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application

for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

- (5) Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
- (6) A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.
- (7) Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less

than 10 days.

- (8) Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
- (9) Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.
- (10) The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 3 : Presentation in person or by proxy and the scope of the proxy's authorization

- (1) it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- (2) For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.
- (3) A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- (4) After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a

written notice of proxy cancellation shall be submitted to this Corporation at least before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4 : The process of shareholder attendance registrations

- (1) This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- (2) The time during which shareholder attendance registrations will be accepted, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
- (3) Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- (4) This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- (5) This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

Article 5 : The chair and non-voting participants of a shareholders meeting

- (1) If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to

serve as chair.

- (2) When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
- (3) It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
- (4) If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- (5) This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 6 : Calculation of the number of shares in attendance

- (1) Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- (2) On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.
- (3) The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total

number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

- (4) If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.
- (5) When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 7 : Documentation of a shareholders meeting by audio or video and maintaining order at the meeting place

- (1) This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- (2) Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- (3) The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- (4) At the place of a shareholders meeting, if a shareholder

attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

- (5) When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 8 : Discussion of proposals

- (1) If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
- (2) The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
- (3) The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- (4) The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 9 : Shareholder speech

- (1) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder

account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

- (2) A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- (3) Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- (4) When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- (5) When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- (6) After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 10 : Calculation of voting shares and recusal system

- (1) Voting at a shareholders meeting shall be calculated based the number of shares.
- (2) With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued share.
- (3) When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, the shareholder shall recuse himself or herself from the voting on the item, and may not exercise voting rights as proxy for another one. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending

shareholders.

- (4) With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 11 : Voting, monitoring and calculation of proposals

- (1) A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- (2) When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.
- (3) A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two days before the date

of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

- (4) Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- (5) When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- (6) Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.
- (7) Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- (8) The election of directors at a shareholders meeting shall be held in accordance with the Procedures for Election of Directors adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they

were elected, and the names of directors not elected and number of votes they received. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 12 : Recess and resumption of a shareholders meeting

- (1) When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- (2) If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
- (3) A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 13 : Meeting minutes

- (1) Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. This Corporation may produce and distribute the meeting minutes through the MOPS.
- (2) The meeting minutes shall accurately record the time and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors ~~or supervisors~~. The minutes shall be retained for the duration of the existence of this Corporation.

Article 14 : Public disclosure

If matters put to a resolution at a shareholders meeting constitute

material information under applicable laws or regulations or under the competent authority regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 15 : Matters not stipulated in these rules shall be handled in accordance with the Company Act, related laws and regulations and this Corporation's articles of incorporation.

Article 16 : These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 17 : These Rules promulgated on 18 June 2021.

Attachment 7:

Standard Chem. & Pharm. Co., Ltd. Procedures for Election of Directors

Article 1

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2

The election and qualifications for the independent directors of this Corporation shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

Article 3

Elections of directors and independent directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

Article 4

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.

6. An international market perspective.

7. Leadership ability.

8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 5

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 6

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 7

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 8

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.

4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 9

The total number of voting rights allocated is less than the number of voting rights held by the elector, the reduction of the number of voting rights shall be regarded as abstention.

Article 10

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 11

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 12

There are uncovered matters in this procedure, which are handled in accordance with laws and regulations and the company's articles of association.

Article 13

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 14

These Procedures are agreed and signed on June 18th, 2021.

Attachment 8:

Standard Chem & Pharm CO., LTD. Comparison Table of Amended “Regulations Governing the Acquisition and Disposal of Assets”

Amendment provisions	Current provisions	Description
<p>Article 3 : Limits on investing the real property which held not for business use, right-of-use assets or securities The ceilings on the amounts the Corporation and each subsidiary is permitted to acquire the assets mentioned above:</p> <p><u>1.</u> The real property which held not for business use: the total amount shall less than 50 percent of the company's net worth.</p> <p><u>2.</u> Securities: the total amount shall less than the company's net worth.</p> <p><u>3.</u> Limits on individual securities: the total amount shall less than 50 percent of the company's net worth.</p>	<p>Article 3 : Limits on investing the real property which held not for business use, right-of-use assets or securities The ceilings on the amounts the Corporation and each subsidiary is permitted to acquire the assets mentioned above:</p> <p><u>(1)</u> The real property which held not for business use: the total amount shall less than 50 percent of the company's net worth.</p> <p><u>(2)</u> Securities: the total amount shall less than the company's net worth.</p> <p><u>(3)</u> Limits on individual securities: the total amount shall less than 50 percent of the company's net worth.</p>	Modified number based on original logical regulations
<p>Article 5: The transaction which specified in related laws and these regulations shall be approved by the Audit Committee and the BOD. 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 the procedures for the acquisition and disposal of assets are submitted for discussion by the BOD, the BOD 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 BOD meeting.</p> <p>If approval of more than half of all audit committee members as required</p>	<p>Article 5: The transaction which specified in related laws and these regulations shall be approved by the BOD. 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 supervisor. When the procedures for the acquisition and disposal of assets are submitted for discussion by the BOD, the BOD 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 BOD meeting.</p> <p>Where an audit committee has been established, when the Regulations Governing the Acquisition and Disposal of Assets are adopted or amended, they</p>	Modified the relevant regulations of supervisors due to the establishment of the Audit Committee

Amendment provisions	Current provisions	Description
<p>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 BOD 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>	<p>shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. 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 BOD 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>	
<p>Article 9: The procedure for related party transaction</p> <p>1. <i>Omitted</i></p> <p>2. Evaluation and operating 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</p>	<p>Article 9: The procedure for related party transaction</p> <p>1. <i>Omitted</i></p> <p>2. Evaluation and operating 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 recognized by the supervisors:</p>	<p>Modified the relevant regulations of supervisors due to the establishment of the Audit Committee</p>

Amendment provisions	Current provisions	Description
<p>BOD and by the Audit Committee:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(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 (1)~(4) of No.3, Article 9.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(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>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the No.1, Article 9.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><i>-Omitted below</i></p> <p>3. Evaluating reasonableness of</p>	<p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(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 (1)~(4) of No.3, Article 9.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(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>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the No.1, Article 9.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><i>-Omitted below</i></p> <p>3. Evaluating reasonableness of transaction costs</p> <p>(1) ~ (4) <i>Omitted</i></p>	

Amendment provisions	Current provisions	Description
<p>transaction costs</p> <p>(1) ~ (4) <i>Omitted</i></p> <p>(5) Where the Corporation acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with (1)&(2) of No.3., Article 9 are uniformly lower than the transaction price, the following steps shall be taken. Also, this Corporation or a public company which invest the Corporation and evaluated by the equity method, that has set aside a special reserve in accordance with the following rules, 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>I. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised</p>	<p>(5) Where the Corporation acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with (1)&(2) of No.3., Article 9 are uniformly lower than the transaction price, the following steps shall be taken. Also, this Corporation or a public company which invest the Corporation and evaluated by the equity method, that has set aside a special reserve in accordance with the following rules, 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>I. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares.</p>	

Amendment provisions	Current provisions	Description
<p>cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in this Corporation, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in this Corporation.</p> <p>II. The Audit Committee shall comply with Article 218 of the Company Act.</p> <p>III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p><i>-Omitted below</i></p>	<p>Where a public company uses the equity method to account for its investment in this Corporation, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in this Corporation.</p> <p>II. Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the Audit Committee.</p> <p>III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p><i>-Omitted below</i></p>	
<p>Article 12: Procedure of engaging in derivatives trading</p> <p>1. <i>Omitted</i></p> <p>2. Risk management measures</p> <p>(1) Credit risks management</p> <p>Due to changes in various market factors, engaging in derivatives trading is prone to derive risks. Therefore, the</p>	<p>Article 12: Procedure of engaging in derivatives trading</p> <p>1. <i>Omitted</i></p> <p>2. Risk management measures</p> <p>(1) Credit risks management</p> <p>Due to changes in various market factors, engaging in derivatives trading is prone to derive risks. Therefore, the</p>	<p>1. Modified number based on original logical regulations</p> <p>2. Modified the relevant regulations of</p>

Amendment provisions	Current provisions	Description
<p>Corporation's market risk management shall be carried out in accordance with the following principles:</p> <p><u>I.</u> Mainly conduct transactions with domestic or foreign famous financial institutions.</p> <p><u>II.</u> Trading commodities are limited to commodities provided by famous domestic and foreign financial institutions.</p> <p><u>III.</u> The un-offset transaction amount of the same transaction object shall not exceed the limit of 10% of the total authorized amount, unless approved by the general manager.</p> <p><i>-Omitted below</i></p> <p>3. Internal audit system This Corporation internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.</p> <p><i>-Omitted below</i></p>	<p>Corporation's market risk management shall be carried out in accordance with the following principles:</p> <p><u>(I)</u> Mainly conduct transactions with domestic or foreign famous financial institutions.</p> <p><u>(II)</u> Trading commodities are limited to commodities provided by famous domestic and foreign financial institutions.</p> <p><u>(III)</u> The un-offset transaction amount of the same transaction object shall not exceed the limit of 10% of the total authorized amount, unless approved by the general manager.</p> <p><i>-Omitted below</i></p> <p>3. Internal audit system This Corporation internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors and independent directors shall be notified in writing.</p> <p><u>Where the Audit Committee has been established in accordance with the provisions of the Act, for matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the Audit Committee.</u></p> <p><i>-Omitted below</i></p>	<p>supervisors due to the establishment of the Audit Committee</p>

Amendment provisions	Current provisions	Description
<p>Article 13: Procedures of mergers, demergers, acquisitions, or transfer of shares</p> <p>1. <i>Omitted</i></p> <p>2. Other things to be noted</p> <p>(1) ~ (6) <i>Omitted</i></p> <p>(7) When participating in a merger, demerger, acquisition, or transfer of another company's shares, this Corporation shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <p><u>I.</u> Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p><u>II.</u> Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p><u>III.</u> Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of</p>	<p>Article 13: Procedures of mergers, demergers, acquisitions, or transfer of shares</p> <p>1. <i>Omitted</i></p> <p>2. Other things to be noted</p> <p>(1) ~ (6) Omitted</p> <p>(7) When participating in a merger, demerger, acquisition, or transfer of another company's shares, this Corporation shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <p><u>A.</u> Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p><u>B.</u> Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p><u>C.</u> Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of</p>	<p>Modified number based on original logical regulations</p>

Amendment provisions	Current provisions	Description
<p>understanding, material contracts, and minutes of board of directors meetings.</p> <p><i>-Omitted below</i></p>	<p>board of directors meetings.</p> <p><i>-Omitted below</i></p>	
<p>Article 15: The subsidiaries shall follow the rules below:</p> <p>1. The Corporation shall see to it that its subsidiaries adopt and implement the <i>Regulations Governing the Acquisition and Disposal of Assets</i> in compliance with <i>Regulations Governing the Acquisition and Disposal of Assets by Public Companies</i>. After the procedures have been approved by the BOD, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended.</p> <p><u>Where an audit committee has been established, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</u></p> <p><i>-Omitted below</i></p>	<p>Article 15: The subsidiaries shall follow the rules below:</p> <p>1. The subsidiaries shall adopt and implement the <i>Regulations Governing the Acquisition and Disposal of Assets</i> in compliance with <i>Regulations Governing the Acquisition and Disposal of Assets by Public Companies</i>. After the procedures have been approved by the BOD, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended.</p> <p><i>-Omitted below</i></p>	<p>Modified the relevant regulations due to the establishment of the Audit Committee</p>
<p>Article 17: implementation and amended</p> <p>The Corporation's <i>Regulations Governing the Acquisition and Disposal of Assets</i> shall be approved by the Audit Committee and the BOD before submitting to a shareholders' meeting; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each member of the Audit Committee.</p>	<p>Article 17: implementation and amended</p> <p>The Corporation's <i>Regulations Governing the Acquisition and Disposal of Assets</i> shall be approved by the BOD and then shall be submitted to each supervisor before submitting to a shareholders' meeting; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor. when these procedures are</p>	<p>Modified the relevant regulations of supervisors due to the establishment of the Audit Committee</p>

Amendment provisions	Current provisions	Description
when these procedures are submitted for discussion by the BOD pursuant to the preceding paragraph, the BOD 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.	submitted for discussion by the BOD pursuant to the preceding paragraph, the BOD 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.	
Article 19 : Full articles promulgated 28 May 2003; for implementation from the date of announcement. These articles amended on 13 June 2007, 6 June 2012, 18 June 2013, 17 June 2014, 16 June 2015, 16 June 2017, 19 June 2019 and 18 June 2021 .	Article 19 : Full articles promulgated 28 May 2003; for implementation from the date of announcement. These articles amended on 13 June 2007, 6 June 2012, 18 June 2013, 17 June 2014, 16 June 2015, 16 June 2017 and 19 June 2019.	Modified latest revision date

Attachment 9:**Director Candidate List**

1. Pursuant to Article 192, paragraph 1 and Article 216, paragraph 1, any shareholder holding 1% or more of the total outstanding number of shares issued by SCPC may submit to SCPC in writing a roster for director and independent director candidates provided that the total number of candidates so nominated shall not exceed the quota of the director and independent director to be elected.
2. The acceptance period for candidate nomination for 2021's election is in between April 12, 2021 to April 22, 2021. The candidate list is then published on the Market Observation Post System in accordance with the regulation.
3. During the period, the Board of Directors nominated four Directors and three independent Directors, whose qualifications were examined and proposed to the 2021 Shareholders' Meeting for election by March 16, 2021 meeting of the Board of Directors.

Title	Name	Education	Experience	Number of Shares Held
Director	Chin-Tsai, Fan	Bachelor of Pharmacy, National Taiwan University	<ul style="list-style-type: none"> • Chairman, Standard Chem. & Pharm. Co., Ltd. • General Manger, Standard Chem. & Pharm. Co., Ltd. • Representative of Corporate Director Syngen Biotech Co., Ltd. • Chairman of the Board, Taiwan Pharmaceutical Manufacture and Development Association 	20,786,813
Director	Fan Dao Nan Foundation Representative Tzu-Ting, Fan	Master of Science in Computer Science, University of California	<ul style="list-style-type: none"> • General Manger, Standard Chem. & Pharm. Co., Ltd. • Representative of Corporate Director, Standard Chem. & Pharm. Co., Ltd. • Representative of Corporate Director, Syn-Tech Chem. & Pharm. Co., Ltd. • Representative of Corporate Director Syngen Biotech Co., Ltd. 	5,523,881
Director	Yuan-Teh Lee	Ph.D. in Medical Science, Tokyo Medical College	<ul style="list-style-type: none"> • Research Fellow in Cardiology, University of Washington at Seattle • Director, Department of Internal Medicine, National Taiwan University Hospital • Emeritus Professor, College of Medicine, National Taiwan University • Director, Standard Chem. & Pharm. Co., Ltd. • Director, MICROLIFE CORPORATION 	0

Title	Name	Education	Experience	Number of Shares Held
			<ul style="list-style-type: none"> Director ,KC Uppertech Co., Ltd 	
Director	Tsuey-Wen, Yeh	Bachelor Degree in Accounting, Shih Chien University	<ul style="list-style-type: none"> Supervisor, Standard Chem. & Pharm. Co., Ltd. 	9, 124, 669
Independent Director	Hwei-Jiung,Wang	PhD in Chemistry, University of Illinois at Urbana Champaign	<ul style="list-style-type: none"> Academician of Academia Sinica / 2017 Presidential Science Prize awardee Vice President of Academia Sinica Distinguished Research Fellow and Distinguished Visiting Chair, Institute of Biological Chemistry, Academia Sinica Acting Chief Executive Officer of Operation Center, National Biotechnology Research Park, Academia Sinica 	0
Independent Director	Lin-Yu, Lee	Bachelor Degree in Economic, Feng Chia University	<ul style="list-style-type: none"> Independent Director , Standard Chem. & Pharm. Co., Ltd. Member of Compensation Committee, Standard Chem. & Pharm. Co., Ltd. 	0
Independent Director	Shaw-Tzong,Liu	Doctor of Philosophy in Engineering University of California	<ul style="list-style-type: none"> Chairman, Advanced Analog Technology, Inc. General Manger, Advanced Analog Technology, Inc. 	0

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	26,310,694
Supervisors	1,072,177	9,140,851

Book closure date: 2021/4/20~2021/6/18

3. Directors and Supervisors shareholding record table: 2021/4/19

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	-	-
Independent Director	Hwei-Jiung, Wang	-	-
Independent Director	Lin-Yu, Li	-	-
Supervisor	Yuan-Feng, Kao	16,182	0.01
Supervisor	Tsuey-Wen, Yeh	9,124,669	5.11
Total		35,451,545	19.84

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