Stock Code 4119

SCI PHARMTECH, INC.

2025 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System:
http://mops.twse.com.tw

SCI Annual Report is available at: http://www.sci-pharmtech.com.tw

Printed on April 9, 2026

1. Name, title, contact number, and e-mail of spokesperson and deputy spokesperson

   Spokesperson
   Name: Deiter Yang
   Title: Finance & Administration Vice President
   Tel: 886-3-3543133 ext 710
   E-mail: deiter@sci-pharmtech.com.tw
   Deputy Spokesperson
   Name: Lisa Kuo
   Title: Finance & Administration Head
   Tel: 886-3-3543133 ext 711
   E-mail: lisa.kuo@sci-pharmtech.com.tw

2. Address and contact number of headquarters, branches and plant

   2.1 Headquarters and plant address:
   No.61, Ln. 309, Haihu N. Rd., Luzhu Dist., Taoyuan City , Taiwan
   Tel: 886-3-3543133
   Fax: 886-3-3544840

   2.2 Branches: None

   2.3 Plant address: (1)The address of Luzhu Factory is the same as the head office.
   (2)Guanyin factory:
   No. 5, Gongye 5th Road, Guanyin District, Taoyuan City

3. Name, address, website, and contact number of Stock Transfer Agent

   Name: Horizon Securities Co., LTD.
   Address: 3F, No.236, Sec. 4, Xinyi Rd. Taipei City, Taiwan
   Tel: 886-2-77198899
   Website: Http://www.honsec.com.tw

4. Auditors and the name, address, website and contact number of the accounting firm for the latest financial report

   Name of CPA: Serena Hsin and Huang, Keng Chia
   Name: KPMG
   Address: 68F, No.7, Sec. 5, Xinyi Rd. Taipei City, Taiwan
   Tel: 886-2-81016666
   Website: http://www.kpmg.tw

5. Overseas Securities Exchange: None

6. Corporate Website: http://www.sci-pharmtech.com.tw

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1. Letter to Shareholders

Dear shareholders:

Looking back, we have gone through a difficult journey of rebirth. Our production capacity has now been fully restored; however, in terms of financial performance, revenue in 2025 reached NT$1.34 billion, representing a 12% decline compared with 2024. This setback is part of the recovery process. Past challenges serve as nourishment for future growth, and we will respond to our shareholders' expectations by striving for revenue growth in 2026. On the operational side, 2025 was a milestone year following the disaster: we rebuilt both our software and hardware facilities and successfully passed a rigorous inspection by the U.S. Food and Drug Administration, demonstrating that our GMP system meets international standards and enabling us to continue expanding in the global pharmaceutical market.

Entering 2026, we stand at a critical turning point. Our new Guanyin plant will officially commence operations, bringing a significant increase in production capacity. The new facility will support our future needs for high–value-added product manufacturing. However, it will take time for the new plant's benefits to materialize, and in the short term it will create considerable depreciation pressure. While revenue is expected to return to a growth trajectory in 2026, profitability will remain under pressure. We uphold the belief that "steady progress ensures long-term success." From resilient post-disaster recovery to our current expansion preparations, every step must be solid and disciplined. We sincerely thank you for standing with us along the journey—your trust is the strongest support in our return to excellence.

The following is the 2025 business report and 2026 business plan.

Business Report

I. Annual Business Report of 2025

(1) Implementation results of our business plans

Operating revenue for 2025 amounted to NT$1,343,720 thousand, with a gross margin of 26%. Operating income was NT$154,246 thousand, net income after tax was NT$107,374 thousand, and basic earnings per share were NT$0.9. Due to underutilized production capacity and declining selling prices for certain products, both revenue and profitability performance were not satisfactory.

(2) Situations of budget implementation

No financial forecast was publicly issued for 2025. As for the annual budget approved by the Board of Directors in December, 2024, the Company did not successfully achieve its operating targets, and management has submitted a review and corrective action plan to the Board.

(3) Analyses of financial income and expenditure and profitability

The overview of income and expenditure in 2025 is compared and elaborated as follows:

Income:

Unit: Thousand

Item	2024	2025	Growth Rate
Revenues	1,523,738	1,343,720	-11.8%
Other incomes	482,708	24,027	-95.0%

Description:

In 2025, all major product lines recorded revenue declines, indicating intense competition in the generic drug market. This led to continued price erosion for certain products and customer orders falling short of expectations. Fortunately, the CDMO business delivered solid results, particularly for Project A products; however, overall revenue still decreased by 12%.

In 2025, there was no contribution from the prior year's insurance claim proceeds or foreign exchange gains, resulting in a significant difference in other income compared with the previous year.

Unit: Thousand

Item	2024	2025	Growth Rate
Operating cost	1,113,073	992,695	-10.8%
Operating expense	212,380	195,780	-7.8%
Non-operating expense	34,136	77,081	125.8%

Description:

In 2025, operating costs declined by roughly the same proportion as the decrease in sales revenue.

Operating expenses generally decreased in line with the drop in revenue.

Other expenses mainly consisted of losses from investee companies accounted for under the equity method—Framosa and Honeybear Biotech—based on the Company's ownership interests. Framosa is expected to begin mass production in the middle of this year, and its losses are likely to decrease significantly or turn into profits next year. Honeybear will enter the clinical trial stage for its drug products and is expected to remain in a loss position for the next few years. In addition, the U.S. dollar experienced a period of sharp depreciation during 2025, resulting in relatively large foreign exchange losses.

Analysis of profitability:

Item		2024	2025
Profitability	Return On Assets(ROA) (%)	7.8	1.6
	Return On Equity (ROE) (%)	10.1	2.0
	Profit Margin(%)	35	8
	Earnings Per Share (EPS) (NT$)	4.47	0.9

Description:

In 2025, due to the decline in revenue and the reduction in non-operating gains, all profitability indicators showed a significant decrease.

(4) Situations of research and development

The R&D team continues to invest in both CDMO services and proprietary product development,

building momentum for the Company's transformation. On the CDMO side, commercial-scale production has been launched for Project A, intermediates for a novel immunotherapy drug. Project X, a treatment for narcolepsy, and Project N, an oncology drug intermediate, are also progressing as scheduled, demonstrating our increasingly mature and refined process development capabilities.
For proprietary products, Project B, an isotope-based drug, has successfully overcome key technical barriers. With a proprietary manufacturing process that avoids patent constraints, we are currently pursuing global patent filings. At the same time, to strengthen cost competitiveness, we have optimized the manufacturing processes for Adenine and BISO-FA. Newly introduced products, including an iron supplement (iron sucrose) and a medication for ADHD, are expected to begin validation in the first quarter of 2026.
Through these tangible technology upgrades, we aim to enhance the Company's operational resilience and drive a return to a growth trajectory this year.

II. Annual business plan overview of 2026

(1) Business policy

The business policy in the future:

1. Maintain close relationships with customers, build up the connections with medications' originators and enhance the capacity utilization of Luzhu and Guanyin Plants.

2. To strengthen operational resilience by adding Guanyin plant and expand CDMO businesses.

3. Implement circular economy and energy efficiency as well as carbon reduction, contributing to the sustainability of the earth.

(2) Expected sales volume and its basis

1. Expected sales volume

Item	Sales volume（Tons）
API	248.49
Intermediate	103.28
Others	102.00
Total	453.77

2. Sales basis

The expected sales volume in the above chart is based on the company's 2026 Annual Budget approved by the board of directors. The estimation is mainly based on the demands from customers. The sales revenue is expected to grow compared with the previous year.

(3) Important policies on production and marketing:

SCI formulates its policies of production and marketing mainly based on product characteristics and customer categories:

1. APIs: The priorities are to supply products to the originators, avoid best-selling products, choose the existing APIs with high safety quality, stable market sales, new applications, and new dosage forms or possibilities for being developed into new drugs.

2. Intermediates: The target is aimed at the supplies to the originators first. Secondly, we aim to develop intermediates with high entry barriers, intermediates subject to stricter regulations and quality management systems, intermediates related to the company's core technology, intermediates with strategic cooperation partners, and the intermediates which have already been involved in the company's R & D stage. By means of the intermediates with the aforementioned

characteristics, we could achieve effective market segmentation against our competitors, so as to avoid price competition.

3. Specialty chemicals: SCI produces and sells electronic specialty chemicals using the high standards in the pharmaceutical industry. In response to customer demands, SCI develops manufacturing processes, customizing and mass-producing products.

III. The company's development strategy in the future, as well as the influence caused by external competitive environments, regulatory environments and overall business environments

Looking ahead, the Company will focus on a dual-engine capacity model and high-value CDMO services as its core growth strategy, aiming to move beyond the revenue downturn in 2025 and enter a new phase of expansion. Capacity utilization at the Luzhu plant reached nearly 80% in 2025, which not only supports demand for existing products such as anti-epileptic and antidepressant drugs, but also provides flexibility for new product manufacturing. The Guanyin new plant is expected to obtain its factory registration certificate soon. This year’s primary tasks will include pilot production and a GMP inspection by the Ministry of Health and Welfare, and it is expected to make a modest revenue contribution. Future new products will be prioritized for production at the Guanyin plant, and the addition of this facility will significantly strengthen our ability to take on CDMO orders.

Among high-value CDMO projects, a new Alzheimer’s drug remains the top priority. Progress has taken longer than expected, as the Medicines and Healthcare products Regulatory Agency again requested additional clinical data from our client in October of 2025. Final results are expected by June this year. We have completed validation batches and this product may begin contributing revenue. The U.S. new drug, Project A, generated solid revenue and profit in 2025. It is a small-molecule immunosuppressant, and the client announced highly statistically significant Phase III clinical results in January of 2026, with plans to submit a new drug application to the U.S. Food and Drug Administration in the second half of the year. We expect to continue supplying intermediates for this product. Development of the narcolepsy drug project has also accelerated after the original client transferred the project to a new partner.

The “involution” phenomenon in China has evolved from excessive domestic competition into a global supply chain disruption. To capture market share, Chinese companies have undertaken large-scale capacity expansions, resulting in production far exceeding domestic demand, triggering destructive price wars and overseas dumping. In the pharmaceutical sector, years of aggressive capital investment and expansion have led to severe overcapacity, pushing excess output into international markets and creating strong downward pressure on global API and intermediate prices. As a result, some of the Company’s product selling prices were adversely affected in 2025. This irrational competition model has raised international concern and countermeasures. For example, the United States has advanced biosecurity-related legislation restricting federal funding cooperation with certain Chinese biotech firms. We believe that focusing on high-value CDMO services creates effective market differentiation to address this excessive competition environment.

For new products manufactured at the pilot plant (Adenine, Pimobendan, Buprenorphine), GMP inspections by the Ministry of Health and Welfare were completed in November of 2024 with no major deficiencies, and GMP certificates were issued in October of Year 2025. During 2025, there were 23 on-site or remote customer audits. In June, the U.S. Food and Drug Administration conducted an on-site inspection with positive results. In September, the Ministry of Health and Welfare carried out its routine triennial GMP inspection and extended the GMP certificate validity

period. In November, the Pharmaceuticals and Medical Devices Agency completed a GMP document review for Atomoxetine HCl crude material. In December, the surveillance audit for certification renewal under ISO 9001 found no nonconformities. These inspection outcomes demonstrate that our GMP and ISO quality systems are operating effectively.

The most significant regulatory impact comes from the implementation of carbon taxes and carbon fees. In line with sustainability goals and global decarbonization trends, Taiwan began promoting and levying carbon fees in 2025, requiring high-emission industries to disclose greenhouse gas inventories and bear corresponding carbon costs. The European Union has also formally implemented the European Union Carbon Border Adjustment Mechanism (CBAM), imposing carbon-related costs on certain products exported to the EU. These regulatory developments place higher requirements on process energy use, carbon management, and supply chain transparency. The Company continues to monitor regulatory developments and evaluate their impact on manufacturing costs, product competitiveness, and international business as key inputs for operational optimization and decarbonization planning.

2025 can be described as a year strongly influenced by Donald Trump. In the pharmaceutical market, he reinstated and strengthened the “Most Favored Nation” executive order, requiring U.S. drug payment prices to align with the lowest prices among other developed countries, with some prescription drugs expected to see price cuts of 30% to 80%. When end-market drug prices are forced down, pharmaceutical companies tend to push cost pressure upstream to suppliers. On the positive side, Taiwan–U.S. trade negotiations concluded in January of 2026 with an agreement that APIs and generic drugs exported from Taiwan to the U.S. would be included on a reciprocal tariff exemption list with zero-tariff treatment, significantly enhancing the competitiveness of Taiwan’s pharmaceutical industry in the U.S. market. In addition, President Trump signed the Strategic Active Pharmaceutical Ingredient Reserve (SAPIR) executive order, establishing strategic reserves for 26 critical APIs. This benefits manufacturers able to supply U.S.-based production but challenges the traditional global division-of-labor model. The Company is based in Taiwan, with the U.S. market currently accounting for about 15% of revenue. While these orders and tariff policies have not yet had a significant direct impact on our operations, they introduce greater uncertainty as we seek to expand in the U.S. market, and we will respond with prudent and flexible strategies.

Finally,

Wish you all happiness, health, and safety.

Chairman：Wei-Chyun Wong

General Manager：Wen-Chin Chou

Accounting Manger：Wen-Chen Yang

2.Corporate Governance Report

2.1 Information on Directors and Management Team

2.1.1 Information Regarding Directors (1)

Unit: Thousand Shares March 24,2026

Title	Nationality	Name	Gender and Age	First Date Elected	Date Elected	Term (Years)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major experience / education	Currently Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Wei-Chyun Wong	M 60-69	2001. 12.17	2025. 05.26	3	527	0.55	671	0.56	69	0.06	None	None	PHD of Chemistry, University of Pennsylvania ITRI Researcher President of SCI Pharmtech, Inc.	Note 2	None	None	None	
Director	R.O.C	Shiang-Li Chen	M 60-69	2001. 12.17	2022. 06.21	3	None	None	None	None	None	None	None	None	MBA, University of Georgetown Chairman of Mercuries & Associates Holding, Ltd.	Note 3	None	None	None	
Director	R.O.C	Mercuries & Associates Holding, Ltd.	F 50-59	2001. 12.17	2025. 05.26	3	30,283	31.75	35,591	29.78	None	None	None	None	—	Note 1	None	None	None	
		Institutional representative：Chin-Hsin Hsu					5	0.00	None	None	None	None	None	None	Master of Laws, Northwestern University, USA Aaaistant partner lawyer of Wanguo Law Firm Judge of Keelung District Court, Taiwan	Note 4	None	None	None	
Director	R.O.C	Mercuries & Associates Holding, Ltd.	M 60-69	2001. 12.17	2025. 05.26	3	30,283	31.75	35,591	29.78	None	None	None	None	—	Note 1	None	None	None	
		Institutional representative：Wen-Chih Chou					15	0.02	75	0.06	135	0.11	None	None	PHD of Chemistry, National Taiwan University DCB Researcher Plant Manager, SCI Pharmtech, Inc.	Plant manager, SCI Pharmtech, Inc. Director of Yushan Pharmaceuticals Inc., Supervisor of Honey Biosciences, Inc.	None	None	None	
Independent Director	R.O.C	Te-cheng Tu (Re-election)	M 60-69	2013. 06.18	2022. 06.21	3	None	None	None	None	None	None	None	None	MBA, University of Houston President of President International Development Corp	Independent Director of Mercuries & Associates Holding, Ltd. Independent Director of Mercuries Life Insurance Co., Ltd.	None	None	None	
Independent Director	R.O.C	Chia-Chun Jay Chen	M 60-69	2015. 06.12	2025. 05.26	3	None	None	None	None	None	None	None	None	PHD of Chemistry, University of Harvard Professor/Associate Professor, National Taiwan Normal University Associate Professor, National Chung Cheng University	Specially Appointed Professor, National Taiwan Normal University	None	None	None	

Title	Nationality	Name	Gender and Age	First Date Elected	Date Elected	Term (Years)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major experience / education	Currently Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C	Vincent Wang	M 40-49	2022.06.21	2025.05.26	3	6	0.00	7	0.01	47	0.04	None	None	Double Major Master's Degree of Finance and Entrepreneurship Management, Wharton School of the University of Pennsylvania Director, EASYCARD Corp. and TAIWAN SUGAR Corp. Director of TVCA	Chairman and President of SUNSINO DEVELOPMENT Director, President Securities Investment Trust Corp. Adjunct Associate Director, SUNDER BIOMEDICAL TECH. CO., LTD. Director, SOLOMON TECHNOLOGY CORPORATION. Professor, National Taiwan University	None	None	None	
Independent Director	R.O.C	Lan-Ching Chang (New)	F 50-59	2025.05.26	2025.05.26	3	None	None	None	None	None	None	None	None	Master in Accounting, Long Island University, New York Taiwan COO of Assurance Services, EY Taiwan Senior Vice President of Standard Chartered Bank Group CFO, Yageo Corporation President of the Business Office of the General Administration Department of China Insurance Technology Co., Ltd.	None	None	None	None	

Note 1：Chairman of Mercuries & Associates Ltd., Mercuries General Media Co., Ltd., Mercuries Leisure Co., Ltd., Mercuries Harvest Co., Ltd., Mercuries Liquor & Food, Mercuries Furniture Co., Ltd., Mercuries Data Systems Ltd., Arturo Co., Ltd., Simple Mart Retail Co., Ltd., Mercuries F&B Co., Ltd., Mercuries Life Insurance Co., Ltd..

Note 2：1. Chairman and President of Yushan Pharmaceuticals Inc. Chairman of Shufeng Investment Co., Ltd., Shuren Investment Co., Ltd., Shui-Mu Foundation of Chemistry.
2. Director of Mercuries & Associates Holding Ltd., Shurong Co., Ltd., Simple Mart Retail Co., Ltd., Mercuries F&B Co., Ltd., Mercuries Life Insurance Co., Ltd., Foundation for Taiwan Masters Golf Tournament, Kaohsiung City Lixue Education Foundation, Framosa Co., Ltd., HoneyBear Biosciences, Inc..
3. Director of Criminal Investigation and Prevention Association R.O.C.

Note 3：1. Chairman of Mercuries & Associates Holding, Ltd., Mercuries General Media Co., Ltd., Mercuries Leisure Co., Ltd., Shanghong Investment Co., Ltd..
2. Director of SCI Pharmtech, Mercuries & Associates, Mercuries Life Insurance Co., Ltd., Mercuries Data Systems, Simple Mart Retail Co., Ltd., Shanglin Investment, Mercuries Liquor & Food, Mercuries F&B Co., Ltd., Simple Mart Plus Co., Ltd., Foundation for Taiwan Masters Golf Tournament, Foundation of Chinese Dietary Culture, Simple Mart Plus Investment Co., Ltd. .
3. Executive director of the Chinese Slow Pitch Softball Association.

Note 4：1. Attorney general and CSO of Mercuries & Associates Holding, Ltd.
2. Vice Chairman of Mercuries Life Insurance Co., Ltd.

3. Director of CMG INTERNATIONAL ONE CO.LTD., CMG INTERNATIONAL TWO CO.LTD., Framosa Co., Ltd., Yushan Pharmaceuticals Inc..
4. Independent director of Orient Europharma Co., Ltd., EASTERN UNION INTERACTIVE CORP.
5. Director of the National Lawyers Federation.

Note 5：The Chairman of the Board of Directors and the President of the company are the same person, the reason, reasonableness, necessity, and the measures adopted in response to the status are specified as the following : NA

Major Shareholders of SCI's Institutional Shareholders

March 31, 2026

Name of the institutional shareholders	Main shareholders of corporate bodies	
	Name	Shareholding percentage
Mercuries & Associates Holding, Ltd.	Shanglin Investment Co., Ltd.	18.07
	Shuren Investment Co., Ltd.	12.93
	Fu Sheng Investment Ltd.	9.98
	Shufeng Investment Co., Ltd.	5.00
	Shanghong Investment Co., Ltd.	4.84
	Mercury Fu Bao Co., Ltd.	4.18
	Chen, Shiang-Li	2.26
	Pension fund management committee of Mercuries & Associates Holding, Ltd. Representative：Chen, Shiang-Li	1.86
	Wong, Chau-Shi	1.77
	Chen, Shiang-Chung	1.60

Key members of Main Corporate Shareholders Listed in above Table

March 31, 2026

Names of corporate bodies	Main shareholders of corporate bodies	
	Name	Shareholding percentage
Shanglin Investment Co., Ltd.	Chen, Shiang-Li	31.41
	Chen, Shiang-Chieh	17.67
	Chen, Shiang-Feng	17.67
	Hsu, Chang-Hui	6.37
	Chen, Shiang-Chung	13.54
	Shanghong Investment Co., Ltd.	8.21
	Wang, Te-Pin	5.13
Shuren Investment Co., Ltd.	Wong, Wei-Chyun	27.89
	Wong, Tsui-Chun	24.70
	Wong, I-Hsuan	17.55
	Shufeng Investment Co., Ltd.	15.39
	Wong, Chau-Shi	14.39
	Yang, Chun-Hui	0.06
	Yang, Hsueh-Hui	0.02
Fu Sheng Investment Ltd.	Mega Prosper International Limited	100.00
Shufeng Investment Co., Ltd.	Shuren Investment Co., Ltd.	67.95
	Wong, Chau-Shi	14.62
	Wong, Wei-Chyun	8.20
	Wong, Tsui-Chun	8.20
	Yang, Chun-Hui	0.46
	Yang, Hsueh-Hui	0.26
	Wong, I-Hsuan	0.26
	Chen, Shiang-Feng	0.05
Shanghong Investment Co., Ltd	Chen, Shiang-Li	21.74
	Shanglin Investment Co., Ltd.	32.61
	Chen, Shiang-Chieh	13.48
	Chen, Shiang-Feng	13.48
	Chen, Shiang-Chung	9.56
	Hsu, Chang-Hui	5.22
	Wang, Te-Pin	3.91

Information Regarding Directors（2）

A. Professional qualifications and independence analysis of directors

Criteria / Name	Professional Qualification, and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Wei-Chyun Wong	Mr. Wei-Chyun Wong holds a Ph.D. degree in Chemistry from the University of Pennsylvania. He had served as a researcher at the Industrial Technology Research Institute, as well as the vice president and president of the company. He has decades of experience in industry, leadership, decision-making, operational management, finance, accounting, and other fields. He is currently serving as the Chairman of the company. Mr. Wei-Chyun Wong has not conducted any actions specified in any subparagraph of Article 30 of the Company Act.	1. Holding 1,096,872 shares of the company by himself, his spouse, or relative within the second degree of kinship (or by others' names). 2. Not a provider of commercial, legal, financial, accounting, or related services to the company or any affiliates of the company for the past 2 years and has not received compensation for providing such services.	0
Director Shiang-Li Chen	Mr. Shiang-Li Chen holds a Master's degree in Business Administration from Georgetown University, USA. He is the leader of the Mercuries & Associates Group, currently serving as the chairman of the Mercuries & Associates Holding, Ltd., and as the Director of several public listed companies. He has decades of experience in industry, leadership, decision-making, finance, accounting, and other fields. Mr. Shiang-Li Chen has not conducted any actions specified in any subparagraph of Article 30 of the Company Act.	1. His spouse and relatives within the second degree of kinship are not serving as the Director, supervisor, or employee of the company or its affiliate companies. 2. Himself, his spouse, relatives within the second degree of kinship (or by others' names) are not the shareholder of the company. 3. Not a provider of commercial, legal, financial, accounting, or related services to the company or any affiliates of the company for the past 2 years and has not received compensation for providing such services.	0
Director Mercuries & Associates Holding, Ltd. Institutional representative： Chin-Hsin Hsu (new)	Ms. Chin-Hsin Hsu holds a Master's degree in Laws, Northwestern University, USA. She has served as an assistant partner at the Wan Guo Law Firm and a judge at the Keelung District Court in Taiwan. He has decades of rich experience in leadership decision-making, legal affairs and other fields. He is currently the Chief Legal Officer of he Mercuries & Associates Investment Holdings Co., Ltd. Ms. Chin-Hsin Hsu has not conducted any actions specified in any subparagraph of Article 30 of the Company Act.	1. His spouse and relatives within the second degree of kinship are not serving as the Director, supervisor, or employee of the company or its affiliate companies. 2. Herself, his spouse, relatives within the second degree of kinship (or by others' names) are not the shareholder of the company. 3. Not a provider of commercial, legal, financial, accounting, or related services to the company or any affiliates of the company for the past 2 years and has not received compensation for providing such services.	2

Criteria / Name	Professional Qualification, and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director Mercuries & Associates Holding, Ltd. Institutional representative： Wen-Chih Chou	Mr. Wen-Chih Chou holds a Ph.D. degree in Chemistry from National Taiwan University and has worked as a researcher at Development Centre for Biotechnology, as well as the company's R&D Manager and Production Manager. He has decades of experience in industry, leadership, decision-making, operational management, and other fields. He is currently serving as the Plant manager of the company. Mr. Wen-Chih Chou has not conducted any actions specified in any subparagraph of Article 30 of the Company Act.	1. His spouse and relatives within the second degree of kinship are not serving as the Director, supervisor, or employee of the company or its affiliate companies. 2. Holding 210,781 shares of the company by himself, his spouse, or relative within the second degree of kinship (or by others' names). 3. Not serving as the Director, supervisor, or ployee of a company having a certain lationship with the company. 4. Not a provider of commercial, legal, financial, accounting, or related services to the company or any affiliates of the company for the past 2 years and has not received compensation for providing such services.	0
Independent Director Te-cheng Tu (Re-election)	Mr. Te-cheng Tu holds a Master's degree in Business Administration from Houston University, USA. He has served as the President of President International Development Corp. He has decades of experience in leadership, decision-making, operational management, finance, accounting, and other fields. He is currently Mercuries Life Insurance Co., Ltd.. Mr. Te-cheng Tu has not conducted any actions specified in any subparagraph of Article 30 of the Company Act.	1.His spouse and relatives within the second degree of kinship are not serving as the Director, supervisor, or employee of the company or its affiliate companies. 2. Himself, his spouse,and relatives within the second degree of kinship (or by others' names) are not the shareholder of the company. 3. Not a provider of commercial, legal, financial, accounting, or related services to the company or any affiliates of the company for the past 2 years and has not received compensation for providing such services.	1
Independent Director Chia-Chun Jay Chen	Mr. Chia-Chun Jay Chen holds a Ph.D. in Chemistry from Harvard University, USA, and is a professional in research of physical chemistry and materials chemistry. He is currently serving as Distinguished Professor at National Taiwan Normal University and has been teaching at NTNU for more than 20 years. He was awarded the Best Research Paper Award of the Year for Researchers in Institute of Atomic and Molecular Sciences, Academia Sinica, Y. Z. Hsu Scientific Paper Award, etc. Mr. Chia-Chun Jay Chen has not conducted any actions specified in any subparagraph of Article 30 of the Company Act.	1. His spouse and relatives within the second degree of kinship are not serving as the Director, supervisor, or employee of the company or its affiliate companies. 2. Himself, his spouse, relatives within the second degree of kinship (or by others' names) are not the shareholder of the company. 3. Not serving as the Director, supervisor, or employee of a company having a certain relationship with the company. 4. Not a provider of commercial, legal, financial, accounting, or related services to the company or any affiliates of the company for the past 2 years and has not received compensation for providing such services.	0

Criteria / Name	Professional Qualification, and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Vincent Wang	Mr. Wang, Vincent hold double master's degree in finance and entrepreneurial management from the Wharton School of the University of Pennsylvania, and served as a director of Easycard Corp. and a director of Taiwan Sugar Corp. , director of TVCA, currently serves as the chairman and president of Sunsino Development Associate Inc., director of President Securities Investment Trust Corp. and an associate professor at National Taiwan University. He has decades of experience in leadership, decision-making, operational management, finance, accounting, and other fields. Mr. Wang, Vincent was selected as the 52nd Top Ten Outstanding Youth. Mr. Wang, Vincent has not conducted any actions specified in any subparagraph of Article 30 of the Company Act.	1. His spouse and relatives within the second degree of kinship are not serving as the Director, supervisor, or employee of the company or its affiliate companies. 2. Himself, his spouse, relatives within the second degree of kinship (or by others' names) are holdind 54,164 shares of SCI. 3. Not serving as the Director, supervisor, or employee of a company having a certain relationship with the company. 4. Not a provider of commercial, legal, financial, accounting, or related services to the company or any affiliates of the company for the past 2 years and had not received compensation for providing such services.	0
Independent Director Lan-Ching Chang (New)	Ms. Lan-Ching Chang holds a Master's degree in Accounting, Long Island, University, New York Taiwan COO of Assurance Services, EY Taiwan., Senior Vice President of Standard Chartered Bank Group CFO, Yageo Corporation.,President of the Business Office of the General Administration Department of China Insurance Technology Co., Ltd.. Ms. Lan-Ching Chang has not conducted any actions specified in any subparagraph of Article 30 of the Company Act.	1. His spouse and relatives within the second degree of kinship are not serving as the Director, supervisor, or employee of the company or its affiliate companies. 2. Himself, his spouse, relatives within the second degree of kinship (or by others' names) are not the shareholder of the company. 3. Not serving as the Director, supervisor, or employee of a company having a certain relationship with the company. 4. Not a provider of commercial, legal, financial, accounting, or related services to the company or any affiliates of the company for the past 2 years and has not received compensation for providing such services.	0

B. The Company has established a Board Diversity Policy in accordance with Article 20 of the Corporate Governance Best Practice Principles:

1.Members of the Board shall be selected without regard to gender, age, nationality, or cultural background.

2.Members of the Board shall possess professional experience in business, legal affairs, finance, accounting, or other areas relevant to the Company's operations.

3.Members of the Board shall have capabilities in operational judgment, accounting and financial analysis, business management, crisis management, leadership, and decision-making, as well as industry knowledge and an international market perspective.

C. The diversification policy of the Board of Directors membership :

Directors	Gender	Age range	Sustainability Business Management	Leadership	Industrial Knowledge	Financial and Accounting	International market view
Wei-Chyun Wong	M	60-69	V	V	V	V	V
Shiang-Li Chen	M	60-69	V	V		V	V
Chin-Hsin Hsu	F	50-59	V	V			V
Wen-Chih Chou	M	60-69	V	V	V		V
Te-cheng Tu (old)	M	60-69	V	V		V	V
Chia-Chun Jay Chen	M	60-69			V		V
Vincent Wang	M	40-49	V	V		V	V
Lan-Ching Chang (new)	F	50-59	V	V		V	V

D. Specific Management Objectives and Implementation Status:

1 : The company is a pharmaceutical company, and the professional diversity goal in the composition of the Board of Directors is targeted at more than one-third of the members as professionals in management, chemistry, and chemical engineering. The company's Board of Directors is currently composed of 7 Directors, 2 of them are the legal representatives of the parent Mercuries & Associates Holding, Ltd. 2 of them are professionals in operational management and law, another 2 of them are chemistry professionals. As for the 3 Independent Directors, one of them is a professional in chemistry and chemical engineering which is required for the company's nature of business, and the other 2 are professionals in finance and accounting in accordance with the law. The composition of the Board of Directors meets the diversity goal stated above.

2 : The proportion of Directors who are employees is 14.3%; the proportion of Independent Directors is 42.9%; the proportion of female Directors is 28.6%; as for the term of office of Independent Directors, 2 of them served between 1 ~ 3 terms and 1 of them served more than 3 terms.

3 : The Company attaches great importance to gender equality in the composition of its board of directors, with a target ratio of female directors of more than 1/3. Board of Directors Re-election in 2025 An additional female director has been added to achieve the phased target.

4: The company values diversity and inclusiveness in corporate governance and recognizes that gender diversity can contribute to the quality of business decision-making. Currently, the selection of members of our board of directors is primarily based on professional competence, experience, and industry familiarity to ensure the effectiveness of corporate governance. Our company is only about 4% short of the regulatory target of having at least one-third representation of each gender. In the future, we will actively recruit female directors with professional skills and industry experience to enhance the gender diversity of the board. The ages of the directors, as shown in the director information form, range from 40 to 70 years, spanning two generations, and having at least two generations represented on the board is also one of our company's diversity goals.

5: Available on : SCI's website : www.sci-pharmtech.com.tw

E. The Independence Criteria of the Board of Directors membership :

The 3 Independent Directors take up a ratio of 42.9%. No Director is a spouse or relative within the second degree kinship of the other Directors.

2.1.2 President, vice presidents, assistant managers, and the supervisors of all the company's divisions and branch units.

March 24,2026

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major experience / education	Currently Other Position	Managers who are spouses or within two degrees of kinship				Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation		
President	R.O.C	Wen-Chih Chou	M	2002.06.01	74,981	0.06%	134,800	0.11%	None	None	PHD of Chemistry, National Taiwan University DCB Researcher SCI Pharmtech Inc., Plant Chief	Director of Yushan Pharmaceuticals Inc. Supervisor of Biosciences, Inc..	None	None	None		
Business Div. Vice President	R.O.C	Michele Seah	F	1998.12.01	7,893	0.01%	None	None	None	None	BS in Agricultural Chemistry, National Taiwan University ITRI Deputy Manager SCI Pharmtech Inc., BA Vice President	None	None	None	None		
Technical Div. Vice President	R.O.C	Jinun Ban Yeh (Note1)	M	2007.07.01	NA	NA	NA	NA	NA	NA	MS in Chemistry, National Tsing Hua University ITRI Researcher SCI Pharmtech Inc., R&D Vice President	None	None	None	None		
FA Div. Vice President / Spokesman / CG Officer	R.O.C	Deiter Yang	M	2003.01.01	6,941	0.01%	None	None	None	None	MS in Accounting, Tamkang University Certified Public Accountant Mercuries & Associates Holding, Ltd. Finance Manager SCI Pharmtech, Inc., F&A Manager	Supervisor of Yushan Pharmaceuticals Inc., Framosa Co., Ltd., HoneyBear Biosciences, Inc..	None	None	None		
Operating Div. Assistant Vice President	R.O.C	Wei-Song Yin	M	2015.07.01	6707	0.01%	None	None	None	None	MS in Chemistry, National Tsing Hua University ITRI Researcher SCI Pharmtech, Inc., R&D Manager	None	None	None	None		
Quality Div. Assistant Vice President	R.O.C	Bo-Fong Chen	M	2017.10.13	32,233	0.01%	None	None	None	None	Ph. D in Chemistry, National Sun Yat-Sen University SCI Pharmtech Inc., QC Manager	None	None	None	None		
Strategy Office Director	R.O.C	Sarina Lin	F	2025.12.29	68,829	0.06%	670,560	0.56%	None	None	MS in Pharmacy, Taipei Medical University Novartis Taiwan Co., Ltd., Senior Director	Note2	None	None	None		Note 4
BA Assistant Vice President	R.O.C	Nancy Lee	F	2009.05.01	161,941	0.14%	None	None	None	None	MS in Chemical Engineering, National Tsing Hua University ITRI Researcher SCI Pharmtech Inc., BA Manager	None	PD Manager	Andy Lee	Brother		
PDM&EV Manager	R.O.C	Ricky Liu	M	2002.01.01	3,143	0.00%	None	None	None	None	MS in Chemical Engineering, National Tsing Hua University SCI Pharmtech, Inc., PD Manager	None	None	None	None		
QA&RA Manager	R.O.C	Vincent Chiang	M	2002.12.16	31,430	0.03%	None	None	None	None	MS in Chemistry, National Cheng Kung University Taiwan Biotech Co., Ltd. Deputy Manager SCI Pharmtech Inc., QC Manager	None	None	None	None		
EN Manager	R.O.C	Chung-Lung Su	M	2022.03.01	13,391	0.02%	None	None	None	None	MS in Chemical Engineering, National Cheng Kung University SCI Pharmtech, Inc., EN Director	None	None	None	None		

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major experience / education	Currently Other Position	Mamagers who are spouses or within two degrees of kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
RD Manager	R.O.C	Andy Lee	M	2023.07.05	21.085	0.02%	None	None	None	None	MS in Chemistry, National Cheng Kung University Lite Materials EN Deputy Manager AUO Deputy Manager SCI Pharmtech Inc., R&D Deputy Manager	None	BA Assistant Vice President	Nancy Lee	Sister	
PD Manager	R.O.C	Jimmy Chang	M	2023.07.05	27,144	0.00%	5,017	0.00%	None	None	BS of Chemical Fiber Department, National Taiwan Institute of Technology Hualong Company Section Manager SCI Pharmtech, Inc., PD Deputy Manager	None	None	None	None	
QC Manager	R.O.C	JoJo Lu	F	2023.07.05	18,869	0.02%	8,874	0.01%	None	None	MS in Chemistry, York University Yaohua Biotechnology Research specialist Formosa Laboratories, Inc. Associate Researcher SCI Pharmtech Inc., QC Deputy Manager	None	None	None	None	

Note 1：Technical Div. of Vice Presiden, Jinun Ban Yeh, retired on September 12, 2025, and transitioned to the role of consultant.

Note 2：Director of Jiazhen, Independent Director of AmCad Biomedical, Executive Director of the North Pharmaceutical Cultural and Educational Foundation, Director of the Heart Foundation of the Republic of China, Executive Supervisor of the Chinese Women Entrepreneurs Association World Chinese Chamber of Commerce Branch.

Note 3：The chairman of the Board of Directors and the President of the company are the same person, the reason, reasonableness, necessity, and the measures adopted in response to the status are specified as the following : NA

Note 4：Chairman's wife

2.1.3 Remuneration paid out to directors, president, and vice presidents

(1) Remuneration to Directors and Independent Directors

Unit: NT$ / Thousand Shares

Title	Name	Director's remuneration								Summation of A，B，C，D, and a % of After Tax Income	
		Remuneration (A)		Retirement pension(B)		Director's Remuneration (C)		Business execution fees (D)			
		SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report
Chairman	Wei-Chyun Wong	4,129,426	4,129,426	None	None	380,000	380,000	None	None	4,509,426 4.20%	4,509,426 4.20%
Director	Shiang-Li Chen	None	None	None	None	100,000	100,000	None	None	100,000 0.09%	100,000 0.09%
Director	Mercuries & Associates Holding, Ltd.	None	None	None	None	100,000	100,000	None	None	100,000 0.09%	100,000 0.09%
	Institutional representative：Chin-Hsin Hsu	None	None	None	None	None	None	None	None	None	None
Director	Mercuries & Associates Holding, Ltd.	None	None	None	None	100,000	100,000	None	None	100,000 0.09%	100,000 0.09%
	Institutional representative：Wen-Chih Chou	None	None	None	None	None	None	None	None	None	None
Independent Director	Chia-Chun Jay Chen	360,000	360,000	None	None	240,000	240,000	None	None	600,000 0.56%	600,000 0.56%
Independent Director	Vincent Wang	360,000	360,000	None	None	240,000	240,000	None	None	600,000 0.56%	600,000 0.56%
Independent Director (old)	Te-cheng Tu	150,000	150,000	None	None	無	無	None	None	150,000 0.14%	150,000 0.14%
Independent Director (new)	Lan-Ching Chang	210,000	210,000	None	None	200,000	200,000	None	None	410,000 0.38%	410,000 0.38%

Title	Name	Remuneration to Directors Also Serving as Company Employees								Summation of A，B，C，D，E，F，G, and a % of After Tax Income		Receives remuneration from other non-subsidiary companies that the Company has invested in or parent company
		Salary, Bonuses, and Special Allowance (E)		Retirement pension (F)		Employee remuneration (G)						
						SCI		All companies listed in this Financial Report				
		SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	Cash Bonuse	Stock Bonuse	Cash Bonuse	Stock Bonuse	SCI	All companies listed in this Financial Report	
Chairman	Wei-Chyun Wong	None	None	None	None	None	None	None	None	4,509,426 4.20%	4,509,426 4.20%	1,570,000
Director	Shiang-Li Chen	None	None	None	None	None	None	None	None	100,000 0.09%	100,000 0.09%	14,247,000
Director (new)	Mercuries & Associates Holding, Ltd.	None	None	None	None	None	None	None	None	100,000 0.09%	100,000 0.09%	None
	Institutional representative：Chin-Hsin Hsu	None	None	None	None	None	None	None	None	None	None	9,615,000
Director	Mercuries & Associates Holding, Ltd.	None	None	None	None	None	None	None	None	100,000 0.09%	100,000 0.09%	None
	Institutional representative：Wen-Chih Chou	3,762,461	3,762,461	108,000	108,000	374,000	None	374,000	None	4,244,461 3.95%	4,244,461 3.95%	100,000
Independent Director	Chia-Chun Jay Chen	None	None	None	None	None	None	None	None	600,000 0.56%	600,000 0.56%	None
Independent Director	Vincent Wang	None	None	None	None	None	None	None	None	600,000 0.56%	600,000 0.56%	None
Independent Director	Te-cheng Tu	None	None	None	None	None	None	None	None	150,000 0.14%	150,000 0.14%	None
Independent Director	Lan-Ching Chang	None	None	None	None	None	None	None	None	410,000 0.38%	410,000 0.38%	None

1. Please explain the Independent Directors' remuneration policies, procedures, standards and structure, as well as their relation to the Independent Directors' responsibilities, risks, time spent, remuneration, and other factors:：Please refer to page 23-25.

2. In addition to the disclosure in the above table, Director remunerations earned by providing services (e.g. providing consulting services as a non-employee) to the company and all consolidated entities in the financial report of the most recent year: NT$ 0.

(2) President and senior vice president remuneration

Unit: NT$ / Thousand Shares

Title	Name	Salary (A)		Retirement pension (B)		Bonuses and special expenses (C) （Note 3）		Employee's remuneration (D)				Summation of A，B，C，D, and a % of After Tax Income		Amount of employee stock warrant acquired		New restricted employee shares acquired		Receives remuneration from other non-subsidiary companies that the Company has invested in or parent company
								SCI		All companies listed in this Financial Report								
		SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	Cash Bonuse	Stock Bonuse	Cash Bonuse	Stock Bonuse	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	
President	Wen-Chih Chou	2,632,800	2,632,800	108,000	108,000	1,129,661	1,129,661	374,000	0	374,000	0	4,244,461 3.95%	4,244,461 3.95%	None	None	None	None	100,000
BA Vice President	Michele Seah	2,190,492	2,190,492	0	0	985,010	985,010	274,712	0	274,712	0	3,450,214 3.21%	3,450,214 3.21%	None	None	None	None	None
RD Vice President	Jinun Ban Yeh (Note2)	1,996,840	1,996,840	75,600	75,600	131,396	131,396	0	0	0	0	2,203,836 2.05%	2,203,836 2.05%	None	None	None	None	None
FA Vice President	Deiter Yang	1,732,800	1,732,800	0	0	766,606	766,606	203,000	0	203,000	0	2,702,406 2.52%	2,702,406 2.52%	None	None	None	None	None

Note1 : The Vice Presidents of the company, Michele Seah and Deiter Yang, are applied to the old pension system, therefore the pension is not yet been paid.
Note2 : President Chou Wen-Chih's new system retirement fund contribution is NT$108,000, and Vice President Yeh, Jinun Ban's new system retirement fund contribution is NT$75,600; Vice President Yeh, Jinun Ban retired and transferred to a consultant position on September 12, 2025.
Note3 : The company provided a vehicle for President and three Vice President, the total rental fee and petrol fees are NT$1,386,251.

(3) Names of managerial officers provided with employee's remuneration and state of payments

March 5, 2026 Unit: NT$ / Shares

	Title	Name	Bonus in Stock			Bonus in Cash	Total	Total payment as a proportion of net income (%)
			Value of share	Actual price	Value of cash	Value of cash		
Managerial officers	President	Wen-Chih Chou	0	0	0	2,266,599	2,266,599	2.11%
	Business Div. Vice President	Michele Seah						
	FA Div. Vice President	Deiter Yang						
	Operating Div. Assistant Vice President	Wei-Song Yin						
	Quality Div. Assistant Vice President	Bo-Fong Chen						
	PDM/EH Manager	Ricky Liu						
	QA&RA Manager	Vincent Chiang						
	BA Manager	Nancy Lee						
	EN Manager	Chung-Lung Su						
	RD Deputy Manager	Andy Lee						
	PD Deputy Manager	Jimmy Chang						
	QC Deputy Manager	JoJo Lu						

2.1.4 Compare and analyze the total remuneration paid to each of the company's directors, president, and vice presidents in the 2 most recent fiscal years by all companies listed in the company's individual and consolidated financial statement as a percentage of net income and describe the policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its linkage to business performance and future risk exposure.

1. The ratio of total remuneration paid by the company, and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, presidents and vice presidents of the company, to the net income.

Title	Total remuneration as a proportion of net income (%)			
	2025		2024	
	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report
Directors	10.07%	10.07%	3.42%	3.42%
President and Vice Presidents	11.74%	11.74%	3.82%	3.82%

Note: The increase in remuneration ratio in 2025 was mainly due to the increase in net profit after tax in 2025.

2. Remuneration policies, standards and packages, procedures for determining remuneration and the correlation with operating performance and future risk exposure :

A. The policy, standard and combination of managers' remuneration, and the procedures for determining remuneration:

(a) Policy: The company's salary and remuneration policy is to provide the competitive salary standards to recruit and retain the critical executives for the business operation to achieve the company's stable growth and sustainable development.

(b) Standard: The salary and remuneration paid to the Managers can be classified as fixed, variable, and others. Every year, the salary and remuneration received by managers and their performance goalsand the achievement status is reported to the remunerationcommittee. For the committee to evaluate the content and amount of remuneration in accordance with the regulations of the organization, and submit its recommendations to the board of directors for discussion.

The main performance for Managers:

1.Business vice presidents and Assistant Vice President:
ESG performance, revenue Budget achievement and account collection.

2.Technology vice president and manager:
ESG performance, new product development progress and process improvement.

3.QR assistant vice president, quality assurance manager and quality control manager:
ESG performance, GMP compliance, customer complaint handling and quality system operation.

4.Operating assistant vice president, PD manager, EN manager and PDM/EHManager:
ESG performance, Product completion progress and yield, equipment Project completion Progress and waste disposal and environmental management system operation.

5. FA vice president:
ESG performance, fund managemet and compliance with laws and regulations.

Based on the total scores from varuous the performance indicators, executive assessments are categorized into A, B+, B, and C levels, with these distinctions factoring into the distribution of short-term variable compensation such as year-end bonuses and employee compensation to incentivize performance.

(c) Combination :

(c1)Fixed salary: Fixed salary is the monthly salary paid to the Managers each month, the payment standard references the statistics of industries and labor market with consideration of the job position, nature of the job, professional abilities, and the occupational supply & demand.

(c2) Variable salary: Variable salary consists of the end of year bonus, employees' remuneration (The company's articles of association stipulate that if the company makes a profit during the year, it shall allocate no less than 3% of employee remuneration.), and the foundational payment of shares. Variable salary connects part of the salary and remuneration to operational performance.

(c3) Other salary and remuneration:
According to business needs for senior executives above the Vice Presidents, the provision of a vehicle with the petrol fee can be suggested by the Remuneration Committee for approval from the Board of Directors case by case.

(d) Procedures for determining salary and remuneration:
The company's salary and remuneration of the Managers and its management procedures shall be formulated from the opinions of the Remuneration Committee after they were, proposed to and

approved by the Board of Directors.

(e) Management performance:

Overall, the ratio of variable salary is approximately 30-50%, which is highly connected to the overall operational performance of the company.

(f) Future risks:

The ratio of variable salary and remuneration is high, therefore the flexibility for the company operation is higher, which shall effectively reduce the risk of uncertainty in the future.

B. The policy, standard and combination of directors' remuneration, and the procedures for determining remuneration:

(a)Policy: To implement corporate governance and complete directors' compensation system in a bid to make directors' compensation transparent, reasonable, and systematic.

(b)Standard: Based on the scale of operations, complexity of operations, and market standards, the company formulates the "salaries and remuneration procedure for directors", and considers the contribution of individual directors to the company's performance, and distributes them reasonably. Considering that the chairman is responsible for the company's development planning, formulating strategic goals and undertaking the overall operating performance, it takes a lot of time and effort and the responsibility is heavy, so a higher reward and reward will be given. In addition, considering that independent directors also serve as members of functional committees, the overall remuneration will be higher than that of general directors.

(c) Combinations:

1.Remuneration:

In accordance with the Articles of Incorporation, if the company makes a profit within the year, the remuneration committee will consider the overall performance of the board of directors, operational performance of the company, and the future operation and risk of the company, and then make a suggestion of providing no more than 2% of the profit as the remuneration for Directors.

2. Salary:

Each director, except the Chairman, will be paid a monthly salary of NT$30,000. This salary and remuneration provision does not apply to directors who concurrently serve as managers of the Company, its subsidiaries, and its parent company. As for the Chairman's portion (including year-end bonus), it must be decided by a separate meeting of the Salary and Remuneration Committee and the Board of Directors.

3. Business Execution Related Expenses:

Except for the Chairman, no other directors will be provided with cars, travel expenses, special expenses, travel expenses, various allowances, etc.; however, if a business trip is required for the company's operations, the company should pay for the air tickets and accommodation expenses reported by the directors; the Chairman's car-related expenses must also be resolved by the Salary and Remuneration Committee and the Board of Directors.

(d) The procedures for deciding remuneration:

On March 5, 2026, the remuneration of NT$1,360,000 equal to 1.2% of the company's 2025 profit was approved by the remuneration committee and then the board of directors.

The Company completed the performance evaluation of directors on January 5, 2026, (Please refer to page 27) and took this assessment result into consideration for the distribution of directors' remuneration. Important evaluation items include directors' attendance rate, familiarity and

understanding of proposals, and whether constructive suggestions are provided.

(e) Future Risks:

Directors' remuneration is highly linked to operating performance, and the rest of the payment is fixed and controllable, so there is no significant future risk in the assessment.

2.2 Implementation of corporate governance

2.2.1 Implementation of Directors' Meetings

(1) Total of 7 meetings of the Board of Directors were held of 2025. The attendances of directors were as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance Rate in Percentage (%)	Note
Chairman	Wei-Chyun Wong	7	0	100%	
Director	Shiang-Li Chen	6	1	85.7%	
Director	Mercuries & Associates Holding, Ltd. Institutional representative：Chin-Hsin Hsu	7	0	100%	
Director	Mercuries & Associates Holding, Ltd. Institutional representative：Wen-Chih Chou	7	0	100%	
Independent Director	Chia-Chun Jay Chen	7	0	100%	
Independent Director	Vincent Wang	7	0	100%	
Independent Director	Te-cheng Tu	3	0	100%	Re-election and Step Down
Independent Director	Lan-Ching Chang	4	0	100%	Re-election of the new term

Other items that shall be recorded：

1. In the event of either of the following situations, dates, sessions, contents of resolutions of the Board Meetings, opinions from all independent directors, and Company responses to their opinions should be noted :

   (1) Any matter listed in Article 14-3 of the Securities and Exchange Act :

   Independent directors did not provide any opposing views during the 7 board meetings held in 2025.

   (2) In addition to the aforementioned matters, any other resolutions from the board meetings where an independent director expressed a dissenting or qualified opinion that have been recorded or stated by writ. : None.

2. For the implementation and state of director's recusal for conflict of interest, the director's name, contents of the topic, reasons for the required recusal, and participation in the voting process :

   (1) On June 5, 2025, Item of Discussion Matters in the Board of Directors' Meeting:

   It is planned to distribute remuneration to managers. For this item, Directors Wen-Chih Chou abstained from voting due to conflict ofinterest.

   (2) On December 29, 2025, Third Item of Discussion Matters in Board of Directors' Meeting:

   The company intended to approve the remuneration amount of the Managers. For this item, Directors Wei-Chyun Wong and Wen-Chih Chou abstained from voting due to conflict of interest.

   (3) On December 29, 2025, Sixth Item of Discussion Matters in Board of Directors' Meeting:

   Plans to subscribe for additional capital shares of Long-term equity. For this item first, Directors Wei-Chyun Wong and Shiang-Li Chen abstained from voting due to conflict of interest.

3. The information regarding the self-evaluation evaluation cycle and period, evaluation scope, method or evaluation contents, and Board of directors performance evaluation review : Please refer to page 27.

4. Goals for enhancing the functions of the Board of Directors (such as increasing information transparency) for the current fiscal year and most recent fiscal year as well as assessments of the actions implemented :

(1) Goals: A.Enhancing corporate governance, implementing information transparency, and becomeing one of the companies listed in the top 20% in the TWSE Evaluation of Corporate Governance.

B. Continuing to improve the professionalism of the Directors.

C. Maintaining strong communication between the CPAs and the company's corporate governance unit.

(2) Implementation:

A. Professionals are invited to provide laws & regulations and corporate governance lessons, providing the Directors' continuous learning on the related information.

B. The total hours of continuous learning of all Directors in 2025 met the requirements of the laws and regulations, reaching 99 hours in total.

C. The company was listed in the top 6% to 20% in the first to the sixth Evaluation of Corporate Governance, and was listed in the top 21% to 35% of companies in the seventh to the ninth Evaluation of Corporate Governance. The company was listed in the top 36% to 50% in the tenth Evaluation of Corporate Governance. The company was listed in the top 21% to 35% in the eleventh Evaluation of Corporate Governance.

D. The CPAs attends the board meetings on a quarterly basis to communicate with the directors on key audit matters, audit findings, and other audit-related issues. The CPAs also provides updates on corporate governance practices and recent regulatory changes. In 2025, the CPAs reported to the Board four times and attended the shareholders' meeting once.

(2) Total of 7 meetings of the Board of Directors were held of 2025. The attendances of independent directors were as follows:

∨：attendance in person； o：video attendanc； @：attendance by proxy； *：absent

2025	1st	2nd	3rd	4th	5th	6th	7th
Chia-Chun Jay Chen	∨	∨	∨	o	∨	∨	∨
Vincent Wang	∨	∨	∨	o	∨	∨	∨
Te-cheng Tu (old)	∨	∨	∨	-	-	-	-
Lan-Ching Chang (new)	–	–	–	o	∨	∨	∨

(3) The 2025-year Board of directors performance evaluation review as follows:：

Evaluation cycle	During the evaluation	Scope	How to evaluate it	Content
Once a year	2025.01.01~ 2025.12.31	1. Board of directors 2. Individual directors 3. Functional Committee	1.CG officer evaluate the board of directors 2.Self-evaluation by members of the Board 3.CG officer evaluate audit、remuneration and sustainable development committee	The items for evaluating questionnaire shall be determined in accordance with "Performance Evaluation Regulation of the Board of Directors". (Attachment 4)

(4) The 2025 year board of directors performance evaluation review was completed on 5 Jan. 2026, and reported on 5 March 2026 as follows :

A. Self-evaluation results of 2025 members of directors :

Director	Score	Comments
Wei-Chyun Wong	98.26	None
Shiang-Li Chen	93.04	None
Chin-Hsin Hsu	96.50	None
Wen-Chih Chou	97.39	None
Vincent Wang	97.39	It should be good.
Chia-Chun Jay Chen	99.13	None
Lan-Ching Chang	100.00	Since I took office for the first time this year, I still need to strengthen my understanding of the business of the public department and production, production, trillion, manufacturing, and process.

B. Evaluation results of CG officer :

CG officer	Score	Comments
Board of directors	95.11	Uphold the spirit of public governance and operate effectively in accordance with the law of horizontality.
Audit committee	97.27	Operate effectively in accordance with the law.
Remuneration committee	95.00	Operate effectively in accordance with the law.
Sustainable Development committee	92.22	To complete the term in the first year, it is necessary to gradually humble oneself over time.

2.2.2 Operations of the Audit Committee：

(1) Information on the members of the Audit Committee

March 31, 2026

Identity \ Criteria / Name		Professional Qualification, and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an the Audit Committee member.
Independent Director (Convener)	Vincent Wang	Please refer to page 14.	Please refer to page 14.	0
Independent Director	Chia-Chun Jay Chen	Please refer to page 13.	Please refer to page 13.	0
Independent Director (old)	Te-cheng Tu	Please refer to page 13.	Please refer to page 13.	1
Independent Director (new)	Lan-Ching Chang	Please refer to page 14.	Please refer to page 14.	0

(2) Implementation of the Audit Committee

A total of 7 Audit Committee meetings were held in 2025. The attendance of independent directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance Rate in Percentage (%)	Note
Independent Director	Vincent Wang	7	0	100%	
Independent Director	Chia-Chun Jay Chen	7	0	100%	
Independent Director	Te-cheng Tu	3	0	100%	old
Independent Director	Lan-Ching Chang	4	0	100%	new

Other items that shall be recorded：

1.Major tasks of the auditing committee in the year:
(1) Amendments to the internal control system.
(2) Assessment of the effectiveness of the internal control system.
(3) Amendment to the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
(4) Review matters in which a director is an interested party.
(5) Review asset transactions or derivatives trading of a material nature.
(6) Review loans of funds, endorsements, or provision of guarantees of a material nature.
(7) Review the offering, issuance, or private placement of equity-type securities.
(8) Review the hiring or dismissal of a certified public accountant, or their compensation and independence.
(9) The appointment or discharge of a financial, accounting, or internal audit officer.
(10) Review annual and semi-annual financial reports.
(11) Review other material matters as may be required by this Corporation or by the competent authority.

2.In the event of either of the following situations, dates, sessions, contents of resolutions of the Board Meetings, opinions from all independent directors, and Company responses to their opinions should be noted :
(1) Article 14-5 of the Securities and Exchange Act listed items :

There had been a total of 7 meetings of the Audit Committee as of 2025. The meeting resolutions are all approved by Audit Committee.

(2) Proposals approved by two-thirds of the Board of Directors and yet to be passed by the Audit Committee : None.

3.If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified : None.

4.Communication among Independent Directors, internal audit officer, and CPA (including important matters, methods, and results of the Company's finance and operations) :

(1) Head of Internal Audit:

The Head of Internal Audit shall communicate with Independent Directors in person in the Audit Committee at least 4 times a year, and submit the audit report of the previous month to all Independent Directors for review each month. In 2025, the Head of Internal Audit attended 6 Audit Committee meetings and 7 Board of Directors meetings to communicate with Independent Directors in person, and the Independent Directors haven't provided any suggestions in regards to internal audit in 2025.

(2) CPAs: The CPAs shall communicate to the Independent Directors directly at least four times per year in the Board of Directors' meetings. In 2025, the CPAs communicated with the Independent Directors in person to discuss the accounting systems, key audit matters, internal control, operational conditions, independence of the CPAs, the latest amendment in the laws and regulations, and other issues in the Board of Directors' meeting on March 10, 2025, May 9, 2025、August 7, 2025、November 7,2025, and on the shareholders' meeting on May 26, 2025. The Independent Directors have no opinions on the above-mentioned issues.

2.2.3 The state of the company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance :

Evaluation Item	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
1. Does the Company establish and disclose the Corporate Governance Best Practice Principles according to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies ?	V		The Company has established the Corporate Governance Best Practice Principles according to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and disclosed these Principles on the Market Observation Post System (MOPS) and SCI's website. The latest version of the Corporate Governance Principle has been amended and approved on Nov. 8, 2024.	None
2. Equity structure and shareholders' equity of the Company				
(1)Does the Company establish internal procedures for handling shareholders' proposals, inquiries, disputes, and litigation? Were such matters handled according to these internal procedures ?	V		A spokesperson / deputy spokesperson system has been established, and were assigned to handle shareholders' recommendations, disputes, and other questions. Matters related to the shareholders' meeting were implemented according to the Rules and Procedures of Shareholders Meeting.	None
(2)Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	V		In compliance with the regulations, the Company disclosed changes in the shareholding of insiders on a monthly basis. During the book closure period, the stock agency will provide a list of shareholders to monitor changes in the shareholding of major shareholders.	None
(3)Does the Company establish and enforce risk controls and firewall systems with its affiliated companies ?	V		The Company proceeds and abides by in accordance with its Regulations Governing the Implementation of Internal Control Systems、Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises and the Procedures for Acquisition and Disposal of Assets.	None
(4)Does the Company stipulate internal rules that prohibit insiders from trading securities using information not disclosed to the market ?	V		The Company has stipulated the Ethical Corporate Management Best Practice Principles that prohibit insiders from trading securities using information not disclosed to the market. The company has amended the Corporate Governance Principle in the Board of Directors' meeting on March 18, 2022, with the introduction of new control measures on the share trading by the company insider when acknowledging the financial report or relevant business contents of the company, which includes (but not limited to) that the Directors may not trade their shares within 30 days before the publishment of annual financial report and 15 days before the publishment of quarterly financial report. The company also notifies the directors and all employees of the above-mentioned stock trading control measures by	None

			email on a quarterly basis.	
3. Composition and responsibilities of the Board of Directors				
(1)Has a policy of diversity and specific management goals been established and implemented for the composition of the Board of Directors ?	V		The Company has established a board diversity policy in accordance with Article 20 of the Corporate Governance Code: 1.There is no distinction in gender, age, nationality or culture among directors. 2. Directors must have business, legal, financial, accounting or public The working experience required for the company's business. 3. Directors must have operational judgment, accounting and financial analysis, Sustainable business management, crisis management, leadership, decision-making and other capabilities, As well as industry knowledge and international market perspectives. In addition, please see the description on P.15 for specific management objectives and implementation status.	None
(2)In addition to the Remuneration Committee and the Audit Committee established according to the law, has the Company voluntarily established other functional committees ?	V		The Company's Board of Directors has approved the Sustainable Development Committee on December 20, 2024 Vesting to the Board of Directors.	None
(3)Has the company stipulated the board of directors performance evaluation measures and method, conducted annual performance evaluation, and reported the performance evaluation results to the Board of Directors as a reference for individual directors' compensation and nomination?	V		The company has amended the Board of Directors' Performance Evaluation Practices and Methods on November 6, 2020, and the evaluation of the Board of Directors' performance for 2025 is completed on January 5, 2026, which was reported to the Board of Directors by the Head of Corporate Governance on the Board of Directors' meeting on March 5, 2026, which shall be used as references for the Board of Directors and functional committee to determine the salary and remuneration of each Director and the nomination of continuous in office for the next term.	None
(4)Does the company regularly evaluate the independence of CPAs ?	V		The company's management authorities regularly evaluate the independence and competency of the CPAs every year. The evaluation procedures are: 1.Self-evaluation by the CPAs : fill in the CPAs' independence and competency evaluation form, and issue a declaration of detachment and independence. 2. Initial evaluation of managers. 3. CPAs report AQIs to the board of directors. 4. Review and resolution of the Audit Committee and Board of Directors: The overall evaluation results were submitted to the audit committee and the board of directors for review and resolution, and the company passed the CPAs' independence and competency evaluation on November 7, 2025. Included evaluation items: The CPAs, the spouses of CPAs, and the minor children of CPAs having no investment or	None

			sharing a financial interest with the company, and the CPAs, the spouses of CPAs, the minor children of CPAs having no financial debt with the company, etc. and AQIs.	
4. Is the company staffed with an appropriate number of qualified corporate governance personnel, does it designate a person as a corporate governance officer, responsible for matters related to corporate governance (including but not limited to providing directors and supervisors with the necessary information to perform business, assisting directors and supervisors in compliance, handling matters related to the Board of Directors meeting and the shareholders' meeting in accordance with the laws, handling company registration and registration of changes, and keeping minutes of the Board of Directors meeting and the shareholders' meeting) ?	v		The company's Head of Corporate Governance is concurrently served by the Vice President of FA, DeiterYang , who has the experience of serving as the Head of Accounting and Finance in Public Listed Companies for 22 years and with a CPA qualification. 1.The scope of the Head of Corporate Governance's authority and responsibilities: 1.1 Handling the related matters of the Board of Directors' meeting and shareholders' meeting. 1.2 Preparing the minutes of the Board of Directors' meeting and shareholders' meeting. 1.3 Assisting the Directors' onboarding and continuous learning. 1.4 Providing the required data for Directors to perform their duties. 1.5 Assisting the Directors' compliance with laws and regulations. 1.6 Report to the board of directors the results of its review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure. 1.7 Handle matters related to the change of directors. 1.8 Other matters stipulated in the company's Article of Incorporation or agreements. 2.The focus on the execution of corporate governance in 2024: 2.1 Ensuring compliance with laws and regulations. 2.2 Assisting the Directors' continuous learning and compliance with laws and regulations. 2.3 Providing related corporate governance information to the Directors. 2.4 Review the qualifications of independent directors during their term of office. 3.The continuous learning of the Head of Corporate Governance in 2025 : p.116	None
5. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' area been established on the company website? Has the Company addressed major corporate social responsibility (CSR) topics that the stakeholders are concerned in a proper manner ?	v		The company has established a daily communication channel with stakeholders, and set up a special area for interested parties on the company's website to facilitate the use of stakeholders. The Company shall respond to the issues of concern to the interested parties by the Spokesperson or the Responsible Supervisor in a unified manner. On June 5, 2025, the Head of Corporate Governance of the Company reported to the Board of Directors on the actual communication with the interested parties.	None

6. Has the Company delegated a professional stock agency to handle shareholders' meetings?	V		The company has delegated Horizon Securities Corp. to be in charge of handling affairs pertaining to shareholders' meetings .	None
7.Information disclosure (1)Did the Company establish a website to disclose information on financial operations and corporate governance ? (2)Did the Company adopt other ways of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the company website) ? (3)Does the company publicly announce and declare the annual financial report within two months after the end of the fiscal year, and publicly announce and declare the financial reports for the first, second, and third quarters and the monthly operating status early before the specified deadline ?	V V V		The company has established the official website for disclosing information on finances, business operations, and corporate governance. Links with Market Observation Post System (MOPS) have also been established to provide the prompt disclosure of information. The company has established chinese/english website and assigned persons to maintain and disclose corporate information through the website. The company has also fulfilled a spokesperson system. The company participated in the institutional investors' conference held by securities exchanges or other institutes and uploaded the brief and video of the conferences on the company's website or MOPS for investors and shareholders to reference and review. The company's financial reports for the first, second, and third quarters of 2025 were approved by the board of directors before the announcement period, and announced on the date of approval. In addition, the monthly revenue of the company is announced 1-2 days before the announcement period.	None None The company is currently not able to declare and publish the annual financial report within 2 months after the fiscal year ended.
8. Has the Company provided important information to provide better understanding of the state of corporate governance (including but not limited to employees' rights, employee care, investor relations, supplier relations, stakeholders' rights, progress of training of Directors, risk managementpolicy and state of implementing risk impact standards, state of implementing customer policies, and the Company's purchase of liability insurance for its Directors and Supervisors) ?	V		1.Employee rights： The recruitment of new employees is based on the principle of equality, including the employment of people who are physically and mentally challenged, as well as middle-aged and elderly workers. The company strictly complies with the Labour Standard Act and related laws and regulations to protect human rights and employee rights. The company holds the labor-management council every quarter to promote two-way communications, and harmonious labor-management relation has been maintained, which resulted in zero labor-management disputes arising until this day. 2.Employee cares： 2.1 The company provides emergency aid and assistance to employees, with the management participating in employees' weddings, funerals, and other events. 2.2The company invites the family of employees to participate in the company travels, end-of-the-year banquets, and other events. 2.3The management has meals with employees regularly to understand their living conditions. 2.4 The average salary for non-executive full-time employees was NT$872,000 in 2024,	None

			ranking 58rd of the 133 public listed biomedical companies. 3.Investors relationship： The company fully disclosed information on SCI's website to allow investors to understand its operation instantly. The company communicated with investors through shareholders' meetings, investor conferences, and a spokesperson system. 4.Supplier relationship： The company operates with the mindset of partnerships, practicing principles of equality and reciprocity to create a win-win situation for all. The company conducts audits irregularly to understand the operation of suppliers and to ensure the security of the supply chain. In addition, the company manages the supplier relationships following the "Supplier Management Policy"、"Ethical Corporate Management Best Practice Principles" and "Environmental Safety and health management of procurement practices," with regular audits and reports provided to the President. 5. Stakeholders' rights： The company values good relationships between our stakeholders, including employees, investors(shareholders), clients, government authorities, communities, suppliers, and others. In addition to performing the rights and obligations by following laws, regulations, related agreements, and operational requirements, the company uphold the principle of good faith, maintaining decent communication channels to protect the legal rights of all parties. 6.State of training of Directors： To enhance the promotion of corporate governance, the company has been requiring the Directors to participate in continuous learning. Please refer to the descriptions on page 114-116. 7.The implementation of risk management policies and risk measurement standards： Please refer to Page 100-106 for the descriptions of the analysis and evaluation of risk matters. 8.State of implementing customer policies: The company provides our clients all over the world with products in compliance with cGMP/ISO 9001 to ensure the satisfaction of our clients and has been continuously improving the quality system to meet the latest government laws and international regulations. Please refer to Appendix 10 for the Company's customer rights policy. In the 2025 customer satisfaction survey, seven items received a perfect score of 5.0 based on the collected samples. The item that brought the highest satisfaction was the quality and the client service, and the lowest was the price. 9.Liability insurance for the directors purchased by the company:： The company insured a US$3 million coverage from the property insurance company. The coverage amount, scope of insurance, and rates	

			of insurance fee on the agreement signed on August 3, 2025, were reported in the Board of Directors' meeting on August 7, 2025.	
9. Improvements made in the most recent year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation (TWSE), and prioritized matters and measures to be improved for matters that have not been improved.	V		1.The result of the 11th Evaluation of Corporate Governance has been announced by the TWSE on April 30, 2025 , and the company received a score of 95.42 as one of the companies listed in the top 21% to 35%. 2. Key Areas Not Meeting Standards in the 12th Evaluation in 2025: 2.1At least two investor (institutional) briefings were not held, whether by invitation or self-initiated. 2.2The scope of the personal data protection management policy did not include customers and the responsible departments or personnel. 3.Improvement Status for the 12th Evaluation in 2025: 3.1It is planned to hold at least two investor (institutional) briefings, either by invitation or self-initiated. 3.2The personal data protection management policy will be revised.	None

2.2.4 Composition, duties, and operations of remuneration committee :

(1) Information on the members of the Remuneration Committee

March 31, 2026

Identity \ Criteria / Name		Professional Qualification, and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an the Remuneration Committee member.
Independent Director (Convener)	Vincent Wang	Please refer to page 14.	Please refer to page 14.	0
Independent Director	Chia-Chun Jay Chen	Please refer to page 13.	Please refer to page 13.	0
Independent Director (old)	Te-cheng Tu	Please refer to page 13.	Please refer to page 13.	1
Independent Director (new)	Lan-Ching Chang	Please refer to page 14.	Please refer to page 14.	0

(2) Implementation of the Remuneration Committee

A total of 3 Remuneration Committee meetings were held in 2025. The attendance of independent directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance Rate in Percentage (%)	Note
Independent Director (Convener)	Vincent Wang	3	0	100%	Convener
Independent Director	Chia-Chun Jay Chen	3	0	100%	
Independent Director	Te-cheng Tu	1	0	100%	old
Independent Director	Lan-Ching Chang	2	0	100%	new

Other items that shall be recorded.

1. Composition: The 6th term of the company's Salary and Remuneration Committee has been established on June 5, 2025, and has been consists of 3 Independent Directors. For the information on the members, please refer to the "Directors'Information" page.
2. Authorities and responsibilities: (Annual work focus)

   To act under the scope of authorities and responsibilities specified in Article 6 of the company's Salary and Remuneration Committee Charter, which is specified as follows:

   (1) To review this charter and provide amendment opinions periodically.

   (2) To enact and periodically review the target goals of the Directors' and Managers' salaries and remunerations, as well as the related policies, systems, standards, and structures.

   (3) To periodically review the fulfillment of the performance goals of the company's Board of Directors and Managers, and provide opinions on the content and amount of the salary and remuneration for each of

them.

3. If the Board of Directors rejects or modifies the opinion proposed by the Salary and Remuneration Committee, then the date of the meeting, the session, the content of the motions, the resolutions determined by the Board of Directors, and the company's response to the Salary and Remuneration Committee's opinion shall all be specified (if the salary and remuneration resolution made by the Board of Directors exceeds the offering in the proposal of the Salary and Remuneration Committee, the details and cause of the difference shall be specified in the board meeting minutes): None.
4. For resolutions made by the Salary and Remuneration Committee, if any member posed opposition or opinions that are on record or stated in a written statement, then the date of the meeting, session, the content of motions, all members' opinions, and the response to the members' opinions shall be specified: None.
5. If the member is a Director, please specify whether the appointment is following the requirement stated in Paragraph 5 Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Salary and Remuneration Committee of a company Whose Stock is Listed On the Taiwan Stock Exchange or the Taipei Exchange:
   All the members are Independent Directors, which complies to the laws and regulation.

(3) Information on the members of the Sustainable Committee

March 31, 2026

Identity \ Criteria / Name		Professional Qualification, and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an the Remuneration Committee member.
Independent Director (Convener)	Wei-Chyun Wong	Please refer to page 12.	Please refer to page 12.	0
Independent Director	Vincent Wang	Please refer to page 13.	Please refer to page 13.	0
Independent Director	Chia-Chun Jay Chen	Please refer to page 13.	Please refer to page 13.	0

(4) Implementation of the Sustainable Committee

A total of 2 Sustainable Committee meetings were held in 2025. The attendance of independent directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance Rate in Percentage (%)	Note
Chairman	Wei-Chyun Wong	2	0	100%	Convener
Independent Director	Vincent Wang	2	0	100%	
Independent Director	Chia-Chun Jay Chen	2	0	100%	

Other items that shall be recorded.

1. Composition: The Company's Sustainability Development Committee was established on December 20, 2024, with the Chairman and two independent directors serving on the committee.
2. Authorities and responsibilities: (Annual work focus)

   To act under the scope of authorities and responsibilities specified in Article 6 of the company's Sustainable Committee Charter, which is specified as follows:

   2.1 Formulate, promote and strengthen the company's sustainable development policies, annual plans and strategies, etc.

   2.2 Review, track and revise the implementation status and effectiveness of sustainable development.

   2.3 Supervise the disclosure of sustainable information and review the sustainability report.

   2.4 Supervise the implementation of the Company's sustainable development code of business or other sustainable development related work approved by the Board of Directors.
3. If the Board of Directors rejects or modifies the opinion proposed by the Sustainable Committee, then the date of the meeting, the session, the content of the motions, the resolutions determined by the Board of Directors, and the company's response to the Salary and Remuneration Committee's opinion shall all be specified : None.
4. For resolutions made by the Salary and Remuneration Committee, if any member posed opposition or opinions that are on record or stated in a written statement, then the date of the meeting, session, the content of motions, all members' opinions, and the response to the members' opinions shall be specified: None.

2.2.5 The state of the company's pushing of Sustainable Development :

Pushing of Sustainable Development, Deviations from " Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof

Push Item	State of Implementations			Gaps with the Sustainable Development, Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
1.Has the company established a governing structure for sustainable development, and appointed exclusive (or concurrent) dedicated units under the command of the senior executives authorized by the Board of Directors? What is the status of the supervision from the Board of Directors?	V		The company approved the establishment of the Sustainability Development Committee during the board meeting on December 20, 2024 (see Attachment 3). This committee is under the Board of Directors and comprises the Chairman and two independent directors as members. A dedicated Sustainability Development Task Force, led by the president is responsible for implementation. Additionally, four specialized subgroups have been established. The president regularly convenes these subgroups to review and improve execution. Furthermore, the Vice President, Wen-Chen Yang, of the Corporate Governance and Social Welfare Subgroup, reports at least once a year to the Board on the current status of sustainability development execution. Please refer to Appendix 3 for the company's sustainable development commitment and goals. Please refer to Appendix 3 for the company's sustainable development policy. Please refer to Appendix 3 for the company's sustainable development management guidelines and its implementation. Supervision from the Board of Directors: The current implementation status of sustainable development in 2025 has been reported by the board of directors on December 29, 2025, and the directors have no relevant suggestions. Under the company’s Sustainable Development Committee, a total of 5 teams are established: The Executive Team, the Business Development Team, the Sustainable Environment Team (the Energy Saving & Carbon Reduction Team), the Corporate Governance Team, and the Charity Team. The teams are expected to detect business activity risks and opportunities related to the environment, clients, suppliers, employees’ safety, community, corporate governance, etc., and provide timely responses. Currently, the executive team and sustainable environment team(energy-saving and carbon-reduction team) carry out relevant inventory operations based on the greenhouse gas inventory and third-party verification schedule discussed and approved by the board of directors on 111.6.29, and report the relevant progress to the board of directors on a quarterly basis.	None
2.Does the company conduct risk assessments on environmental, social, and corporate governance	V		The company has been certified with the ISO9001 (2015 version – valid until February 9, 2029) quality management system certification, the ISO 14001	None

issues related to its operations in accordance with the materiality principle, and implement relevant risk management policies or strategies?			(2015 version – valid until January 5, 2027) environmental management system certification, and the ISO 45001 (2018 version – valid until October 16, 2028) occupational health and safety management system certification. Through maintaining the aforementioned management system, the company has been successfully controlling risks and opportunities emerging from the environment, clients, suppliers, employees' safety, and other aspects, while providing timely responses. To strengthen the company's risk management capabilities, the company's risk management policies are to determine the scope of operational risks and take appropriate actions with the procedures of identifying the risks, evaluating the risks, supervising the risks, reporting the risks, and disclosing the risks, ensuring that all operational risks are properly managed. Please refer to Attachment 5 for the company's risk management policies and procedures. The company revised the risk management policies the board meeting on May 9, 2024, and the audit committee will be responsible for supervising the operation of risk management at a higher level. The company's Head of Corporate Governance shall report to the Board of Directors on the operation status of risk management at least once each year. Supervision from the Board of Directors: The report on the operation of risk management in 2025 was completed at the Board of Directors' meeting on December 29, 2025, and the directors had no relevant suggestions. This disclosed information included the sustainable development performance of the company from January 2025 to December 2025. The scope of risk assessment only covered the company, as the only subsidiary, Yushan Pharmaceuticals, is currently having no operational activities.	
3.Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		The company has been certified with the ISO 14001 (2015 version – valid until January 5, 2027) environmental management system certification, and the ISO 45001 (2018 version – valid until October 16, 2028) occupational health and safety management system certification.The implemented complete environmental management system has been maintaining the effective operation of the aforementioned systems.	None
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		1.Improvements in energy efficiency: The company currently primarily uses electricity as its main energy source, followed by gas and steam. In terms of energy-saving management measures, both the repaired Luzhu Plant completed in 2024 and the Guanyin Plant currently under construction are equipped with the latest energy-efficient machinery and equipment. These upgrades are expected to improve energy efficiency and reduce energy loss. 2.Resource recycling and reuse: The Company is committed to process improvement to reduce energy and resource consumption during production, and to promote the recycling and reuse of	None

			raw materials and solvents. In 2025, a total of 26.3 kg of palladium was recovered, and the recovery volume of DN-series solvents reached 1,450,113 kg, thereby enhancing resource utilization efficiency and reducing waste generation. 3.Promoting circular economy: The company and Veolia Environment jointly established Formosa Specialty Chemical Recycling Corporation, focusing on 'innovative circular economy technologies' to process chemical solvents from the pharmaceutical industry. It is estimated that the annual solvent treatment capacity will reach 23,000 metric tons, with a solvent recycling rate of approximately 85%, fulfilling the vision of green manufacturing and carbon reduction. 4.Implementation of Energy Management System and Energy-Saving Improvements: In 2025, the Company implemented the ISO 50001 Energy Management System and successfully obtained external certification. Through a systematic energy management framework, the Company continues to identify opportunities for energy-saving improvements.Based on the results of energy audits, several energy-saving measures have been carried out. These include replacing lighting equipment in engineering workshops with LED fixtures and high-efficiency fluorescent lamps (99W), which not only reduce electricity consumption and costs, but also improve lighting quality, extend fixture lifespan, and enhance operational safety.In addition, leak detection equipment was introduced for the compressed air system as part of preventive maintenance. A total of 44 leakage points were identified and repaired. Upon completion, it is estimated that approximately 19,734 kWh of electricity can be saved annually, effectively reducing energy waste in the compressed air system and improving overall energy efficiency.	
(3) Does the company assess the current and future potential risks and opportunities of climate change to the company, and adopt measures to respond to climate-related issues?	V		The Company has adopted the TCFD framework and regularly identifies potential risks and opportunities arising from climate change on its operations. In addition to strengthening resilience against physical disasters, the Company is actively transforming climate challenges into opportunities for low-carbon transition. 1. Risk Identification and Response (Physical and Transition Risks) (1) Physical Risks (Heavy Rainfall and Water Scarcity): Extreme weather events may lead to unstable water supply or flooding within plant sites. In addition to maintaining basic backup systems such as generators and water storage facilities, and purchasing business interruption insurance, the Company's Guanyin new plant has established an advanced water recycling system to enhance water self-sufficiency and reduce reliance on external water sources. Meanwhile, site drainage and flood prevention systems have been strengthened to ensure operational continuity under extreme climate conditions. (2) Transition Risks (Regulations and Cost Increases): In response to domestic carbon fee regulations and increasing supply chain decarbonization requirements,	None

			the Company has proactively obtained ISO 50001 Energy Management System certification in 2025 and has completed carbon footprint inventories for major products. These data-driven initiatives support the development of decarbonization strategies and help mitigate potential financial impacts. 2. Climate Opportunities (Resource Efficiency and Technological Transformation) (1) Solvent Recovery and Circular Economy: The Company has invested NT$170 million in establishing Formosa Veolia Company in partnership with the Veolia Group of France, which is dedicated to the purification and reuse of pharmaceutical solvents. The solvent recovery rate is expected to reach 85%, significantly reducing raw material procurement costs and waste disposal expenses, while also building technological barriers in green pharmaceuticals and enhancing international competitiveness. (2) Energy Efficiency Improvement: Through process optimization and the replacement of high-efficiency equipment, the Company reduces energy consumption per unit of output, integrating its low-carbon transition pathway with long-term profitability.	
(4) Does the company count the gas emissions of greenhouse, water consumption and total weight of waste in the past two years, and does the company formulat policies on energy saving and carbon reduction, reduction of greenhouse gas and water consumption or other waste management?	v		1. Energy saving and carbon reduction, and reduction of greenhouse gas : The Company has established a cross-functional task force composed of the Office of the General Manager, the Production Management and Environmental Protection Department, the Engineering Department, and the Occupational Safety and Health Office. Biweekly environmental, safety, and engineering meetings are held to rigorously monitor the progress of environmental protection and climate change response initiatives. With the full resumption of production operations, the Company's greenhouse gas emissions in 2025 amounted to 5,920 metric tons of CO_2e for Scope 1 and 7,974 metric tons of CO_2e for Scope 2, with total emissions of 13,894 metric tons of CO_2e. This represents approximately 63.4% of the baseline emissions in 2020 (21,898 metric tons of CO_2e). Although production capacity utilization was still in the adjustment phase during the early stage of resumption, the Company continued to optimize operational efficiency through energy consumption monitoring and to identify emission hotspots across production lines based on inventory data, serving as a reference for improving energy intensity during future capacity expansion. In response to greenhouse gas management, the Company has set 2020 as the base year and aims to achieve a 20% reduction in emissions by 2030. Demonstrating strong management commitment, the Company obtained ISO 14064-1 organizational greenhouse gas verification in 2023 and ISO 50001 Energy Management System certification in 2025. In addition, carbon footprint management has been implemented for major products, with six products having obtained ISO 14067 and ISO 14044 verification. Through a comprehensive certification framework, the Company ensures a transparent and compliant data foundation in response to increasingly	None

stringent regulatory and supply chain requirements. This further supports the implementation of internal carbon pricing and the steady advancement of its low-carbon transition pathway.

2. Water consumption :

The Company's primary water source is tap water. Within the plant, water usage is categorized into four main types based on application: cooling water, boiler water, process water, and domestic water. The Company conducts annual statistics on raw water intake, recycled water volume, and total water consumption to monitor water resource usage and continuously implement water-saving initiatives.

In 2024, the raw water intake was 171,091 metric tons, recycled water volume was 89,033 metric tons, and total water consumption was 260,124 metric tons. In 2025, the raw water intake was 155,675 metric tons, recycled water volume was 81,423 metric tons, and total water consumption was 237,098 metric tons. Overall, recycled water accounted for approximately 34% of total water consumption, demonstrating the Company's ongoing efforts to improve water resource efficiency through recycling and reuse mechanisms.

Regarding water recycling policies, the cooling water systems used for heating and cooling processes, as well as condensate water from high- and low-pressure steam systems, are equipped with recycling and reuse mechanisms to reduce freshwater consumption. Recycled water is primarily used in cooling and boiler systems, effectively reducing overall water withdrawal demand.

In addition, to strengthen water management and reduce leakage risks, the Company plans to gradually replace underground pipelines with elevated piping systems. This improvement will enhance the clarity of the internal water distribution network and enable timely detection and response to potential leaks, thereby reducing water wastage and improving overall water management efficiency.

Furthermore, in response to drought risks caused by extreme weather conditions, the Guanyin new plant has established a water recycling system and expanded water storage capacity to enhance water resilience and strengthen business continuity planning.

3. Total weight of waste :

	2025	2024
Heading	Total weight (kg)	Total weight (kg)
General garbage	76,180	80,880
General business waste	1,676,490	2,055,820
Hazardous business waste	1,832,120	2,814,550
Total	3,584,790	4,951,250

Properly classify waste, develop waste-reduction processes, and increase the production of valuable by-products.

			<table><tr><td></td><td>2025</td><td>2024</td></tr><tr><td>Heading</td><td>Total weight (kg)</td><td>Total weight (kg)</td></tr><tr><td>by-product solvent</td><td>1,450,113</td><td>1,854,885</td></tr><tr><td>by-product sodium bromide</td><td>14,075</td><td>0</td></tr></table> The Company proactively transforms climate-related risks into opportunities for a circular economy. Through a joint venture with Veolia Group of France, the Company has established Formosa Veolia Company to promote the purification and reuse of pharmaceutical solvents. The solvent recovery rate is expected to reach 85%, thereby reducing raw material procurement costs and waste disposal expenses. 4. Other energy saving measure : The company has implemented multiple energy-saving masures: (1) The factory area uses induction switches and timer-controlled lighting. (2) Promote power-saving mode for office equipment and encourage employees to turn off their computers after get off work to reduce standby energy. consumption. (3) Improvement of air conditioning exhaust in office buildings, setting timed air conditioning shutdown, saving electricity consumption, etc. (4) Gradually establish energy data monitoring devices and plan to introduce an energy management system. (5) Assess the feasibility of introducing renewable energy. (6) Evaluate the energy usage of production equipment and introduce frequency conversion technology or high-efficiency equipment to reduce energy consumption.	
4. Social Issues (1) Has the Company referred to international human rights conventions to formulate policies and specific management plans for the protection of human rights, and disclose them on the company's website or annual report?	V		SCI Pharmtech, INC. supports and adheres to the fundamental principles of human rights recognized internationally, such as the Universal Declaration of Human Rights (UDHR), the International Bill of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. SCI Pharmtech, INC. has formulated a human rights policy to safeguard the rights and interests of current employees and also expects our suppliers and contractors to comply with the following principles to uphold human rights: 1.Adhere to labor standards laws and relevant applicable laws to protect employees' rights. 2.Provide a safe, healthy, and harassment-free working environment. 3.Follow the principle of equal employment, and not discriminate or treat individuals differently based on race, nationality, age, gender, marital status, political views, religion, etc., and protect the labor rights of vulnerable or marginalized groups, such as indigenous people, women, migrant workers, contract employees, and persons with disabilities. 4.Prohibit forced labor and the use of child labor.	None

			5.Respect employees' right to privacy and freedom of association. 6.Support and assist employees in maintaining physical and mental health and work-life balance. 7.Establish smooth labor-management communication channels and provide complaint mechanisms. 8.Regularly review and evaluate relevant human rights systems and actions. 9.Establish personal data protection management policies. (Attachment 9) The company also complies with the governmental labor laws and regulations which prohibited any child labor, as no employees are under the age of 18.The company's recruitment activities are all conducted via public channels, such as employment websites or the company's official website, with sufficient disclosure on the job vacancies and equality recruitment policy practiced. Under the precondition of not impacting the corporate governance and internal control, the company encourages internal hiring as a priority to promote the harmony and stability of the labor-management relationship. Specific management solutions: 1. Implement recruitment and selection control, screening application letters and interviews, and indeed check identity documents to eliminate the problem of child labor employment; since its establishment, SCI has not hired child laborers under the age of 16, nor has there been any labor disputes. 2.Take a 45-minute break at noon and leave work at 17:15 to avoid traffic spikes; hire a group meal company to provide food for employees, facilitate employee meals, and have a moderate lunch break after meals. 3.Implement leave and encourage colleagues to pay attention to work-life balance. 4.Provision is made for human rights protection education and training for colleagues once a year. 5.For other specific explanations, see Labor Relations on pages P.94-95. The company evaluates that the implementation of the 2025 human rights policy is in good condition.	
(2) Does the company establish And Implement reasonable employee welfare programs (including salary, leave, and other benefits) and adjust employee remuneration according to business performance?	V		Employee remuneration : Please refer to page 118-119. Employee leave : All practices are in line with the Labor Standard Act. Other benefits : 1.Trip activities, wedding gifts, childbirth gifts, funeral condolence money, hospitalization allowance, work-related injury leave, emergency aids, end of the year dinner party, employees' dormitory, complimentary meals, service award, insurance planning, and indoor sports court are all provided to employees. 2. Since 2014, all employees have been eligible to voluntarily participate in the Employee Stock Ownership Trust Program. The Company contributes a fixed monthly amount based on job grade to purchase Company shares. Additional contributions are also made when annual bonuses and employee profit-sharing are distributed, thereby closely aligning	None

			employee performance with the Company's operating results. Employees are required to make matching contributions, making this program an important pillar of retirement security. 3. Since 2016, the Company has contributed an amount equivalent to 3% of each employee's base salary to purchase annuity insurance, in order to enhance employees' retirement protection. 4. Starting from 2026, the statutory contribution rate under the new pension system will be increased from 6% to 7% on a monthly basis.	
(3) Has the Company provided employees safe and healthy working environments? Are employees given regular training courses on health and safety?	V		The company provides employees' health examinations each year, 8 hours of fire emergency exercise each year, 4 sessions of industrial safety training for field operators each year, group catering and drinking water safety inspection each year, and environmental inspection for chemical agents, carbon dioxide, and noises every six months. Passed ISO45001 (2018 edition) Occupational Safety and Health Management Department system certification. In 2025, there was one near-miss incident involving an employee who suffered a minor injury after accidentally falling while adjusting a fan.	None
(4) Has the Company established effective career and competence development and training plans?	V		The company has established performance appraisal and human resources management methods and employees Training and Development Plan (Appendix 11), through the performance appraisal system and The management meeting discovers outstanding and potential employees in the company and provides them with training and rotation training, using bottom-up and top-down methods, Promote employees' career development.	None
(5) Has the company followed relevant laws, regulations and international guidelines for the customer health and safety, customer privacy, and marketing and labeling of its products and services and established related consumer protection policies and grievance procedures?	V		The company's products comply with the related laws and regulations of GMP and other international standards, while also have passed the inspection and review of the Ministry of Health and Welfare of Taiwan, FDA of the USA, EDQM of Europe, and PMDA of Japan. The company does not sell its products directly to the consumers and the company insured the products with the liability insurance of USD$2 million.	None
(6) Has the company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health, or labor rights, as well as supervised their compliance?	V		Please see Attachment 8 for our company's supplier management policy. The company is regulated by Article 26 of the company's Sustainable Development Best Practice Principles and the Environment, Safety, and Health Management Procedures on its purchase operations. The Corporate Social Responsibility Code stipulates that, prior to engaging in business transactions, suppliers should be assessed for any records of environmental or social impacts, and transactions with suppliers whose practices are inconsistent with the Company's CSR policies should be avoided. The Integrity Management Policy further requires that the Company evaluate whether suppliers have any history of dishonest conduct. If a contracted supplier is found to have engaged in dishonest practices, the contract may be terminated or rescinded at any time.	None

			The Company requires all raw material suppliers to complete supplier questionnaires and undergo evaluation. The questionnaires are updated at least once every five years to ensure that their management systems and product quality meet the Company's requirements in quality, environmental health and safety, corporate social responsibility, human rights, and ethical standards, thereby reducing procurement risks. For key material suppliers and those classified as higher risk, the Quality Assurance (QA) department identifies priority audit targets each year and arranges on-site audits. These audits are conducted by the QA department or third-party auditors. The scope of audits includes environmental protection, employee training, quality control, and environmental, health, and safety (EHS) management. After completion, audit reports are issued, and suppliers are required to implement corrective and preventive actions, with follow-up monitoring of implementation status. In 2025, the Company's QA department conducted audits on 10 suppliers, with product quality as the primary audit focus. Approved suppliers are included in the Approved Vendor List (AVL). In the supplier evaluation system, which is based on a total score of 100 points, suppliers may receive 5 points each (up to a maximum of 20 points) for holding internationally recognized certifications such as ISO 14001, ISO 45001, or ISO 14064, or for providing declarations on ethics and human rights. These criteria are incorporated into the annual procurement decision-making process. In addition to delivery performance, price competitiveness, problem-solving capability, and cooperation level, sustainability-related factors are gradually being integrated into the supplier evaluation system.	
5. Does the company refer to internationally accepted report preparation standards or guidelines to prepare Sustainable Development reports to disclose the company's non-financial information? Has the company received assurance or certification of the aforesaid reports from a third party accreditation institution?		V	The Company's 2024 Sustainability Report (covering fiscal year 2024) was prepared in accordance with internationally recognized sustainability reporting standards and has been assured by the British Standards Institution (BSI). The 2024 Sustainability Report was uploaded by the end of September 2025.	None
6. Where the Company has stipulated its own Best Practices on Sustainable Development according to the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, please describe any gaps between the prescribed best practices and actual activities taken by the Company : None.				
7. Other important information useful for understanding the state of Sustainable Development operations : (1) Environmental friendly : A: Passed ISO 14001（2015）and ISO 45001（2018）Certification, and the company has been commissioning agencies recognized by the competent authority to conduct annual operational environment examinations and water quality examinations, enhancing the pollution prevention measures and maintaining the company's compliance with laws and regulations of environmental protection. B: Cooperation with Industrial Technology Research Institute allows the company to enhance its pollution protection facilities and technologies.				

C: The company's related expense on environmental protection activities in 2025 is NT$79,468 thousand, approximately 5.91% of the revenue.

(2) Community involvement :

A: Sponsorship of neighboring temples to Purdue, and other sesame oil money.

B: Sponsored the Mid-Autumn Festival Gala in Haihuli and Binhaili. Sponsoring the community elementary school's table tennis team to support sports development.

C: Providing the venue to the Republic of China Armed Forces for military exercises.

D:Participating in community activities to maintain a decent relationship with the residents.

E: Performing joint fire safety exercises with the Shan Jiao Branch of the Fire Department.

(3) Social contributions :

A: Dedicating to the shareholders' interest and benefit: The net profit after tax in 2025 is NT$ 107,374 thousand.

B: Contribution to the national treasury tax revenue as an honest taxpayer: The submitted business income tax in 2025 is NT$ 65,655 thousand.

C: Attending to the interest and benefits of the employees and creating job opportunities:
As of the end of 2025, the company hired 268 employees with harmonious labor-management relations and zero records of labor-management disputes. The expense on employee welfare in 2025 is NT$ 281,821 thousand.

D: Manufacturing medical and pharmaceutical products, striving for the improvement of human health.

(4) Social service and welfare :

A: Joining the Republic of China Criminal Investigation Association to support the development of police public services.

B: Donated to the Zhang Zhaoding Foundation to sponsor research and publication in science, culture and talent cultivation.

(5)Health and safety :

A: Enacting comprehensive standard operating procedures and requiring the employees to follow them strictly.

B: Requiring the employees to wear protective equipment, such as safety goggles, safety footwear, safety helmet, protective clothing, etc.

C: Installing adequate emergency medical equipment such as AED with regular inspections, updates, and operations.

D: Regularly performing internal and external industrial safety educational training sessions, as well as health, safety, and environment examinations.

E: Offering employees' health examinations annually, with additional examination items provided to operators tackling special tasks.

(6) Other sustainable development activities :

A: Promote physical and mental well-being by organizing employee travel and leisure activities.

B: Establish table tennis, billiards, basketball, and badminton facilities to provide employees with comfortable recreational sports venues.

C: In 2025, the Company organized health promotion activities including basketball competitions, weight-loss challenges, physical fitness programs, and health seminars on nutrition and smoking cessation, actively promoting employee wellness activities with more than 230 participant engagements in total.

D: In 2025, the Company received the Bronze Award from the Ministry of Health and Welfare's Epidemic Prevention Alliance.

E: In 2025, the Company joined the Carbon Disclosure Project (CDP) and received a B rating.

F: In 2025, the Company was awarded a Bronze Medal by EcoVadis.

2.2.5.1 Climate-related information implementation status :

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>1. Describe the Board's and management's oversight and governance of climate-related risks and opportunities.</td><td>At the Board meeting on December 20, 2024, the Sustainability Committee was established under the Board (see Annex 3). The Chairman and 2 independent directors serve as committee members. The Executive Task Force is led by the President, with 4 specialized subgroups. The President periodically convenes each group, and Vice President Yang Wen-Zhen of the Corporate Governance & Social Welfare Group reports annually to the Board on SCI's sustainability implementation.</td></tr>
<tr><td>2. Describe how identified climate risks and opportunities affect the company's business, strategy, and finances (short-, medium-, and long-term).</td><td>SCI has preliminarily identified climate risks and opportunities:
Short-term: Extreme weather events may cause production disruptions, logistics delays, reduced sales, and increased costs. SCI has established contingency plans to mitigate potential impacts.
Medium-term: Unstable climate conditions may affect specific raw material supplies. SCI will strengthen supply chain management.
Long-term: Climate change may affect SCI's sustainability and financial stability. SCI has adopted the TCFD risk assessment framework to evaluate specific issues and adjust long-term strategies accordingly.</td></tr>
<tr><td>3. Describe the financial impacts of extreme weather events and transition actions.</td><td>In response to potential short-term disruptions from extreme weather (heavy rainfall and water scarcity), SCI employs flexible production scheduling and raw material buffer strategies. SCI also invests in water recovery systems to enhance water resilience and energy-efficient equipment to reduce mid-to-long-term energy and carbon cost expenditures. While such investments involve short-term capital outlays, they substantially strengthen SCI's competitiveness and long-term financial health.</td></tr>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>SCI has established a 'Risk Management Policy and Procedures' to strengthen corporate governance. In response to global climate change trends, SCI conducts TCFD assessments of climate-related risks and opportunities, and continuously develops short-, medium-, and long-term GHG reduction targets and actions. Climate risk will be progressively integrated into SCI's overall risk management framework.</td></tr>
<tr><td>5. If scenario analysis is used to assess climate resilience, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts.</td><td>Climate Risk & Opportunity Register:
<table>
<tr><th>No.</th><th>Issue</th><th>Risk/Opportunity Type</th><th>Level</th><th>Potential Financial Impact</th><th>Management Actions</th></tr>
<tr><td>1</td><td>Global Carbon Pricing & Transition Regulations</td><td>Transition Risk: Policy & Regulation</td><td>High</td><td>Estimated ~14,700 tCO_2. At NT$300/ton, projected carbon fee ~NT$4.41M.</td><td>1. Conduct GHG inventory & third-party verification.
2. Implement internal carbon pricing.</td></tr>
<tr><td>2</td><td>Extreme Climate Adaptation: Flood Resilience</td><td>Physical Risk: Acute</td><td>Low</td><td>2025 revenue: NT$1.344B. Each day of stoppage due to heavy rain: estimated revenue loss ~NT$6.11M.</td><td>1. Monthly monitoring of plant energy and water consumption.
2. Install additional drainage pumps to prevent flooding.</td></tr>
</table></td></tr>
</table>

	3	Water Scarcity & Water Consumption Fee	Physical Risk: Chronic / Regulatory	Medium	SCI is installing a new water recovery system to reduce usage below threshold or qualify for levy reductions. A 10% water restriction for 15 days: estimated revenue loss ~NT$44.8M.	1. Improve process water recovery rate. 2. Guanyin Plant installed new water recovery system. 3. Guanyin Plant expanded reservoir capacity.
	4	Low-Carbon Technology & Resource Efficiency	Opportunity: Technology / Resource Efficiency	High	SCI invested ~NT$170M with Veolia to establish Formosa Co. for pharmaceutical solvent purification and reuse. Projected recovery rate: 85%, ~23,000 tons/year. After operation, SCI will save on raw material procurement and disposal costs, and receive profit sharing from Formosa Co.	1. Expand technology to more processes. 2. Develop integrated pharmaceutical-circular economy model; transform solvent purification technology into a green product value proposition.
	5	Renewable Energy & Energy Savings Policy	Opportunity: Policy & Legal / Market	Medium	If covered under future expanded regulations, estimated solar panel benefit: ~NT$2,300/kWp. Increases green energy ratio; reduces carbon tariffs (e.g. CBAM) and future domestic carbon fees.	1. Implement energy management system. 2. Install 500 kW solar PV system. 3. Evaluate procurement of Renewable Energy Certificates (RECs).
	6	Supply Chain Decarbonization & Procurement Risk	Transition Risk: Market / Upstream	Medium	Estimated potential financial impact from supplier climate transition cost pass-through: ~NT$3.8M. SCI will continue optimizing supply chain management to mitigate cost fluctuations.	1. Implement supplier ESG management and self-assessment. 2. Guide key suppliers in conducting GHG inventory.

	7	Low-Carbon Process R&D & Reputational Opportunities	Opportunity: Products & Services	Medium	Increase share of EU customer orders; improve market share; facilitate green financing interest rate reductions.	1. Develop low-carbon processes. 2. Actively participate in CDP and other international disclosure initiatives.
	8	Responsible Financing & Interest Cost Management	Transition Risk: Market / Reputation	Medium	If ESG performance falls short, SCI may face reduced credit limits or lose access to Sustainability-Linked Loan (SLL) preferential rates, increasing long-term financial burden.	1. Evaluate Sustainability-Linked Loan (SLL) framework to secure preferential rates. 2. Actively respond to ESG inquiries from financial institutions and stakeholders.

6. If there is a transition plan to manage climate-related risks, describe its content and the metrics and targets used.	The Board approved a GHG inventory and third-party verification schedule. While the original target was to complete third-party verification by 2026, SCI completed GHG inventory for 5 products and the organizational GHG inventory with external verification ahead of schedule in 2025. Using 2020 (pre-fire) GHG emissions as the baseline: 1. Carbon Reduction Target: Achieve 20% reduction in carbon emissions by 2030. Measures: Improve energy efficiency, introduce renewable energy, optimize processes. 2. Renewable Energy Introduction: Launch renewable energy installation plan by 2027. Measures: Assess feasibility of solar panel installation. 3. Energy Management System: Obtain ISO 50001 certification by 2026. Update: SCI obtained ISO 50001 certification ahead of schedule in 2025.
7. If internal carbon pricing is used as a planning tool, explain the basis for price determination.	SCI has set an internal carbon price of NT$300 per metric ton as a reference in the ROI calculation for major equipment procurement, to prioritize lower-carbon alternatives. This figure will be adjusted dynamically in line with domestic climate change legislation.
8. If climate-related targets have been set, describe the covered activities, GHG emission scopes, planned timeframes, annual progress, and use of carbon offsets or RECs.	SCI has set the following climate targets: 1. Carbon Emission Reduction — Scopes 1 & 2; 2020 pre-fire baseline; target: 20% reduction by 2030. Progress: 2023–2024: GHG inventory for 4 products + organizational GHG inventory; baseline set. 2025–2026: Specific carbon reduction plans; process optimization and equipment replacement. 2027–2028: 10% reduction; implement energy management system and monitoring. 2029–2030: Achieve 20% reduction; complete renewable energy installation or REC procurement. 2. Renewable Energy — Scope 2; launch installation plan by 2027; assess solar panels. Progress: 2025–2026: Feasibility assessment. 2027–2028: Procurement planning. 2029–2030: Installation. 3. Energy Management System — all facilities; ISO 50001 by 2026 (achieved in 2025 ahead of schedule). If carbon offsets or RECs are required in the future, SCI will evaluate participation in carbon credit trading or REC purchases.

2.2.5.2 Greenhouse Gas Inventory and Confirmation Status

Item	Details
1. GHG emissions, intensity, and data coverage for the most recent two years (tCO_2e)	2023: Scope 1+2 = 10,925 tCO_2e; Intensity: 9.07 tCO_2e/M NTD (Scope 1: 2,978 | Scope 2: 7,947 | Scope 3: 11,691 | Total: 22,616 tCO_2e) 2024: Scope 1+2 = 13,619 tCO_2e; Intensity: 8.95 tCO_2e/M NTD (Scope 1: 3,499 | Scope 2: 10,120 | Scope 3: 15,882 | Total: 29,500 tCO_2e) 2025: Scope 1+2 = 14,699 tCO_2e; Intensity: 10.94 tCO_2e/M NTD (Scope 1: 5,785 | Scope 2: 8,914 | Scope 3: 17,958 | Total: 32,657 tCO_2e) In 2025, following full resumption of all production areas, total Scope 1+2 emissions were 14,699 tCO_2e, approximately 67.1% of the pre-fire 2020 level (21,898 tCO_2e). Emission intensity is slightly higher than 2020 as fixed energy costs are spread over a still-ramping production volume.
2. Assurance details for the most recent two years (scope, institution, standard, opinion)	Assurance Scope: January 1, 2025 – December 31, 2025; SCI Pharmtech, Inc. Assurance Body: BSI Assurance Standard: ISO 14064:2018 Assurance Opinion: ISO 14064:2018 verification for 2025 was completed in April 2026.

2.2.6 Implementation of Ethical Corporate Management, Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Reasons Thereof

Evaluation Item	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
1. Stipulating policies and plans for ethical corporate management				
(1) Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies, practices, as well as the commitment of the board of directors and the senior management to rigorous and thorough implementation of such policies?	V		The company's Board of Directors approved the latest amendment of the Ethical Corporate Management Best Practice Principle on June 13, 2024, with the corporate ethical management policies specified in its contents, which shall be implemented thoroughly in the internal management and external business operations in a fair, just, and open manner. The company's ethical corporate management policy is "Treating all the stakeholders with honesty and integrity, promoting the transparency of the company management; Internalize honesty and integrity as the core value of the company and have zero-tolerance for any unethical behaviors." The company's Directors and the senior executives above the Manager level have signed the Declaration of Ethical Management.	None
(2) Has the company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within its business scope which are at a higher risk of unethical conduct, and established prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		The company's Audit Office conducts audit operations following the annual audit plan enacted after the evaluation of risks every year, and no unethical behaviors were discovered through the audit for 2025. The contents of the company's Ethical Corporate Management Best Practice Principle include the prevention measures for every item stated under the subparagraphs of paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principle for TWSE/GTSM Listed Companies. The Audit Office audited the implementation of ethical corporate management in 2025, and no unethical behaviors were discovered. The company actively observes the development of the domestic and international ethical corporate management and encourages the Directors, Managers, and personnel to offer suggestions for the improvement of the ethical corporate management policy and implementation measures, enhancing the efficiency of the company's ethical corporate management.	None
(3) Has the company specified in its prevention programs the operating procedures, guidelines, disciplinary measures for violations, and a grievance system, and implemented them and reviewed the prevention programs on a regular basis?	V		The contents of the company's Ethical Corporate Management Best Practice Principle include the operational procedures, guidelines of behaviors, disciplinary actions when violating the rules, and the complaint systems (please refer to Attachment 1), which are implemented accordingly. To prevent any unethical behavior, the company requires the employees to actively propose explanations when they meet any ethical concerns and conflicts of interest and follow the regulation of	None

			the Ethical Corporate Management Best Practice Principle. The company has established a complaint channel for employees or related personnel to blow the whistle on any inappropriate business behaviors, which shall be handled by the managerial executives appointed by the company. There were no unethical behaviors discovered or any whistle-blowing incidents in 2025. The company's Board of Directors enacted the latest amended Ethical Corporate Management Best Practice Principle at the meeting on June 13, 2024, and it is expected to be submitted to the shareholders' meeting on May 26, 2025.	
2. Implementing ethical corporate management				
(1) Has the Company evaluated ethical records of its counterpart? Does the contract signed by the Company and its trading counterpart clearly provide terms on ethical conduct?	V		Currently, before the company trade with a supplier, the personnel in charge of the case will review the supplier's past transaction record or conduct Internet searches on the supplier to ensure there is no record of unethical behaviors, and it shall be clearly stated in the agreement that the company may terminate or cancel the agreement at any time if any unethical behaviors are involved.	None
(2) Has the company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once a year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		The company's dedicated unit in charge of promoting ethical corporate management is the President Office, which is supervised by the President, while the assigned Head of Corporate Governance is required to report to the Board of Directors annually concerning the implementation progress of the previous year, and the Audit Office shall audit the compliance of above-mentioned systems. The most recent report to the Board of Directors occurred at the Board meeting on March 5, 2026, where the report on the 2025 ethical corporate implementation was conducted by the Head of Corporate Governance, and no fraud or unethical behaviors have occurred in 2025.	None
(3) Has the Company established policies preventing conflicts of interests, provided proper channels of appeal, and enforced these policies and channels accordingly?	V		To prevent any unethical behavior, the company requires the employees to actively propose explanations when they meet any ethical concerns and conflicts of interest and follow the regulation of the Ethical Corporate Management Best Practice Principle.	None
(4) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted CPAs to conduct the audit?	V		The company has established effective accounting and internal control systems to ensure the implementation of ethical corporate management, and the Audit Office will audit the compliance of the aforementioned systems following the annual audit plan.	None

(5) Does the Company regularly organize internal and external training courses on ethical corporate management?	V		The company has enacted the Procedures for Handling Material Inside Information and Ethical Corporate Management Best Practice Principle, which strictly prohibits insiders such as Directors or employees to gain profit from trading the company's shares with information not available to the public. The company has amended the Corporate Governance Principle in the Board of Directors' meeting on March 18, 2022, with the introduction of new control measures on the share trading by the company insider when acknowledging the financial report or relevant business contents of the company, which includes (but not limited to) that the Directors may not trade their shares within 30 days before the publishment of annual financial report and 15 days before the publishment of quarterly financial report. The company also notifies the directors and all employees of the above-mentioned stock trading control measures by email on a quarterly basis. In order to promote and publicize honest behavior and prevent insider trading, the company regularly conducts education and training every year. In early January 2026, the electronic system MasterControl Training Task was used to conduct online publicity on listed company regulations for 268 employees., including Ethical Corporate Management, Procedures for Processing Material Inside Information, Self-Regulatory Rules on Disclosure of Merger and Acquisition Information, Corporate Governance Principles, Sustainable Development Principles, and sample cases of the latest insider trading incident. The related regulations are uploaded to the company's internal network and websites for employees to reference at any time. The advantage of starting to use this system for control this year is that each colleague's training and test records will be left. Training courses from external institutes for corporate ethical management, corporate governance, and other related topics are provided in 2025, with 10 participants from the company reaching a total duration of 127 training hours.	None
3.Status for enforcing whistle-blowing systems in the Company				
(1) Has the Company established concrete whistle-blowing and reward systems and accessible whistle-blowing channels? Does the Company assign a suitable and dedicated individual for the case reported by the whistle-blower?	V		The company has established a channel for complaints with a dedicated unit to handle the related matters, following the process specified by terms enacted in the Best Practice Principle.(Please refer to Attachment 1)	None
(2) Has the company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and relevant confidentiality mechanisms?	V		The company's Ethical Corporate Management Best Practice Principle has specified the investigation procedures and confidentiality mechanism. (Please refer to Attachment 1)	None
(3) Has the Company adopted	V		The company's Ethical Corporate Management Best	None

protection against inappropriate disciplinary actions against the whistle-blower?			Practice Principle has specified the investigation procedures and confidentiality mechanism. (Please refer to Attachment 1)	
4. Improvement of information disclosure Has the Company disclosed the contents of its best practices for ethical corporate management and the effectiveness of relevant activities on its official website or the Market Observation Post System (MOPS)?	V		The company has disclosed its Ethical Corporate Management Best Practice Principle on the company's official site and the MOPS (Market Observation Post System). The company has uploaded the annual report to the company's website and has set up a Sustainable Development page to disclose information related to ethical corporate management for investors to reference.	None
5. Where the Company has stipulated its own best practices on ethical corporate management according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any gaps between the prescribed best practices and actual activities taken by the Company : None.				
6. Any important information to better understand the Company's implementation of ethical corporate management (for example, any review or amendment to best practices for ethical corporate management of the Company): The company's Board of Directors approved the latest amendment of the Ethical Corporate Management Best Practice Principle on June 13, 2024.				

2.2.7 Other important information on the state of corporate governance activities :

(1) MOPS : http://newmops.twse.com.tw

(2) SCI's website : www.sci-pharmtech.com.tw

2.2.8 Implementation of the internal control system:

(1) Statement of Internal Control System: https://mops.twse.com.tw/mops/web/t06sg20

(2) Appointed accountants audit internal control system, should disclose accountant audition result : Not Applicable.

2.2.9 Major resolutions and state of implementation of the shareholders' meeting and the Board of Directors in the most recent year up to the printing date of this Annual Report:

（1）Major resolutions and state of implementation of the shareholders' meeting in 2025:

Ratification Items:

Propose 1
Proposal: Please ratify the 2024 business report and financial statements.
Resolution: This proposal has been voted and ratified by the shareholders present in the meeting.

Propose 2
Proposal: Please ratify the 2024 earnings distribution.
Resolution: This proposal has been voted and ratified by the shareholders present in the meeting.

Discussion Items :

Propose 1
Proposal: Lifting the Non-Competition Agreement.
Resolution: This proposal has been voted and ratified by the shareholders present in the meeting.

Propose 2
Proposal: Amendment to the company's articles of association.
Resolution: This proposal has been voted and ratified by the shareholders present in the meeting.

Note: For the complete meeting records, meeting manual, and supplementary information of this meeting, visit MOPS at: http://mops.twse.com.tw

（2）Review of the state of implementation of resolutions from the previous annual shareholders' meeting: All resolutions from the 2025 annual shareholders' meeting have been implemented accordingly.

（3）List of resolutions of the Board meeting:

Date	Content of Resolution	Result of Resolution
1st Meeting of the Board of Directors in 2025 (March 10, 2025)	Report Items : 1.Minutes and execution of tne last meeting. 2.Report of important financial and business. 3.Report of internal audit. 4.Report of ethical corporate management. 5.Report of the performance evaluation of the board of directors. 6.Report of Greenhouse gas inventory and third-party verification progress. Discussion Items : 1.The compensation for employees and directors. 2.The 2024 operation report and financial statements. 3.Distribution of retained earnings. 4.Statement of internal control system. 5.Convention of 2025 general shareholders' meeting. 6.Election of Directors. 7.Terminate the non-compete of directors 8.Amendment to Article of Incorporation. 9.Define the scope of grassroots employees. 10.Bank credit line extension.	All directors agreed to pass all proposals without objection. Opinions of independent directors: None. Disposal of opinions of independent directors : None.
2st Meeting of the Board of Directors in 2025 (April 14, 2025)	Report Items : 1.Minutes and execution of tne last meeting. Discussion Items : 1. Handling matters related to shareholders' written nominations for candidates for the 14th Board of Directors (4 directors and 3 independent directors) and the qualifications when nominating independent directors, in accordance with relevant legal regulations. 2. Apply to the bank for a short-term credit line.	All directors agreed to pass all proposals without objection. Opinions of independent directors: None. Disposal of opinions of independent directors : None.
3rd Meeting of the Board of Directors in 2025 (May 9, 2025)	Report Items : 1.Minutes and execution of tne last meeting. 2.Report of important financial and business. 3.Report of Greenhouse gas inventory and third-party verification progress. 4. Report of internal audit. Discussion Items : 1.The Company's consolidated financial statements for the frist quarter of 2024.	All directors agreed to pass this proposals without objection. Opinions of independent directors: None. Disposal of opinions of independent directors : None.
4rd Meeting of the Board of Directors in 2025 (June 5, 2025)	Election Items : Election of chairman Report Items : 1.Minutes and execution of tne last meeting.	Director Chen, Chia-Chun nominated director Wong, Wei-chyun to serve as the chairman of the current session, which was seconded and approved by the chairman

Date	Content of Resolution	Result of Resolution
	2.Report of important financial and business. 3.Report of internal audit. 4.Report of communicate with stakeholders. Discussion Items : 1.Determine the base date for profit dividend distribution. 2.Donation to related party. 3.Apply to the bank for a short-term credit line. 4.Through manager remuneration amount.	after consultation with all attending directors. All directors agreed to pass all proposals without objection. (Directors Wong, Wei-Chyun、Chen, Shiang-Li、Chou, Wen-Chih and Hsu, Chin-Hsin recused themself from voting in Proposal 2 due to the conflict of interest.) (Directors Wong, Wei-Chyun and Chou, Wen-Chih recused themself from voting in Proposal 4 due to the conflict of interest.) Opinions of independent directors: None. Disposal of opinions of independent directors : None.
5th Meeting of the Board of Directors in 2025 (August 7, 2025)	Report Items : 1.Minutes and execution of tne last meeting. 2.Report of important financial and business. 3.Report of director liability insurance. 4.Report of internal audit. 5.Report of Greenhouse gas inventory and third-party verification progress Discussion Items : 1.The Company's consolidated financial statements for the second quarter of 2025. 2.2024 Sustainability report. 3. Revise internal control systems and internal audit Systems.	All directors agreed to pass all proposals without objection. Opinions of independent directors: None. Disposal of opinions of independent directors : None.
6th Meeting of the Board of Directors in 2025 (November 7, 2025)	Report Item : 1.Minutes and execution of tne last meeting. 2.Report of important financial and business. 3.Report of internal audit. 4.Report of Greenhouse gas inventory and third-party verification progress Discussion Item : 1.The Company's consolidated financial statements for the third quarter of 2025. 2.The independent evaluation of CPAs and fees. 3.Extension of bank credit lines. 4.Revision of the Sustainable Development Code. 5.Regularly review the business value enhancement plan.	All directors agreed to pass all proposals without objection. Opinions of independent directors: None. Disposal of opinions of independent directors : None.
7th Meeting of the Board of Directors in 2025 (December 29, 2025)	Report Items : 1.Minutes and execution of tne last meeting. 2.Report of important financial and business. 3.Report of internal audit. 4.Report of manager succession planning 5.Report of ESG implementation. 6.Report of Risk Management Policy、Procedure and implementation. 7.Report of Information security management and implementation. 8.Report of Intellectual Property Management Plan and implementation. Discussion Items :	

Date	Content of Resolution	Result of Resolution
	1.2025 Operational Review and 2026 Budget. 2.Finalize the internal audit plan for 2026. 3.Approved manager's the remuneration. 4.Apply to the bank for a credit line. 5.Revise the definition of grassroots employees and revise the internal control system and internal audit system. 6.Increase long-term equity investments.	All directors agreed to pass all proposals without objection. (Directors Wong, Wei-Chyun and Chou, Wen-Chih recused themself from voting in Proposal 3 due to the conflict of interest.) (Directors Wong, Wei-Chyun and Chen, Shiang-Li recused themself from voting in Proposal 6 due to the conflict of interest.) Opinions of independent directors: None. Disposal of opinions of independent directors : None.
1st Meeting of the Board of Directors in 2026 (March 5, 2026)	Report Items : 1.Minutes and execution of tne last meeting. 2.Report of important financial and business. 3.Report of internal audit. 4.Report of ethical corporate management. 5.Report of the performance evaluation of the board of directors. 6.Report of Greenhouse gas inventory and third-party verification progress Discussion Items : 1.Manager's promotion and the remuneration. 2.The compensation for employees and directors. 3.The 2025 operation report and financial statements. 4.Distribution of retained earnings. 5.Statement of internal control system. 6.Convention of 2026 general shareholders' meeting. 7. Capital Increase Framosa. 8. Office Adjustment Visa Accountant. 9. Amendment of Bank Credit Meeting Minutes 10.Bank credit line extension.	All directors agreed to pass all proposals without objection. Opinions of independent directors: None. Disposal of opinions of independent directors : None.

（4）List of proposals of the Audit Committee :

Date	Content of Resolution	Result of Resolution
1th Meeting of the Audit Committee in 2025 (March 10, 2025)	Discussion Item : 1.The 2024 operation report and financial statements. 2.Distribution of retained earnings. 3.Statement of internal control system.	All members agreed to pass all proposals without objection. Opinions of members : None. Disposal of opinions of Audit Committee : None.
2st Meeting of the Audit Committee in 2025. (May 9, 2025)	Discussion Items : 1. The Company's consolidated financial statements for the first quarter of 2025.	All members agreed to pass this proposals without objection. Opinions of members : None. Disposal of opinions of Audit Committee: None.
3th Meeting of the Audit Committee in 2025 (June 5, 2025)	Election Item : 1. Nominate the convener of the Audit Committee	The members of the Audit Committee unanimously approved the election of Committee Member Vincent Wang as the convener and chairman of the committee

Date	Content of Resolution	Result of Resolution
		meeting.
4th Meeting of the Audit Committee in 2025 (August 7, 2025)	Discussion Item : 1.The Company's consolidated financial statements for the second quarter of 2025. 2.Revise internal control systems and internal audit Systems.	All members agreed to pass all proposals without objection. Opinions of members : None. Disposal of opinions of Audit Committee : None.
5th Meeting of the Audit Committee in 2025 (November 7, 2025)	Discussion Item : 1.The Company's consolidated financial statements for the third quarter of 2025. 2.The independent evaluation of CPAs and fees.	All members agreed to pass all proposals without objection. Opinions of members : None. Disposal of opinions of Audit Committee : None.
6th Meeting of the Audit Committee in 2025 (December 29, 2025)	Report Items : Report of Risk Management Policy、Procedure and implementation. Discussion Item : 1.2025 Risk Management Policy、Procedure and implementation. 2. Finalize the internal audit plan for 2026. 3. Revise the internal control system and internal audit system. 4.Increase long-term equity investments.	All members agreed to pass all proposals without objection. Opinions of members : None. Disposal of opinions of Audit Committee : None.
1th Meeting of the Audit Committee in 2025 (March 5, 2026)	Discussion Item : 1.The 2025 operation report and financial statements. 2.Distribution of retained earnings. 3.Statement of internal control system. 4. Capital Increase Framosa. 5. Office Adjustment Visa Accountant.	All members agreed to pass all proposals without objection. Opinions of members : None. Disposal of opinions of Audit Committee : None.

（5）List of proposals of the remuneration committee :

Date	Content of Resolution	Result of Resolution
1st Meeting of the Remuneration Committee in 2025 (March 10, 2025)	Discussion Item : Discussion Item : The compensation for employees and directors in 2024.	All members agreed to pass this proposals without objection. Opinions of members : None. Disposal of opinions of Remuneration Committee : None.
2th Meeting of the Remuneration Committee in 2025 (June 5, 2025)	Election Item : Nominate the convener of the Remuneration Committee. Discussion Item : Approved manager's the Remuneration.	The appointment of Committee Member Vincent Wang as the convener and chairperson of this committee was unanimously approved by the members of the Remuneration Committee. All members agreed to pass this proposals without objection. Opinions of members : None. Disposal of opinions of Remuneration Committee : None.

Date	Content of Resolution	Result of Resolution
3th Meeting of the Remuneration Committee in 2025 (December 29, 2025)	Discussion Item : Approved manager's the Remuneration.	All members agreed to pass this proposals without objection. Opinions of members : None. Disposal of opinions of Remuneration Committee : None.
1st Meeting of the Remuneration Committee in 2026 (March 5, 2026)	Discussion Item : 1.Manager's promotion and the remuneration. 2.The compensation for employees and directors.	All members agreed to pass all proposals without objection. Opinions of members : None. Disposal of opinions of Remuneration Committee : None.

（6）List of proposals of the Sustainability Committee :

Date	Content of Resolution	Result of Resolution
1th Meeting of the Sustainability Committee in 2025 (April 14, 2025)	Election Item : Nominate the convener of the Sustainability Committee. Discussion Item : The process and results of the materiality assessment for the sustainability report.	The committee members unanimously agreed to elect Committee Member Wong Wei-Chyun as the convener and chairperson of this committee.
2st Meeting of the Remuneration Committee in 2025 (August 7, 2025)	Discussion Item : 2024 Sustainability report.	All members agreed to pass this proposals without objection. Opinions of members : None. Disposal of opinions of the Sustainability Committee : None.

2.2.10 Any dissenting opinions on record or stated in a written statement made by Directors regarding key resolutions of the Directors' Meeting in the most recent year up to the publication date of this report: None.

2.3 Information on the CPA's fees:

2.3.1 The CPA's fees:

Unit: NT$

Name of the accounting firm	Name of CPA	CPA's Audit period	Audit Fee	Non- audit Fee	Total	Note
KPMG	Serena Hsin Huang, Keng Chia	Jan. 1, 2025 to Dec. 31, 2025	1,980,000	400,000	2,380,000	

Non- audit Fee				
Tax Compliance Audit	Business Registration	Recapitalization of retained earnings	Others	Subtotal
400,000	0	0	0	400,000

2.3.2 Where accounting firm was replaced and the accounting fee paid for the year was less than that of the previous year : Not Applicable.

2.3.3 The audit fee decreased by more than 10% compared with the previous year : Not Applicable.

2.3.4 The Company implements regular evaluate the independence and compliance every year :

The company's management authorities regularly evaluate the independence and competency of the CPAs every year. The evaluation procedures are:

1.Self-evaluation by the CPAs : fill in the CPAs' independence and competency evaluation form, and issue a declaration of detachment and independence.
2. Initial evaluation of managers.
3. CPAs report AQIs to the board of directors.
4. Review and resolution of the Audit Committee and Board of Directors:
   The overall evaluation results were submitted to the audit committee and the board of directors for review and resolution, and the company passed the CPAs' independence and competency evaluation on November 7, 2025.

Included evaluation items:

The CPAs, the spouses of CPAs, and the minor children of CPAs having no investment or sharing a financial interest with the company, and the CPAs, the spouses of CPAs, the minor children of CPAs having no financial debt with the company, etc. and AQIs.

2.3.5 The board of directors of the company expects to refer to the audit quality indicators (AQIs) when assessing the independence and suitability of certified accountants once a year, and disclose the assessment procedures on the company website.

2.4 Replacement of CPA information :

2.4.1 About the former accountant：

<table>
<tr><td>Replacement date</td><td colspan="4">March 5, 2026</td></tr>
<tr><td>Replacement reasons and instructions</td><td colspan="4">KPMG internal work adjustment</td></tr>
<tr><td rowspan="3">Indicates that the appointing person or accountant has terminated or refused to accept the appointment</td><td>Party
Condition</td><td>Accountant</td><td colspan="2">Appointed person</td></tr>
<tr><td>Voluntary termination of appointment</td><td>V</td><td colspan="2"></td></tr>
<tr><td>Not accepting (continuing) appointment</td><td></td><td colspan="2"></td></tr>
<tr><td>Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="7">Disagreement with the issuer</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting Principles or Practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial reports</td></tr>
<tr><td></td><td colspan="2">Check scope or steps</td></tr>
<tr><td></td><td colspan="2">Other</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>No</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Illustrate</td></tr>
<tr><td>Other disclosures</td><td colspan="4">1. The previous accountant had informed the company that it lacked a sound internal control system, making its financial reports unreliable: None.
2. The previous accountant had informed the company that it could not rely on the company's statement or was unwilling to have any connection with the company's financial report: None.
3. The previous accountant had notified the company that the scope of the audit must be expanded, or the information indicated that expanding the scope of the audit may damage the credibility of the previously issued or upcoming financial reports, but the former accountant did not expand the scope of the audit due to the change of accountants or other reasons : None.
4. The former accountant had informed the company that based on the information collected, the credibility of the financial report issued or to be issued may be damaged, but due to the change of accountant or other reasons, the former accountant did not deal with this matter: None.</td></tr>
</table>

2.4.2 About Successor Accountants：

Firm name	KPMG
Accountant name	Daisy Kuo
Date of appointment	March 5, 2026
Consultation matters and results of accounting treatment methods or accounting principles for specific transactions and possible issuance of financial reports before appointment.	None
Written opinion of the successor accountant on matters with different opinions from the predecessor accountant.	None

2.4.3 Reply letter from the former accountant to item 1 and item 3 of Item 6 of Article 10 of this Standard: None.

2.5 If the Company's Chairman, President, or managers responsible for financial and accounting affairs have held any position in the accounting firm or its affiliates during the past year, all relevant information should be disclosed : None.

2.6 Equity transfer or changes to equity pledge of directors, managerial officers, or shareholders holding more than 10% of company shares in the most recent year to the publication date of this report :

MOPS Query URL : https://mops.twse.com.tw/mops/web/stapap1_all

2.7 Relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree :

Relationship information between the 10 largest shareholders

March 24,2026

Name	Shares held by the person		Shares held by spouse or minor children		Shares held in the name of other persons		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship		Note
	Shares	%	Shares	%	Shares	%	Title (or name)	Relationship	
Mercuries & Associates Holding, Ltd. Institutional representative：Chen, Shiang-Li	35,590,777	29.78%	None	None	None	None	Mercury Fu Bao Mercuries & Associates Co., Ltd.	Note2 (A)	
	None	None	None	None	None	None	Mercuries & Associates Holding, Ltd Shanglin-Hsu, Chang-Hui Mercury Fu Bao Mercuries & Associates Co., Ltd.	Chairman The first degree of kinship. Director Director	
Zhan, Li-Wei	4,791,000	4.01%	None	None	None	None	None	None	
CTBC Bank is entrusted to SCI PHARMTECH, INC. Employee Shareholding Association Trust Property Special Account.	3,522,931	2.95%	None	None	None	None	None	None	
Mercury Fu Bao Co., Ltd.	2,839,592	2.38%	None	None	None	None	Mercuries & Associates Holding, Ltd	Note2 (B)	
Chen, Chun-Fang	1,471,900	1.23%	None	None	None	None	None	None	
Mercuries & Associates Co., Ltd.	1,439,485	1.20%	None	None	None	None	Mercuries & Associates Holding, Ltd	Note2 (B)	
Shuren Investment Co., Ltd. representative：Wong, Chau-Shi	1,270,125	1.06%	None	None	None	None	Wong, Wei-Chyun	The first degree of kinship.	
Chou, Yong-Cong	987,983	0.83%	None	None	None	None	None	None	
Shanglin Investment Co., Ltd. representative：Hsu, Chang-Hui	714,166	0.60%	None	None	None	None	Mercuries & Associates Holding, Ltd-Chen, Shiang-Li	The first degree of kinship.	
Wong, Wei-Chyun	670,560	0.56%	68,829	0.06	None	None	Mercuries & Associates Holding, Ltd Shuren – Wong, Chau-Shi	Director The first degree of kinship.	

Note 1: The 10 largest shareholders shall be listed. For corporate shareholders, the title of the corporate shareholder as well as the name of the representative shall be indicated.

Note 2: A.The investee company evaluated by the equity method for the enterprise.
B. It is an investor who evaluates the investment of the company by the equity method.

2.8 The number of shares held by the company, its directors, managers and enterprises directly or indirectly controlled by the company in the same invested enterprise shall be combined to calculate the comprehensive shareholding ratio:

Reinvestment business (Note)	The Company invest		Investments in businesses directly or indirectly controlled by directors, managers and companies		Comprehensive Investment	
	Shares	%	Shares	%	Shares	%
Yushan Pharmaceuticals Inc.	35,190,000	100.00%	0	0%	35,190,000	100.00%
Framosa Co.	14,375,000	25.00%	8,625,000	15.00%	23,000,000	40.00%
HoneyBear Biosciences, Inc.	1,750,000	4.04%	3,300,000	7.61%	5,050,000	11.65%

Note: This is an investment using the equity method in the company's 2025 individual financial report.

3、Capital Overview

3.1 Capital and Share

3.1.1 Source of Captial

Month/ Year	Issuance Price Per Share (NT$)	Authorized Capital		Paid-in Capital		Note		
		Shares (thousands)	Amount (NT$ thousands)	Shares (thousands)	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
September 1987	100	495	49,500	148	14,801	Funded	—	—
January 1988	100	495	49,500	495	49,500	Issuance of common stock	—	—
August 1990	100	800	80,000	800	80,000	Issuance of common stock	—	—
February 1991	100	1,200	120,000	1,200	120,000	Issuance of common stock	—	—
September 1991	100	2,000	200,000	1,600	160,000	Issuance of common stock	—	—
January 1993	100	2,000	200,000	2,000	200,000	Issuance of common stock	—	—
November 1995	100	1,200	120,000	1,200	120,000	Capital reduction	—	—
April 1996	10	20,000	200,000	20,000	200,000	Issuance of common stock	—	Note1
April 2002	10	30,000	300,000	22,800	228,000	Issuance of common stock & Recapitalization of retained earnings	—	Note2
January 2003	10	30,000	300,000	26,800	268,000	Issuance of common stock	—	Note3
June 2003	10	39,600	396,000	30,129	301,290	Recapitalization of retained earnings	—	Note4
July 2004	10	39,600	396,000	32,511	325,107	Recapitalization of retained earnings	—	Note5
June 2008	10	39,600	396,000	36,162	361,617	Recapitalization of retained earnings & employee bonus	—	Note6
July 2009	10	60,000	600,000	40,121	401,212	Recapitalization of retained earnings & employee bonus	—	Note7
November 2009	10	60,000	600,000	40,351	403,512	Issuance of stock from exercise of employee stock option	—	Note8
March 2010	10	60,000	600,000	40,462	404,622	Issuance of stock from exercise of employee stock option	—	Note9
July 2010	10	60,000	600,000	44,871	448,706	Issuance of stock from exercise of employee stock option	—	Note10
August 2010	10	60,000	600,000	44,991	449,906	Issuance of stock from exercise of employee stock option	—	Note11
November 2010	10	60,000	600,000	45,235	452,351	Issuance of stock from exercise of employee stock option	—	Note12
March 2011	10	60,000	600,000	45,267	452,671	Issuance of stock from exercise of employee stock option	—	Note13
July 2011	10	60,000	600,000	49,030	490,298	Recapitalization of retained earnings & employee bonus	—	Note14
December 2011	10	60,000	600,000	49,166	491,662	Issuance of stock from exercise of employee stock option	—	Note15
March 2012	10	60,000	600,000	49,191	491,913	Issuance of stock from exercise of employee stock option	—	Note16
November 2012	10	60,000	600,000	49,282	492,823	Issuance of stock from exercise of employee stock option	—	Note17
March 2013	10	60,000	600,000	49,317	493,173	Issuance of stock from exercise of employee stock option	—	Note18
August 2013	10	90,000	900,000	53,700	537,001	Recapitalization of retained earnings & employee bonus	—	Note19
September 2013	10	90,000	900,000	65,700	657,001	Issuance of common stock	—	Note20
March 2014	10	90,000	900,000	66,206	662,061	Restricted employee stocks & Convertible Bond	—	Note21
August 2014	10	90,000	900,000	69,690	696,905	Recapitalization of retained earnings & employee bonus / Cancellation of restricted employee stocks for a capital reduction	—	Note22

January 2015	10	90,000	900,000	69,652	696,525	Cancellation of restricted employee stocks for a capital reduction	—	Note23
August 2015	10	90,000	900,000	73,298	732,981	Convertible Bond	—	Note24
December 2015	10	90,000	900,000	75,121	751,213	Convertible Bond	—	Note25
April 2016	10	90,000	900,000	76,289	762,896	Convertible Bond	—	Note26
September 2016	10	90,000	900,000	79,485	794,853	Convertible Bond	—	Note27
September 2021	10	120,000	1,200,000	95,382	953,824	Recapitalization of retained earnings	—	Note28
August 2023	10	120,000	1,200,000	107,509	1,075,086	Recapitalization of retained earnings & employee bonus	—	Note29
September 2023	10	120,000	1,200,000	119,509	1,195,086	Issuance of common stock	—	Note30
August 2024	10	160,000	1,600,000	119,509	1,195,086	Increase capital	—	Note31

Note 1：Approved by the MOEA Ching-(85)-Shou-Tzu Document No. 104652 of April 12, 1996.

Note 2：Approved by the MOEA Ching-(91)-Shou-Tzu Document No. 09101187210 of May 29, 2002.

Note 3：Approved by the MOF Tai-Cai-Zheng-Yi-Tzu Document No. 09100168605 of January 7, 1993.

Note 4：Approved by the MOF Tai-Cai-Zheng-Yi-Tzu Document No. 0920123426 of May 28, 1993.

Note 5：Approved by the FSC Jin-Guan-Zheng-Yi-Tzu Document No. 0930130746 of July 12, 2004.

Note 6：Approved by the FSC Jin-Guan-Zheng-Yi-Tzu Document No. 0970032412 of June 30, 2008.

Note 7：Approved by the FSC Jin-Guan-Zheng-Fa-Tzu Document No. 0980033622 of July 7, 2009.

Note 8：Approved by the MOEA Ching-Shou-Chung-Tzu Document No. 09833408300 of November 10, 2009.

Note 9：Approved by the MOEA Ching-Shou-Chung-Tzu Document No. 09931817460 of March 25, 2010.

Note 10：Approved by the FSC Jin-Guan-Zheng-Fa-Tzu Document No. 0990035314 of July 8, 2010.

Note 11：Approved by the MOEA Ching-Shou-Chung-Tzu Document No. 09932503770 of August 26, 2010.

Note 12：Approved by the MOEA Ching-Shou-Chung-Tzu Document No. 09932819330 of November 12, 2010.

Note 13：Approved by the MOEA Ching-Shou-Chung-Tzu Document No. 10031763320 of March 18, 2021.

Note 14：Approved by the FSC Jin-Guan-Zheng-Fa-Tzu Document No. 1000031659 of July 8, 2011.

Note 15：Approved by the MOEA Ching-Shou-Chung-Tzu Document No. 10032829090 of September 2, 2011.

Note 16：Approved by the MOEA Ching-Shou-Chung-Tzu Document No. 10131774560 of March 19, 2012.

Note 17：Approved by the MOEA Ching-Shou-Chung-Tzu Document No. 10132725810 of November 16, 2012.

Note 18：Approved by the MOEA Ching-Shou-Chung-Tzu Document No. 10233283510 of March 20, 2013.

Note 19：Approved by the FSC Jin-Guan-Zheng-Fa-Tzu Document No. 1020025591 of July 2, 2013.

Note 20：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10201196540 of September 25, 2013.

Note 21：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10301046450 of March 27, 2014.

Note 22：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10301172650 of August 27, 2014.

Note 23：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10401008270 of January 15, 2015.

Note 24：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10401148370 of August 19, 2015.

Note 25：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10401250530 of November 30, 2015.

Note 26：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10501075640 of April 22, 2016.

Note 27：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10501215700 of September 2, 2016.

Note 28：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 11001163710 of September 15, 2021.

Note 29：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 11230153980 of August 10, 2023.

Note 30：Approved by the FSC Jin-Guan-Zheng-Fa-Tzu Document No. 1120355636 of September 22, 2023.

Note 31：Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 11330121190 of August 1, 2024.

3.1.2 Category of shares

March 24, 2026 Unit: Share

Category of shares	Authorized Capital Stock			Note
	Outstanding Shares	Unissued Shares	Total	
Registered common shares	119,508,634	40,491,366	160,000,000	Outstanding stock of a listed company

3.1.3 List of major shareholders :

March 24, 2026 Unit: Share

Shares / Name of major shareholder	Shareholding	%
Mercuries & Associates Holding, Ltd. Institutional representative：Chen, Shiang-Li	35,590,777	29.78%
Zhan, Li-Wei	4,791,000	4.01%
CTBC Bank is entrusted to SCI PHARMTECH, INC. Employee Shareholding Association Trust Property Special Account.	3,522,931	2.95%
Mercury Fu Bao Co., Ltd.	2,839,592	2.38%
Chen, Chun-Fang	1,471,900	1.23%
Mercuries & Associates Co., Ltd.	1,439,485	1.20%
Shuren Investment Co., Ltd. representative：Wong, Chau-Shi	1,270,125	1.06%
Chou, Yong-Cong	987,983	0.83%
Shanglin Investment Co., Ltd. representative：Hsu, Chang-Hui	714,166	0.60%
Wong, Wei-Chyun	670,560	0.56%

3.1.4 Dividend Policy and Implementation Status

1. Dividend Policy:

Article 23 of the Articles of Incorporation：

If there is any surplus in the corporation’s general annual report, such surplus should be firstly used for paying various withholding taxes and covering the accumulated losses, and then 10% of such surplus should be withdrawn and deposited to serve as the statutory surplus reserve. In addition, a special surplus reserve shall be set aside in accordance with the provisions of the “Securities and Exchange Law”. If there are still any surplus profits after the remaining surplus have been used for distributing and paying dividends, the board of directors shall formulate an allocation proposal in accordance with the corporation's Dividend Policy, and submit it to the shareholders' meeting for a resolution to distribute bonuses to shareholders.

Article 23-1 of the Articles of Incorporation：

The Dividend Policy of the corporation is stipulated according to the provisions of the

Company Act and the articles of incorporation and will be determined depending on the factors such as the corporation's capital and financial structure, operating conditions, surplus profits, and its industry peculiarities and cycles. All the allocation will be conducted based on conservatism principle. The surplus profits shall be allocated in accordance with the provisions of the preceding article; what's more, the allocation of shareholders' dividends/bonuses in the current year should not be less than 50% of the after-tax surplus of the current year in principle, given that no special circumstances should be taken into account. The allocation of cash dividends will not be less than 10% of the total amount of dividends distributed.

2 . Dividend payout plans proposed during the most recent shareholder's meeting :

Table of 2025 Earnings Distribution

Unit: NT$

Item	Amount		Note
	Subtotal	Total	
Undistributed earnings at the beginning of the period		1,299,466,548	
Actuarial gains and losses included retained earning		2,945,554	
Changes in affiliated enterprises and joint ventures recognized using the equity method		-	
Undistributed earnings adjusted		1,302,412,102	
Add: Profit	107,374,223		
Minus: Legal reserve appropriated	(11,031,979)		
Minus: Special surplus reserve appropriated	(3,438,410)		
		92,903,834	
Earnings available for distribution		1,395,315,936	
Distribution Item－			
Minus: Cash dividend	(89,631,476)		
		(89,631,476)	NT$ 0.75/per share
Undistributed earnings at the end of the period		1,305,684,460	

3. Explanation of expected major changes in dividend policy:

The company does not major changes in dividend policy.

3.1.5 Impact to the company's business performance and earnings per share (EPS) for free allotment of shares proposed by this shareholder's meeting : Not applicable.

3.1.6 Remuneration for employees and directors :

1. The information regarding the remuneration of the employees and Directors is specified in the company's Articles of Incorporation are as the following:

If the company gains profits within the fiscal year, it shall allocate part of it for the remuneration for employees and Directors. The profits allocated as the remuneration for employees shall be no less than 3%, and the profits allocated as the remuneration for Directors shall be no more than 2%. However, if the company had accumulated

loss, the amount to offset such loss shall be allocated in advance.

2. If the basis for estimating the amount of the employees' and Directors' remuneration and calculating the number of shares to be distributed as employee remuneration, as well as the actual distributed amount, is different from the estimated figure in the current period, the CPAs will conduct the following process:
   The estimated employees' and Directors' remuneration payable in 2025 was allocated under the Article of Incorporation and the regulation related to remuneration, which was from utilizing the net income before tax without the deduction of the employees' and Directors' remuneration multiplied by the percentage of employees' and Directors' remuneration specified in the Article of Incorporation as the basis for distribution, and it was listed as the operating costs or the operating expense of that specific period. If the Board of Directors decided to distribute employees' remuneration via shares, the numbers of shares of the remuneration are to be calculated with the closing price of the common shares on the day before the resolution of the Board of Directors was made.

3. The status of remuneration distribution approved by the Board of Directors:
   (1) The approvals of the Board of Directors' meeting on March 10, 2025, are as follows:
   Employee remuneration : NT$ 10,010,000
   Director's remuneration : NT$ 1,360,000

   (2) The amount of the employees' remuneration distributed through shares and its proportion in the after-tax net income stated in the individual or independent financial reports and the total employee compensation of the current period: NA

4. The distribution of employees' and Directors' remuneration in 2024:
   (1) The distribution of employee's and Directors' remuneration for the specific year is as follows:
   Employee remuneration : NT$ 35,376,537
   Director's remuneration : NT$ 5,500,000

   (2) The discrepancy between the actual and estimated amount of the employees' and Directors' remuneration shall be listed with the reason and troubleshooting progress specified: No discrepancy was found.

3.1.7 Repurchase by the Company of its own shares : None.

3.2 Status of corporate bond : None.

3.3 Status of preferred share: None.

3.4 Status of global depositary receipt: None.

3.5 Status of employee stock option and restricted employee share : None.

3.6 Status of Mergers, Acquisitions, and Spin-Offs : None.

3.7 Financing plans and implementation status : None.

4、Operational Highlights

4.1 Business Activities

4.1.1 Business scope :

1. Primary business operated by the Company :
   (1) Research and development, production, and sales of active pharmaceutical ingredients (API), API intermediates, and specialized and fine chemicals.
   (2) Supporting for Quotation, bidding, and distribution of products from domestic and overseas manufacturers as a local partner.
   (3) Represent for research and development of the aforesaid products.

2. Proportion of primary business :

Unit: NT$ Thousand

Item of Primary Product	2025	%
APIs	814,674	60.63%
API Intermediates	487,808	36.30%
Other	41,238	3.07%
Total	1,343,720	100.00%

3. Current products (services) offered by the Company :

Product Item	Name of Primary Product
APIs	VA Probucol Divalproate Sodium Propafenone Hydrochloride Duloxetine Hydrochloride Allopurinol Clindamycin palmitate HCl Articaine Hydrochloride HOCLQ-Sulfate Brinzolamide Sodium Valproate Pentobarbital Sodium Methylphenidate HCl Biso-FA Thiopental acid Loxoprofen Sodium Hydrate Atomoxetine HCl Cannabidiol Adenine Buprenorphine Pimobendan
API Intermediates	DEDPM PENT-2 AL-1 S-2 NBE EPMA-wet PEC Aminazole BHA PGA 2-BFAA

API Intermediates	BHZ 3-Azetidinol Hydroxifenone 5T(Ritalinic acid) 5TC 5-HMT BOV ZP-3 (S)-MMAA HOCLQ BPPCE-HCL Prop-3 Thiazole acid Isopropenyl MgBr Chiral Aux DPAEE EPA Olivetol PMDOL UDP-Glu-NAz
Specialty chemicals	7 chemicals, including diethyl ketone (DEK)

4. Development projects for new products (services) :

Name of Primary Product	New Product Description
Benserazide	API (Parkinson's disease treatment drugs)
Iron sucrose	API (Iron deficiency anemia)
LDX-OAc	Intermediate (ADHD medication)
B Project	API (Antitumor isotopic drugs)
CDMO-HMTM	API (Alzheimer's Drugs)
CDMO-X project	API（Narcolepsy medications)
Tapinarof	API (Psoriasis medication)
Rimegepant	API (Migraine medication)

Note: Besides the aforementioned R&D projects will go forward, all production lines for the existing products will undergo replacement and modification.

4.1.2 State of the industry :

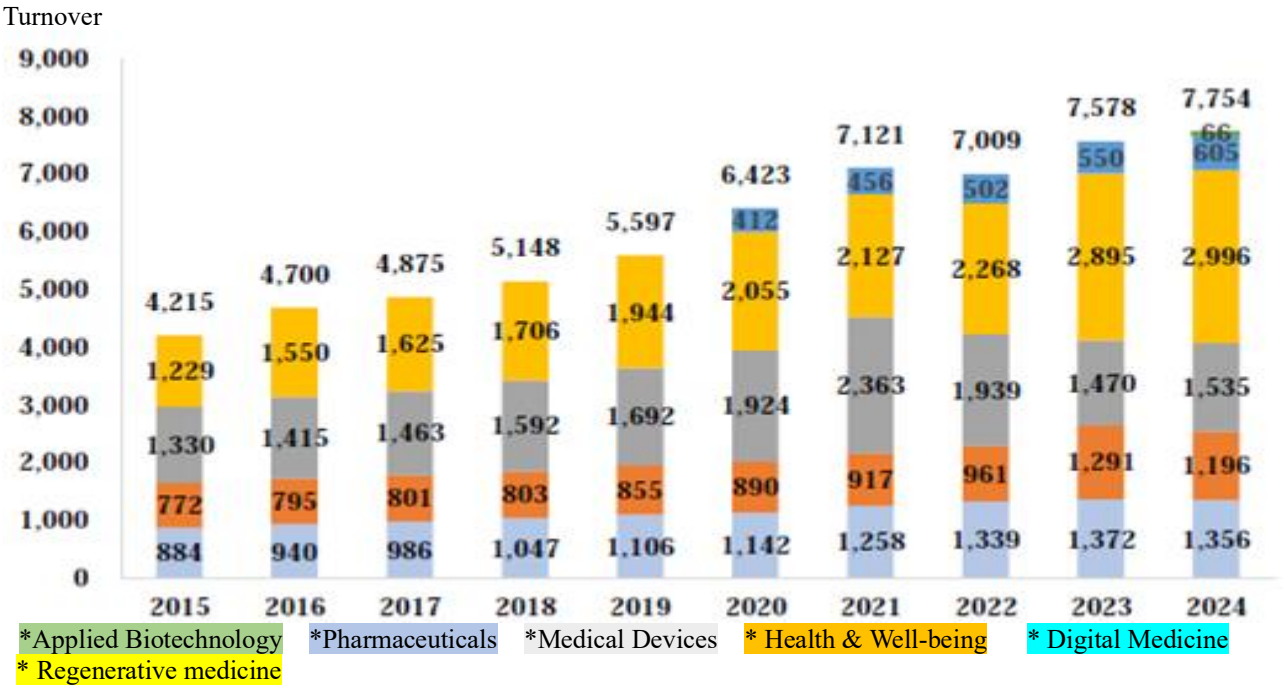
1. The current status and development of the industry:
   (Referenced from the 2025 Biotechnology Industry White Paper & Ministry of Economic Affairs website)

According to statistics from IQVIA, the global pharmaceutical market size in 2024 is approximately USD 1.74 trillion, an 8.9% increase from USD 1.60 trillion in 2023. Among this, the market size of advanced countries is about USD 1.42 trillion, accounting for approximately 81.23% of the global pharmaceutical market. In the top ten advanced countries, the pharmaceutical market size in 2024 is about USD 1.19 trillion, accounting for 68.26% of the global pharmaceutical market; the emerging pharmaceutical markets in 2024 have a market size of USD 312.2 billion, about 17.84% of the global pharmaceutical market, while in low-income countries and regions, pharmaceutical sales amount to USD 16.1 billion. Furthermore, according to IQVIA's survey, the global pharmaceutical market is expected to grow at a compound annual growth rate of 5-8% from 2025 to 2029, reaching an estimated USD 2.36 trillion by 2029.

According to statistics from GlobalData, the global generic drug market size in 2024 is approximately 55.436 billion USD, representing a decrease of about 0.53% compared to 55.734 billion USD in 2023. It is estimated to reach 67.065 billion USD by 2030, with a compound annual growth rate of about 2.7% from 2023 to 2030. The generic drug market is driven by factors such as the aging population in developed countries, the increase in chronic disease patients, and governments actively adopting generics to reduce healthcare costs, as well as new market opportunities arising when original drug patents expire, driving the growth of the global generic drug market.

The biomedical industry of Taiwan covers six main fields: Pharmaceuticals, medical devices, applied biotechnology, health & well-being, Digital Medicine and Regenerative medicine. Along with the continuous development of new products and the expansion in the international market of the domestic biotechnology and pharmaceutical companies, increases have been seen in the exports of the Taiwanese biotechnology and pharmaceutical industry, which further expands the scale of the domestic industry. In 2024, the revenue of our country's biotechnology and pharmaceutical industry was 775.4 billion yuan, an increase of 2.32% compared to 757.8 billion yuan in 2023. However, the pharmaceutical industry experienced a surge in orders in 2023, reaching a growth rate of 34.34%, and in 2024, it returned to normal, resulting in a decrease in revenue to 119.6 billion yuan, a reduction of about 7.36%, which suppressed the overall growth of the biotechnology industry's revenue.

Unit: NT$ Hundred Million



Source: Biotechnology and Pharmaceutical Industries Promotion Office, MOEA; Medical and Pharmaceutical Industry Technology and Development Center; Industry, Science and Technology International Strategy Center (ISTI), ITRI (2025)

Taiwan's pharmaceutical industry is divided into Western medicine formulations, traditional Chinese medicine formulations, biological formulations, and active pharmaceutical ingredients (APIs). It has maintained steady growth over the years, mainly due to the growth of domestic market demand and the successful expansion of export markets. The domestic API market is not large, and most local API companies focus on exports. According to the import and export statistics of the Customs Administration, Republic of China, in 2024, Taiwan exported APIs to 68 countries, with export value reaching NT$5.551 billion, an increase of 7.9% compared to 2023. Japan, China, the United States, India, and Germany are the top five export destinations for Taiwan's APIs, with export amounts to Japan, China, and the United States showing growth. The import value of APIs in 2024 was NT$7.354 billion, an increase of 10.9% over 2023. China, Japan, India, Italy, and the Netherlands are the top five import sources, with imports from the Netherlands rising from NT$12 million in 2023 to NT$371 million in 2024, an increase of 2,890.41%.

Statistics on Import and Export Value of Taiwan's API Industry

Unit: NT$100 million; %

Year / Item	Export Value				
	2020	2021	2022	2023	2024
APIs	44.9	48.2	54.2	51.5	55.5

Unit: NT$100 million; %

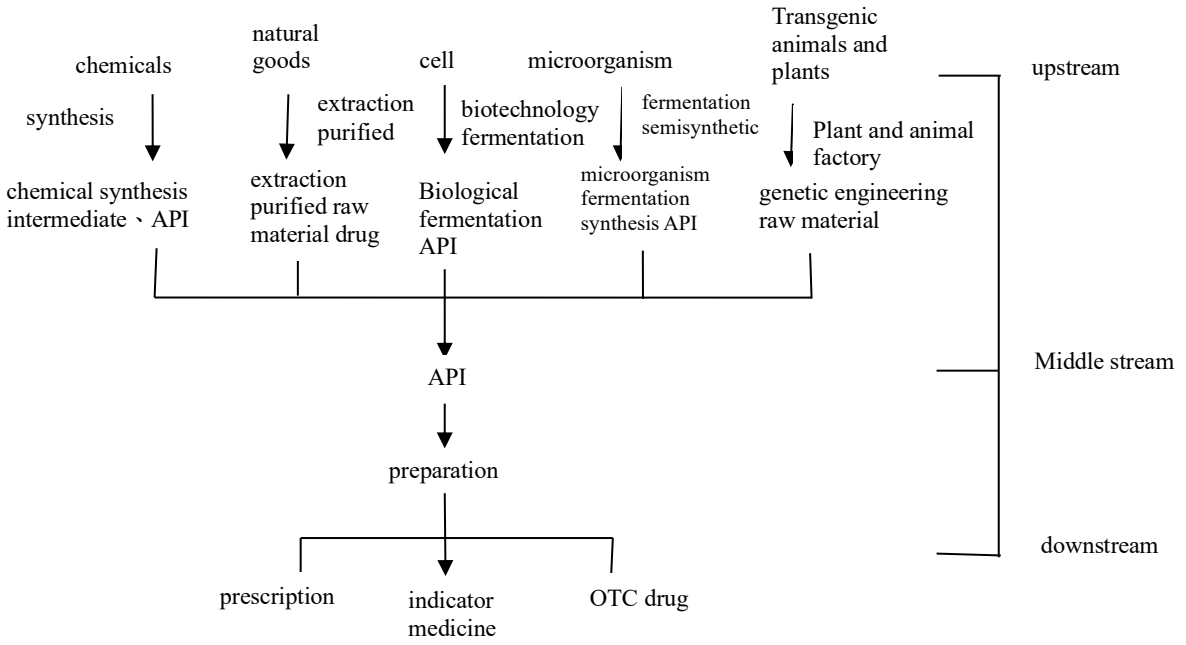
Year / Item	Import Value				
	2020	2021	2022	2023	2024
APIs	65.4	56.7	58.5	66.3	73.54

Source: Import and export statistical tape data of the Customs of the Republic of China.
Note: The import and export value of APIs is represented by the tariff code that is more clearly the API product item.

According to statistics from the Industrial Development Bureau of the Ministry of Economic Affairs, Taiwan's biotechnology and pharmaceutical industry investment amounted to NT$55.148 billion in 2024, slightly up from NT$55.055 billion in 2023. Based on industry classification, the pharmaceutical industry remains in first place in terms of investment, with NT$27.846 billion in 2024, slightly down from NT$28.167 billion in 2023. The main reason is the continued stable investment by private companies in Taiwan. Additionally, despite the global economy in 2024 being affected by the economic confrontation between the US and China, inflation, and geopolitical instability, investment in Taiwan's pharmaceutical industry still reached NT$27.846 billion, indicating that companies investing in the sector remain optimistic about the industry's future prospects.

Since 2017, the Taiwanese government has promoted the "5+2 Industrial Innovation - Biomedical Industry Innovation Promotion Plan", following the two main axes of "improving the ecosystem" and "supporting the industrial chain", and is developing towards "precision health"; In 2021, in response to the global economic turmoil and supply chain restructuring caused by the US-China trade war and the COVID-19 epidemic, Taiwan promoted the "Six Core Strategic Industries Promotion Plan - Taiwan Precision Health", and built Taiwan into a global precision health benchmark country with four major strategies: "Building a Huge Database of Genes and Health Insurance", "Developing Precision Prevention, Diagnosis, and Treatment Care Systems", "Developing Precision Epidemic Prevention Products", and "Expanding International Biomedical Business Opportunities". In response to the challenges of aging, the government approved the "Action Plan for the Elderly Technology Industry" in 2023 and officially launched it in 2024. Digital participation, care support, and social connections are gradually building an age-friendly technology environment.

2. Correlation with upstream, midstream, and downstream sections of the industry



(1) Upstream

The upstream offers the raw material of the drug and medicine, including natural substances and common chemicals, intermediates and APIs mainly synthesized by chemical methods or prepared by the semi-synthesized method, as well as other raw materials or APIs obtained from plants, minerals, animal organs, microbial strains, and its related tissue cells. With the recent development of biotechnology, the production of medicine can be conducted by use of gene transfer, tissue culture technology, directly planting or animal culture.

(2) Midstream

The midstream is mainly the API industry. The majority of the API industry is the organic chemistry business, in which the products are commonly synthesized via biological or chemical methods. The characteristics of chemical methods are their convenience, fast speed, cheap prices, etc., therefore the industry majorly adopts chemical methods. In addition, different sources of raw materials require different methods of manufacturing. For raw materials obtained from natural substances, besides preparation processes such as fermentation, the main production technologies lie in extraction, isolation & hydrogenation, alcoholysis, esterification, saponification, alkylation, and purification (e.g. distillation, abstraction, crystallization, etc.).For those prepared from common chemicals, the main processing technologies are organic synthesis and isolation & purification. For those prepared from genetic engineering, utilized technologies include purification, recovery engineering, and others.

(3) Downstream

The downstream is the medicine manufacturing industry, where the main process is adding adjuvants to the APIs, such as an excipient, disintegrant, adhesive, lubricant, emulsifier, and others, and processing it into a convenient form for dosage, examples include tablets, capsules, creams, and others. The medicine can also be applied by injection, and depending on the nature of the

contents, the injections can be divided into the liquid for injection or powder for injection. The production of liquid for injection requires the APIs, adjuvants, acidity regulators, and others to dissolve in a solvent, then bottling for packaging and distribution. The physicochemical properties of certain solvents are unstable, and products with the risk of decomposition or deterioration in the manufacture, distribution, and storage process shall be desiccated in advance to maintain the stability of the products' quality.

3. Product development trends and competition

(1) Production development trends

The overall demand for pharmaceuticals is closely related to population growth. There has been a steady growth in sales of pharmaceuticals which are less affected by the overall economic environment. Besides, the emerging countries have rapidly developed their economies in which the medical care expenses grew alongside the GDP. Therefore, driven additionally by the demand of the emerging countries, it is anticipated that the global pharmaceutical market will continue to grow. The global sales of pharmaceutical products in 2025 was US$1.74 trillion, which represented a growth of 8.9% compared to 2023. According to IQVIA, the 2025 to 2029 CAGR for pharmaceutical sales will be about 5-8%, reaching US$2.36 trillion in 2029.

(2) Conditions of competition

The production value of the global pharmaceutical industry will reach US$2.36 trillion in 2029, with 60% to 70% of the products being generic drugs. The production value of the generic drug market will increase every year due to several proprietary drugs losing their market share to generic drugs when their patents expired, another reason is that medical institutions are switching to generic drugs to reduce costs. In recent years, mergers and acquisitions have been an important way for major pharmaceutical companies to supplement their production lines and enter new fields. In 2025, the biotechnology sector saw another wave of mergers and acquisitions. Following Delta Electronics investing NT$2.1 billion to acquire over 90% of ACT Genomics, and Carl Zeiss fully acquiring Hygeia Healthcare for NT$5.44 billion, Synmosa Biopharma is now planning a public tender offer of up to a 30% stake in Genovate Biotechnology at NT$24 per share to further expand its biopharmaceutical footprint.

Intense competition in the pharmaceutical preparations market also affected the development of API companies. The primary cause was price competitions between Chinese and Indian API companies. Companies from both countries enjoy advantages of a massive domestic market and planned support from the government, and their price competition may lead to reduced sales and competitiveness of API companies in other countries.

4.1.3 Technologies and R&D efforts

1. Research and development :

In 2025, the R&D team continued to invest in CDMO services and proprietary product development despite strong headwinds, building momentum for the company's transformation.

On the CDMO front, the intermediate for an immunotherapy drug (Project A) has been accelerated into mass production. Meanwhile, the narcolepsy drug (Project X) and an oncology drug intermediate (Project N) are progressing as planned, demonstrating our mature process capabilities.For proprietary products, the isotope-based drug (Project B) has successfully overcome key technical barriers. With a proprietary process that

circumvents patent constraints, global patent filings are currently underway.At the same time, to enhance cost competitiveness, we optimized the manufacturing processes for Adenine and BISO-FA. Newly introduced products—including an iron supplement (Iron Sucrose) and an intermediate for ADHD medication—are expected to enter validation in the first quarter of 2026.Through these concrete technological advancements, we aim to strengthen supply chain resilience and drive the company back onto a growth trajectory.

As countries have begun to levy carbon fees and carbon tariffs, in order to save energy and reduce waste, R&D colleagues continue to optimize the production processes of existing products such as Pentobarbital. In addition, the previously successfully developed and highly anticipated glaucoma drugs Brinzolamide and Cannabidiol (CBD) are gradually being marketed, and the R&D department is also assisting in identifying process problems and improving and eliminating them. At the same time, we continue to develop PGA downstream API Benserazide to expand our product line.

In addition, starting from 2023, Xufu entered the antibody-drug conjugation (ADC) field through its indirect investment company Jiazheng, and currently supplies the chemical linker UDP-Glc-NAz. After a more effective small molecule drug (Payload) is tested in the follow-up, we will then start to scale up the product.

2. R&D goals :

（1）Establish self-developed technologies to create entry barriers and enhance competitiveness.

Self-developed technologies mostly take a form of trade secrets. Considering business strategies, SCI applies for patents on some technologies.

Existing and applying patents are as follows:

No.	Product name	Patent No.	Country	Patent expiration date
1	(S)-MMAA	US 7,829,731 B2	USA	2010/11/09 ~ 2028/8/14
2	Duloxetine	EP 2,228,372 B1	Europe Union	2012/02/29 ~ 2025/03/10 Withdraw UPC(06/27/2023) Abandon maintenance (2025/03/10)
3	Duloxetine	US 8,148,549 B2	USA	2013/04/03 ~ 2030/05/06
4	(S)-MMAA	US 8,168,805 B2	USA	2012/05/01 ~ 2030/01/13
5	Baclofen	US 8,273,917 B2	USA	2012/09/25 ~ 2031/01/27
6	Atomoxetine	US 8,299,305 B2	USA	2012/10/30 ~ 2030/12/16
7	Duloxetine	JP 5,143,167 B2	Japan	2010/03/11 ~ 2030/03/11
8	(S)-MMAA	US 8,420,832 B2	USA	2013/04/16 ~ 2027/10/29
9	Di-VANa	US 8,729,300 B2	USA	2014/05/20 ~ 2030/05/14
10	Duloxetine	US 8,530,674 B2	USA	2013/09/10 ~ 2031/06/02
11	Duloxetine	US 8,614,336 B2	USA	2013/12/24 ~ 2031/10/16
12	Duloxetine	EP 2,386,549 B1	Europe Union*1	2014/03/19 ~ 2030/05/10 Withdraw UPC(06/27/2023)
13	Duloxetine	US 8,957,227 B2	USA	2015/02/17 ~ 2030/05/05
14	Duloxetine	JP 5,830,245 B2	Japan	2015/10/30 ~ 2031/01/04
15	PR-038	US 9,718,765 B1	USA	2017/08/01 ~ 2036/06/21 Abandon maintenance (2025/02/01)
16	PR-038	EP 3,260,442 B1	Europe Union	2019/05/01 ~ 2037/06/21 Abandon maintenance (02/01/2021)
17	MARAVIROC	US 10,556,899 B2	USA	2020/02/11 ~ 2038/02/09
18	CANNABIDIOL	US 10,981,849 B1	USA	2021/04/20 ~ 2040/02/20
19	CANNABIDIOL	I 738,586	Taiwan	2021/09/01 ~ 2040/12/10
20	CANNABIDIOL	JP 6984054 B2	Japan	2021/11/26 ~ 2041/02/10
21	PMDOL	I828123	Taiwan	2022/04/25~2042/04/24
22	PMDOL	EP4144717	Europe Union*2	2022/03/31~2042/03/31

23	CANNABIDIOL	EP 3868736 B1	Europe Union*3	2022/11/30 ~ 2040/02/21 Withdraw UPC(07/07/2023)
24	PMDOL	JP 7,367,147 B2	Japan	2023/10/13 ~ 2042/08/15
25	CANNABIDIOL	CA 3093271 C	Canada	2021/11/30 ~ 2040/09/16
26	(S)-MMAA	-	Europe	Rejected
27	Lisdexamfetamine	US 11608312 B1	USA	2023/03/21 ~ 2041/11/10
28	Lisdexamfetamine	EP 4122914 B1	Europe Union	2023/08/16 ~ 2041/07/22
29	PMDOL	US 11739050 B2	USA	2023/08/29 ~ 2041/10/08
30	Lisdexamfetamine	EP4122924 B1	Europe Union	2021/07/22~2041/07/22
31	B Project	Application in progress	USA	Application in progress
32	B Project	Application in progress	China	Application in progress
33	B Project	Application in progress	Europe Union	Application in progress
34	B Project	Application in progress	Singapore	Application in progress
35	B Project	Application in progress	Korea	Application in progress
36	B Project	Application in progress	Japan	Application in progress
37	B Project	Application in progress	Taiwan	Application in progress

*1: Currently effective countries: Italy, France, Spain, Switzerland, Germany, United Kingdom

*2: Czech Republic, Spain, United Kingdom, and member states of the Unitary Patent (18 countries)

*3: Italy, United Kingdom, France, Poland, Czech Republic, Spain, Germany, Hungary, Slovenia

（2）Respond to customers' questions and provide effective solutions quickly.

（3）Seek for R&D projects with potential and commercialize them efficiently.

3. R&D strategies :

（1）Recruit experienced R&D personnel to improve the capacity for R&D.

（2）Seek for complementary partners to expand the R&D fields and strengthen cooperation.

（3）Cooperation with the new drug development companies to enter the development of pharmaceutical products in their early stage.

4. Key R&D projects :

（1）Develop the manufacturing processes and technologies of niche products.

（2）Expand and commercialize manufacturing processes of new drugs under R&D.

5. R&D expenses invested in the most recent year up to the date of publication of the Annual Report :

Unit: NT$ Thousand

Item \ Year	2025
R&D expenses	37,818

6. Products successfully developed in the most recent year up to the date of publication of the Annual Report :

Trial Production of New Product	Commercialized Mass Production of New Product	Improvement in Production Process
UDP-Glu-NAz CDMO-HMTM CDMO-A Project CDMO-N Project CDMO-X Project	Adenine	BISO-FA HOCLQ AL-1 Pimobendan Buprenorphine

4.1.4 Short-term、Mid-term and Long-term business developing plans :

1. Short-term plans :

（1）Production scheduling based on orders.
（2）Maintain good relations with the existing customer base and actively develop new customers to increase each product's growth momentum.
（3）Completed the construction of Guanyin Plant to improve production capacity Utilization.

2. Mid-term plan :

（1）Continue to introduce more intermediates and APIs and reinforce the development of APIs because APIs have high entry barriers and are subject to stringent regulations so that further development of the API market will increase the Company's competitiveness in the future.
（2）Optimize the product lineup and eliminate products that contribute little.
（3）Optimize the production process, lower costs, and increase competitiveness.
（4）Optimize production scheduling and reduce production line replacement cost.
（5）Promote circular economy and reduce the environmental impact of business operations while lowering operating costs and increasing competitiveness.

3. Long-term plans :

（1）Develop and secure new businesses related to new drugs, capturing business opportunities from the early stage of development.
（2）Optimize the production capacity matching and utilization of Luzhu Factory and Guanyin Factory to maximize capacity utilization.
（3）Continue to improve and refine the production process and secure patents on those for niche products to improve production efficiency.
（4）Cultivate talents with global perspectives for the Company’s future growth.

4.2 Market and Sales Overview

4.2.1 Market analysis

1. Areas of sales (provision) of primary products (services) :

Unit: Thousand NT$

Year / Business Areas		2025		2024	
		Sales	%	Sales	%
Export	Europe	614,782	45.75	936,951	61.49
	America	240,865	17.93	212,603	13.95
	Asia	331,636	24.68	190,638	12.51
	Others	43,477	3.24	39,016	2.56
	Subtotal	1,230,760	91.60	1,379,208	90.51
Domestic Sales		112,960	8.40	144,530	9.49
Total		1,343,720	100.00	1,523,738	100.00

2. Market share
   (1) The Company is one of the world's main manufacturers of BZA、Probucol、PF.HCl、PEB.Na, PGA, VA,NaVA, Di-VNa and HOCLQ.
   (2) The Company is the only supplier of intermediates for controlled drugs, such as Pent-2, NBE, S-2, and AL-1.
   (3) Due to limited information, it is difficult to estimate market share of other Products.

3. State and growth of market supply and demand
   Overall demand for pharmaceuticals will continue to grow given the medical advances and increasing population in emerging countries as well as aging populations and rising medical expenses in developed countries. The compound annual growth rate is estimated at 5-8% from 2025 to 2029, and the scale of the global pharmaceutical market is estimated to reach US$2.36 trillion in 2029. Currently, the biggest market remains North America. API are active chemical components with pharmacological action, and the chemical structure must conform to the pharmacopoeia. Pharmaceuticals are basically composed of APIs and excipients. Operational strategies for this year as well as short-term and mid-term business plans of SCI Pharmtech focus on APIs, key intermediates, and other upstream products of the pharmaceutical industry. SCI Pharmtech will optimize product portfolio, develop new products, expand customer base, and develop extensive partnerships in order to reduce the impact of business fluctuations, achieve better profitability, and improve its position within the sector.

4. Positive and negative factors affecting competitive niches and long-term development, as well as response strategies
   (1) Competitive niches

   A. Professional R&D team :
   The R&D personnel specializes in chemical synthesis. SCI's R&D team is capable of timely developing the products within the stringent requirements as demanded by the customers, which helps the Company to capture business

opportunities.

B. Quality products :

The quality of products must meet the requirements of health authorities and customers. As the business success and performance depends on the quality of products, the Company has strived to improve the quality management system and obtained ISO9001 verification in 2001. APIs and intermediates are produced based on the GMP standards, and products are reviewed and licensed by the Ministry of Health and Welfare, FDA of the U.S., EDQM in Europe, and health authorities in other countries. In 2025, 26 customers conducted audits and the auditing process well.

C. Advanced production technology and equipment

The Company has laid a solid foundation for establishment of plants, such as API plants. Currently, the plant establishment team is able to add and expand production lines in the most efficient way at any time within the given time limit and cost.

With more than 30 years of experience in production research and development,the Company has established operating technologies, such as alkylation, hydrogenation, condensation, Fridel-Crafts, Chapman, and Dieckmann reaction, and developed dozens of products. The solid foundation for technology is beneficial to the development of future business opportunities.

D. Adequate cost management

SCI has developed and refined process technologies to achieve competitive costs and has patented some of the technologies in the US and Europe to gain competitive advantages in those markets. Assisted by a complete supply chain, SCI Pharmtech timely meets the customers' demands and has gradually raised the profit in the recent years in the global market.

E. Marketing

Products were mainly exported to Europe, the U.S., Japan, India, and Taiwan . Over the past 30 years, the international business network has been established. The Company worked with international drug manufacturers to develop new drugs, which was highly beneficial to the future development of international markets.

(2) Positive factors for development vision :

A. Aging population and gradually increasing living standards

The world’s population is moving toward aging society. Demand for various drugs will continue to increase as the population ages, providing API companies located upstream or mid-stream of the pharmaceutical supply chain with a growing market scale. More and more countries are placing greater importance on healthcare. Governments had enacted policies or legislation to lower and control drug prices and medical expenses, so as to improve the overall medical quality. Such policies and legislation will lead to increased demands for generic drugs. API developers would also continue to search for low cost solutions and collaborate with API producers that could achieve processing quality that complies with international standards. This measure would help future marketing and development efforts within SCI.

B. Government focus and consultation

To improve the quality of APIs, governments have strengthened control over APIs, such as DMF and GMP implemented in the U.S. and China, respectively, increasing the threshold for API production. Overall, M&A among global API manufacturers will be sped up to eliminate less competitive small and medium manufacturers. In the end, manufacturers with a large scale, and premium quality stay in the market. In addition, the pharmaceutical policies of developing countries (the Middle East and Southeast Asia) support domestic preparations, and Xufu API supply is expected to benefit.

C. Friendly drug review environment of FDA and TAA "Trade Agreement Act"
The U.S. FDA has provided a friendly drug approval process which is conducive to the development of the medical industry. As the FDA had accelerated the review process, there were a record of 46 new drugs in 2025. The U.S. TAA "Trade Agreement Act" requires the U.S. government to only purchase end products made in the U.S. or designated countries. Taiwan's positive list of countries indirectly restricts the purchase of APIs from China, India (and other) production locations.

D. The U.S. government proposes a "biosafety law"
The U.S. market is a market that the Company is eager to explore. The Company is cautiously optimistic about the long-term opportunities for exploring and deepening the U.S. market brought about by the U.S. "Biosafety Act".

(3) Positive and negative factors affecting competitive niches and long-term development, as well as response strategies :

A. Negative factors :

a. The small scale of API companies in Taiwan and the limited capacity of the domestic market meant that the competitive niche offered in Taiwan could not compare to competitors from Mainland China and India. Competitive costs among peers in Mainland China and India are strong and their supply chains are complete.

b. The global API market faced challenges, such as increases in stringent requirements, on-site audits, Drug supervision, environmental awareness, industrial competitiveness, prices of raw materials, no room for product prices increase (The health insurance system in the regulatory market requires preparations to be reduced in price every year.), Low birthrate and lack of jobs, which would cause less competitive small and medium manufacturers to reduce or terminate production.

c. Large molecule drugs (protein, RNA/DNA) have become mainstream, and there are opportunities for the development of traditional small molecule drugs decreased, and the overall market sales value was compressed.

d. The science-isolationism intensified by the state of the global politics has versely affected the cooperation and sharing of the scientific and medical researches.

e. The United States, in coordination with Israel, launched attacks on Iran, causing volatility in global financial and commodity markets. This led to a sharp increase in oil and natural gas prices, as well as disruptions and shortages in the supply of chemicals.

B. Response strategies :

a. Establish a quality system compliant to international quality standards and select products carefully to segregate the market.

b. Work with the original drug developers to enter the patented drug market

which offered greater profits.

c. Recruit R&D talents around the world and solidify capability in R&D to meet customers' needs.
d. The Company should sign the API production contracts with new drug developers to increase long-term cooperation in clinical experiments.
e. The Company has set up a new business and introduced the advanced Veolia technology to purify and reuse the chemical solvents used in the pharmaceutical process, while promoting the development of a circular economy and reducing the impact of operations on the environment, so as to increase the Company's operating capacity while reducing operating costs.
f. Continually evaluate the raw materials supply chain and establish alternative suppliers in different countries to avoid the risk of supply chain interruption.
g. Use automated factory and smart factory technologies to build production lines and improve production efficiency.
h. We will actively coordinate with our client in response to the increase in production costs and increase the price of our products timely.

4.2.2 Primary purpose of primary product and production process

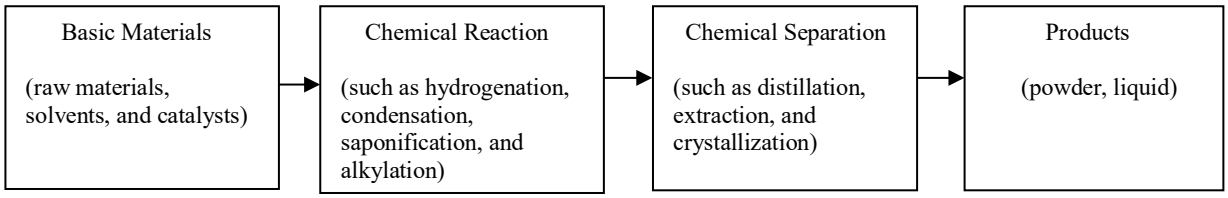
1. Major uses of the primary products:

	Name of Primary Product	Primary Purpose
APIs	VA	Antiepileptic and anticonvulsant
	Probucol	Antiatheroscloresis
	Divalproate Sodium	Antiepileptic and anticonvulsant
	Propafenone Hydrochloride	Arrhythmia
	Duloxetine Hydrochloride	Anti-depression
	Allopurinol	Gout
	Clindamycin palmitate HCl	Antibiotics
	Articaine Hydrochloride	Anesthetics
	HOCLQ-Sulfate	Malaria, rheumatoid arthritis, and lupus erythematosus
	Brinzolamide	Glaucoma
	Sodium Valproate	Antiepileptic and anticonvulsant
	Pentobarbital Sodium	Anesthetics
	Methylphenidate HCl	Anti-ADHD
	Biso-FA	High blood pressure and angina pectoris
	Thiopental acid	Anesthetics
	Loxoprofen Sodium Hydrate	Heat-relieving pain relief
	Atomoxetine HCl	ADHD
	Cannabidiol	Epileptic rarely in children、Multiple sclerosis
	Buprenorphine	Acute and chronic pain
	Adenine	Leukopenia

	Pimobendan	Heart failure (human and veterinary medicine)
API Intermediates	Pent-2	Anesthetics
	PGA	Antiparkinson medication
	NBE	Sleeping pills and anesthetics for surgical use
	5-HMT	Anti-AIDS
	BOV	Steroid
	(S)-MMAA	Anti-depression
	HOCLQ	Anti-malaria
	Prop-3	Heart rhythm disintegration
	Thiazole acid	Antitumor agent
	Olivetol	Antiepileptic
	PMDOL	Antiepileptic

2. Production process:

All these products were produced using chemicals available on the market as raw materials. Various chemical processing (such as hydrogenation, alcoholysis, esterification, saponification, and alkylation) were employed to create unrefined products which would then undergo purification (such as distillation, extraction, and crystallization) to create purified products of an acceptable grade. The following describes the production process:



4.2.3 Main Material State of Supply

Raw materials used by SCI are chemicals sold in the market without any risk of supply monopoly. The following table shows the supply of main materials:

Main Material	Name of the Main Supplier	State of Supply
Chemical Material	a	Good
Chemical Material	b	Good

4.2.4 Primary suppliers and customers e in the most recent 2 years

1. Primary customers

Unit: Thousand NT$

	2025				2024			
Item	Name	Amount	Percentage of Net Sales for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Sales for the Year (%)	Relation ship with the Issuer
1	Client C	218,925	16.29	None	Client C	274,726	18.03	None
2	Others	1,124,795	83.71	None	Others	1,249,012	81.97	None
	Net Sales	1,343,720	100.00		Net Sales	1,523,738	100.00	

Note: Where sales to the customer exceed 10% of the total sales value in the most recent 2 years, the name, sales value, and proportion of the said salesshall be disclosed.However, contractual terms dictate that the names of such customer or trading counterparty cannot be disclosed if the said customer or trading counterparty is anindividual and unrelated party, and may be suitably replaced by codes.

2. Reason for changes : None

3. Primary goods supplier

Unit: Thousand NT$

	2025				2024			
Item	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer
1	a	99,370	27.29	None	a	139,777	30.07	None
2	b	68,829	18.90	None	b	95,174	20.48	None
3	Others	195,979	53.81	None	Others	229,843	49.45	
	Net Purchase	364,178	100.00		Net Purchase	464,794	100.00	

Note: Where procurement acquired from a supplier exceed 10% of total procurement for the most recent two years, the name of the said supplier, procurement value, and proportion of the procurement shall be disclosed. However, contractual terms dictate that the name of such a supplier or trading partner cannot be disclosed if the said supplier or trading partner is an individual and unrelated party, and codes may be used to replace the names instead.

4. Reason for changes : The purchase amount of our largest supplier d in 2023 decreased because SCI changed back to the original process for PGA production in 2024 and no longer needed to purchase PGA primary products.

4.3 Human Resources

Information of employees for the 2 most recent years

Mar. 31, 2026

Year		2024	2025	2026Q1
Number of Employees	Managerial Level or Above	14	13	13
	General Employees	213	210	212
	Foreign Employees	44	45	45
	Total	271	268	270
Average Age		42.47	43.42	43.59
Average Years of Service		10.40	11.14	11.32
Education Distribution (%)	PhD	2.95	2.99	2.96
	Master	18.08	17.16	17.41
	University/College	49.45	48.88	48.89
	Senior or Vocational High School	12.92	13.06	12.96
	Below High Schoo	16.60	17.91	17.78

4.4 Environmental Protection Expenditure

4.4.1 SCI is a professional API manufacturer and focuses greatly on environmental protection. Waste reduction processing would be considered as early as the process development phase. All controlled chemical ingredients, unless required, would be avoided in order to reduce the potential sources of pollution. Disposal of any waste (such a wastewater、exhaust gas、waste solvent、etc.) generated during production would be undertaken by processing equipment and professional personnel, or subcontracted to professional waste management agencies. The following describes the details of waste management :

1. Status on applications for setup permits for polluting facilities or pollution release permits :

A. Wastewater treatment

Part of the waste generated in the production process was processed by an in-house wastewater treatment system operated by specialty personnel, and once processed past the regulatory standard, the effluent would then be released to the water cycle outside the factory. SCI has obtained a wastewater/sewage release permit from the Taoyuan County government, numbered "Fu-Huan-Shui-Tzu No. 1140137481, Tao-Hsien-Huan-Pai-Hsu-Tzu No. H0558-08," effective from May 20, 2025, to Msy 19, 2030. SCI Pharmtech has also laid underground drain water pipelines so that the drain water would not contaminate the irrigation ditches for the farmlands.

B. Exhaust gas treatment

The company has acquired the Stationary Pollution Source Operating Permit and appointed a dedicated air pollution control specialist as required by the Air Pollution Control Act.

Fixed source of pollution	Permit No.	Valid date
Pharmaceutical production/general production process M01	Fu-Huan-Kong-Tzu No.1130000585, permit number for operations: H6175-03	Jan. 4, 2024 - Jan. 3, 2029
Boiler and steam generating processes M02	Fu-Huan-Kong-Tzu No. 1140031497, permit number for operations: H4714-07	Feb. 14, 2024 - June 11, 2028
Pharmaceutical production/general production process M04	Fu-Huan-Kong-Tzu No.1130161698, permit number for operations: H7365-00	June. 13, 2024 - June. 12, 2029

C.Waste solvent handling

(a) SCI has established solvent distillation and recycling towers in order to recover as much organic solvent as possible from the various processes for recycling and reuse. The treatment of un-recyclable waste was subcontracted to qualified and professional agencies.

(b) SCI has set up a new business and introduced the advanced Veolia technology to purify and reuse the chemical solvents used in the pharmaceutical process, while promoting the development of a circular economy and reducing the impact of operations on the environment, so as to increase the Company's operating capacity while reducing operating costs.

D.General waste

Treatment of general wastes produced during the production process was subcontracted to qualified professional agencies for regular handling.

2. Payment of pollution prevention fees :

In 2025, fees paid amounted to NT$5,410 thousand; Subcontracted Processing fees Amounted to NT$46,247 thousand; internal processing expenses amounted to NT$33,121 thousand.

3.Establishment of a dedicated environmental unit: The Company has established a Production Management and Environmental Protection Department with 12 personnel.

Item	Description
Air Pollution Control Specialists	Class A Air Pollution Control Specialist (85) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. FA090525 Class B Air Pollution Control Specialist (92) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. FB010012 Class B Air Pollution Control Specialist (98) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. FB080462
Wastewater And Sewage Treatment Specialists	Class A Wastewater And Sewage Treatment Specialist (85) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. GA120070 Class A Wastewater And Sewage Treatment Specialist (92) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. GA060315 Class A Wastewater And Sewage Treatment Specialist (94) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. GA060315 Class A Wastewater And Sewage Treatment Specialist (100) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. GA450783 Class B Wastewater And Sewage Treatment Specialist (111) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. GA090449 Class A Wastewater And Sewage Treatment Specialist (112) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. GA010524
Toxic Chemical Control Specialists	Class B Professional and Technical Control Specialists of Toxic Chemical (89) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. JB280970 Class A Professional and Technical Control Specialists of Toxic & concerning Chemical (113) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. JA030064 Class B Professional and Technical Control Specialists of Toxic Chemical (97) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. JB050199
Waste Processing Specialist	Class A Waste Disposal Technician (92) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HA020737 Class A Waste Disposal Technician (94) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HA170156

Item	Description
	Class B Waste Disposal Technician (96) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HB401707 Class A Waste Disposal Technician (101) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HA260997 Class A Waste Disposal Technician (109) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HA500397

4.4.2 Any losses suffered by the Company in the most recent fiscal year and up to the Annual Report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

4.4.3 Possible disbursements for future responsive measures (including corrective measures) :

1. The Company attaches great importance to environmental protection and has invested no small efforts in the setup of pollution prevention facilities, employee training programs for improving awareness for environmental protection, active provision of on-job training, and development of waste reduction processes for the purposes of preventing environmental protection issues.
2. The Company has made relevant preparations as the government established stronger controls for various sources of pollution. We are technically capable of fulfilling these requirements, and provided the needed budgetary allocations to setup relevant equipment.
3. Environmental protection expenses have always been part of operational costs and were adequately reflected in product sales prices.
4. Seek support from external research institutions and adopt advanced treatment equipment to improve waste treatment capabilities at lower costs.
5. Use equipment that consumes clean energies to reduce the impact and effects upon the environmental and business aspect of the pollution.
6. The Company has set up a new business and introduced the advanced Veolia technology to purify and reuse the chemical solvents used in the pharmaceutical process, while promoting the development of a circular economy and reducing the impact of operations on the environment, so as to increase the Company's operating capacity while reducing operating costs.
7. Potential current and future losses : None.

4.4.4 Response to RoHS : Products are not affected by the Restrictions of Hazardou Substances Directive (RoHS) of the EU.

4.5 Labor Relations

4.5.1 The systems and implementation status of the company's employee welfare policies, continuing education, training, and retirement, as well as the labor-management agreements, and the measures protecting employees' rights and interests:

1. In addition to the basic protection of labor insurance and health insurance, the company provides comprehensive employees' group insurances, including life insurance, medical insurance, casualty insurance, cancer insurance, etc. The employee's benefits include trip activities, wedding gift money, childbirth gift money, funeral condolence money, hospitalization allowance, work-related injury leave, emergency aids, end-of-the-year dinner party lucky draw, employees' dormitory, nursery room, and complimentary meals. Employees can also receive bonuses and performance bonuses for the operational results of the company each year. The average salary for non-executive full-time employees was NT$872,000 in 2024, ranking 58rd of the 133 public listed biomedical companies.
2. The company continuously promotes the educational training and continuous learning of the employees to improve the quality of human resources and the development advantage to consolidate the foundation of sustainable management and development. The company enacted procedures for employees' educational training, which can be classified as internal training, external training, and overseas learning, as the annual educational training plan for each department is enacted by each department and uploaded to the internal network with regular records and updates. The internal training accumulated 45,189 session participants in 2025, with 10,623 session participants from the Production Department, 1,393 session participants from the Quality Assurance Department, 21,732 session participants from the Quality Control Department, 260 session participants from the Safety Office, and 154 session participants joining the external training program in 2025, achieving outstanding results. The expenses for the external training program in 2025 are NT$375,466.
3. The company enacted the Employees' Pension Procedures as required by the Labor Standard Act, with 5% of the total monthly salary allocated as the fixed proportion for pension, which is deposited in the trust department of the Bank of Taiwan for fructus civiles. The company contributes 7% as pension to the personal account of the employees monthly as required by the Labor Pension Act. In addition, the criteria for the employees' retirement application shall comply with the requirement of the Labor Standard Act, and the application form of retirement shall be signed and approved by the General Manager.
4. The employees' shareholding trust is implemented. The current major shareholder of the company is the Conference of Share Holding Employees to increase the security for employees' retirement.
5. The Board of Directors approved the purchase of employees' annuity on March 30, 2016, to increase the security of employees' retirement life.
6. The Company adopts an open, two-way communication approach in promoting policies and understanding employee feedback, and holds regular labor-management meetings to maintain harmonious relations. As a result, there have been no labor disputes.Starting in 2025, the Company implemented an employee satisfaction survey, conducted anonymously, with a response rate of 83%. The questionnaire covered six key dimensions (a total of 34 questions), including company management and development opportunities, leadership effectiveness, job satisfaction, and work-related stress. It also included one open-ended question to allow employees to fully express their opinions. The Human Resources Department consolidated the survey data into an analysis report, which was presented to management on March 4, 2025, as a reference for communication and improvement. A summary of the report was also shared with employee representatives during the first-quarter labor-management meeting.Overall,

employees reported a 69% satisfaction rate with the Company's operations and management. The main areas of dissatisfaction were work allocation, compensation, and career advancement opportunities. In the open-ended responses, 18 employees expressed negative opinions, 4 provided positive feedback, and 7 shared neutral views. The General Manager has instructed all managers to ensure fairness and appropriateness in management practices, proactively identify and resolve issues, learn and grow from both successes and setbacks, enhance departmental visibility, and gain recognition from colleagues and supervisors. Improving employee satisfaction in the coming year has also been set as a key management objective.

7. The outdoor basketball court shall be converted into a dual-purpose indoor basketball and badminton court to provide a leisure sports venue for the employees.
8. Implementation situations : SCI were implemented according to the regulations in 2025.

4.5.2 List any losses suffered by the Company in the most recent years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken : None

4.5.3 Protective measures for the safety of the workplace and personal safety of the employees :

SCI is a chemical industry. In the manufacturing process, failure to follow standard operating procedures may cause employees' personal injury; therefore, the following measures are taken to safeguard the personal safety of employees:

1. Conduct preventive maintenance every month.
2. Carry out hazard awareness training for new employees.
3. Write up SOPs and strictly require employees and contractors to follow.
4. Require employees to wear protective devices, such as goggles, safety shoes, and safety helmets.
5. Set up emergency rescue devices, such as eye wash devices and AED.
6. Conduct industrial safety training every half a year.
7. Promote environmental protection, safety, and health.
8. Organize the employee health examination in the middle of every year and arrange special examinations for employees working in special operations.
9. Hold an environmental safety meeting every two weeks to review deficiencies found in the environmental safety and health inspections.
10. Organize a meeting of the Occupational Safety and Health Committee every quarter to assess the risks of occupational safety and health.
11. Conduct the survey of musculoskeletal symptoms, personal overwork scale, and survey of violence and risk assessment every two years.
12. Encourage employees to provide recommendations for improvement through the environmental feedback form.
13. The were pedestrian passes laid out in each factory to separate pedestrians from vehicle traffic.
14. Implementation status: In 2025, all the above-mentioned measures were taken in accordance with the regulations.

4.6 Infocomm security management

4.6.1

The Infocomm security risk management framework, Infocomm security policy, concrete

management programs, and resource investments for Infocomm security management:

1. Infocomm security risk management framework:
   1.1 The Information Office under the President's Office is in charge of the matters related to managing infocomm security, and the Audit Office has enacted internal control procedures and conducted internal audits regularly.
   1.2 Information supervisor entrusts Head of Corporate Governance to report to the board of directors on the implementation of infocomm security risk management in December every year.
   1.3 Considering the company's scale and operating conditions, currently, one supervisor and one employee are staffed.

2. Infocomm Security Policies: Revised on Jan. 5, 2025. Please refer toAttachment 2.

3. Concrete Management Programmes:
   A. To ensure the company's infocomm security, the Information Office has subscribed to the Intrusion Prevention System services provided through Hinet by Chunghwa Telecom to block the network-based virus and intrusion attacks, which is further strengthened with the installation of the firewall, blocking attacks targeting the internal network. Another internal firewall was installed on the internal network to increase server protection.For the user end, Windows Update will automatically update and fix the bugs for Windows users through the Windows Update Services Server, preventing viruses and hackers from exploiting the bugs of the window system. In addition, the company installed the enterprise anti-virus software Symantec and Palo Alto Traps Advanced Endpoint Protection, enhancing the protection for all user ends. Irregularly through information security cases, the company raises employees' awareness of information security to reduce the occurrence of information security incidents.
   B. The company's official website is managed by a professional hosting company to reduce the risk of cyber attackers invading the company's internal network environment through the company's official website.
   C. The server room is locked at all times. Non-IT personnel must be accompanied by IT personnel when entering the server room, and must fill in the registration form.
   D. Use Master Control system to control access to the company's important data files. Except for document management personnel, other users only have read-only and no printing permissions to reduce the risk of sensitive data leakage.
   E. Important information system files and databases are set to be backed up daily, and a system restoration drill is performed at least once a year to verify the integrity and availability of the backup data.
   F. The Information Office will also evaluate the necessity of information security insurance for reducing operational losses.
   G. For the rest of the concrete management programs, please refer to Attachment 2 (Infocomm security policy).

4. Resource investments for information security management :
   A. Applied and implemented the Intrusion Prevention System service provided by Chunghwa Telecom.
   B. Built perimeter and internal firewalls.
   C. Built a log server to record the company's internal and external network activities.
   D. Installed Antivirus Software.
   E. Installed Endpoint Protection Software.

F. Joined the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC).

G. Constracted an information security company to perform system vulnerability detection, web page vulnerability detection and penetration testing on the company's information system to correct information security vulnerabilities and risks.

4.6.2 The list of any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and countermeasures. Immeasurable incidents shall be specified with the reason of the incident being immeasurable: None.

4.7 Important Contracts

The parties, major contents, restrictive terms, and start/end dates of major contracts that could affect the shareholders' equity, such as supply contracts, technical partnership contracts, construction contracts, and long-term loan contracts that are still effective by the printing date of this annual report or have expired in the most recent fiscal year :

Nature of the agreement	Parties	The commencement and termination dates of the agreements	Major Content	Restrictive Provisions
Shareholders' Agreement	Veolia	Aug. 12, 2020~	Introducing advanced technology of Veolia, purifying and re-using the chemical solutions in the pharmaceutic process, also promoting the circular economic development.	
Mid-Term Loan Agreement	Mega International Commercial Bank, Tao Hsin Branch	Feb.25,2022~ Feb.25,2027	Signed a mid-term loan agreement with the Tao Hsin Branch of the Mega International Commercial Bank.	
Land Lease Agreement	Yushan Pharmaceuticals Inc.	Aug. 2022~ July. 2072	Acquire right-of-use assets.	
Wastewater Treatment Facility Contract	Framosa Co, Ltd.	Sep. 28, 2022~ Sep. 28, 2027	This facility is entrusted by Framosa to be responsible for the design, construction and operation (DBO).	

5、Review of Financial Conditions, Operating Results, and Risk Management

5.1 Financial Status:

Analysis of financial situation

Unit: Thousand NT$

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	1,090,422	1,660,387	(569,965)	-34.32
Non-current financial assets at fair value through profit or loss	77,575	81,427	(3,852)	-4.73
Non-current financial assets at fair value through other comprehensive income	109,470	156,097	(46,627)	-29.87
Property, plant, and equipment	5,087,857	4,794,453	293,404	6.11
Right-of-use assets	49,054	8,780	40,274	458.70
Investment Property	228,012	228,012	0	0
Intangible assets	29,647	37,765	(8,118)	-21.49
Deferred tax assets	161,558	143,817	17,741	12.33
Other non-current assets	53,251	90,043	(36,792)	-40.86
Total assets	6,886,846	7,200,781	(313,935)	-4.35
Current liabilities	1,036,371	1,014,378	21,993	2.16
Non-current liabilities	455,993	709,471	(253,478)	-35.72
Total liabilities	1,492,364	1,723,849	(231,485)	-13.42
Common stock	1,195,087	1,195,087	0	0
Capital surplus	2,234,986	2,234,986	0	0
Retained earnings	1,967,847	2,036,789	(68,942)	-3.38
Other equity	(3,438)	10,070	(13,508)	-134.14
Total equity	5,394,482	5,476,932	(82,450)	-1.50

Analysis of changes in ratios :

1. Decreased current assets: Mainly due to payments for goods, operating expenses, purchases of fixed assets, and repayment of borrowings, resulting in a decrease in cash and cash equivalents compared to the previous period.
2. Decreased non-current financial assets at fair value through other comprehensive income: Due to recognition of investment losses based on the shareholding ratio, leading to a reduction in the carrying amount of equity-method investments.
3. Increased right-of-use assets: Primarily due to newly added lease contracts for employee dormitories at the Guanyin plant and production equipment, with right-of-use assets recognized in accordance with lease accounting standards.

4. Decreased other non-current assets: The main reasons are the completion and recognition of buildings, equipment, and construction in progress, as well as the reduction in advance payments for equipment.
5. Decrease non-current liabilities: Mainly due to partial repayment of long-term borrowings, leading to a decrease in long-term debt compared to the previous period.
6. Decreased other equity: The decrease was mainly due to an increase in the valuation loss of financial assets measured at fair value through other comprehensive income.

Note : The analysis would not be required if the change is within 20% with the amount exceeding NT$10 million.

5.2 Operation Results:

5.2.1 Analysis of financial performance

Unit: Thousand NT$

Item	2025	2024	Difference amount	Proportion of change %
Operating revenue	1,343,720	1,523,738	(180,018)	-11.81
Operating cost	992,695	1,113,073	(120,378)	-10.81
Operating margin	351,025	410,665	(59,640)	-14.52
Operating expenses				
Selling expenses	67,376	74,152	(6,776)	-9.13
Administrative expenses	90,586	95,548	(4,962)	-5.19
R&D expenses	37,818	42,680	(4,862)	-11.39
Net operating income	155,245	198,285	(43,040)	-21.70
Non-operating income and expense	(53,054)	448,572	(501,626)	-111.82
Profit before tax	102,191	646,857	(544,666)	-84.20
Income tax expense	(5,183)	112,179	(117,362)	-104.62
Net profit for the year	107,374	534,678	(427,304)	-79.91
Other comprehensive income	(10,562)	(8,333)	(2,229)	26.74
Total comprehensive income for the year	96,812	526,345	(429,533)	-81.60

Analysis of changes in ratios :

1. Decrease in operating net income: Mainly due to a decline in operating revenue, which adversely affected overall operating profitability.
2. Decrease in non-operating income and expenses: Primarily due to the absence of insurance claim income in the current period and the recognition of foreign exchange losses.
3. Decrease in profit before tax, income tax expense, net profit for the year, and total comprehensive income for the year: Mainly due to the decline in operating revenue and the occurrence of non-operating losses.

Note : The analysis would not be required if the change is within 20% with the amount exceeding NT$10 million.

5.2.2 Estimated sales volume and its basis:

1. Estimated sales volume:

Item	Sales Volume (Ton)
APIs	248.49
API Intermediate	103.28
Others	102.00
Total	453.77

2. Estimated sales basis:
   The expected sales volume in the above chart is based on the company's 2026 Annual Budget approved by the board of directors. The estimated basis is mainly based on customer product demand, with sales values expected to grow compared to the previous year.

5.2.3 Possible impact on the future finance of the Company and response measures :

The Luzhu plant’s production capacity has fully recovered, and the Guanyin plant is expected to begin trial production in the second quarter of Year 2026. Currently, the company is facing challenges such as increased depreciation expenses and intensified market price competition. How to quickly improve capacity utilization has become an urgent issue to address.

The following is the response measures:

1. Maintain close relationships with existing customers while actively expanding new customers to enhance the sustained growth momentum of each product.

2. Build up the connection with medications’ originators and expand CDMO businesses. Expand our business operations and continuously improve and optimize our product processes to enhance production efficiency.

3. Promote circular economy and reduce the environmental impact of business operations while lowering operating costs.

5.3 Cash flow:

5.3.1 Analysis and explanations of changes in cash flow in the 2 most recent fiscal years (if the change is within 20%)

Item \ Year	December 31, 2025	December 31, 2024	Proportion of change %
Cash flow ratio %	21.26	84.83	-74.94
Cash flow adequacy ratio %	39.65	58.29	-31.98
Cash reinvestment ratio %	0.61	10.54	-94.21
Analysis of changes in ratios : Decrease in Cash flow ratio & Cash reinvestment ratio & Cash reinvestment ratio: The significant decrease in net cash inflow from operating activities during the period was mainly due to a decline in revenue and an increase in inventory levels.			

5.3.2 Analysis of cash liquidity in 2025

Unit: Thousand NT$

Cash at beginning of year (1)	Cash flows from operating activities for the entire year (2)	Cash outflow for the entire year (3)	Sum of cash surplus (inadequacy) (1)+(2)-(3)	Remedial measures for cash inadequacy	
				Investment plan	Financial plan
582,382	220,319	(742,076)	60,625	—	—

(1) Operating activities:
The net cash inflow from operating activities was NT$220,319 thousand, which is greater than the pre-tax net income of NT$102,191 thousand, indicating that the company's earnings quality is still decent maintained.

(2) Investment activities:
The net cash inflow from investing activities is NT$512,925 thousand , which is mainly due to expenditures for equipment purchases and the construction of the Guanyin plant.

(3) Funding activities:
The net cash outflow from funding activities was NT$229,151 thousand, mainly due to the distribution of cash dividends and repayment of loans.

2. Remedial actions for cash shortfall and the liquidity analysis: NA

5.3.3 Cash liquidity analysis for the following year

Unit: Thousand NT$

Cash at beginning of year (1)	Expected cash flows from operating activities for the entire year (2)	Expected cash outflow for the entire year (3)	Expected sum of cash surplus (or inadequacy) (1)+(2)-(3)	Remedial measures for cash inadequacy	
				Investment plan	Financial plan
60,625	432,000	444,000	48,625	—	—

1. Analysis of the projected cash flow changes for 2026:
   (1) Projected net cash flow from operating activities within the year:
   The projected cash outflow from operating activities is NT$432,000 thousand.
   (2) Projected net cash outflow within the year:
   The main expenditures are for the construction of a hazardous materials warehouse, purchases of machinery and equipment, and cash dividends.
2. Projected Remedial Actions for Cash Shortfall and the liquidity analysis: NA

5.4 Impact of major capital expenditures on the financial business in the most recent year :

The major capital expenditures in 2025 were for the construction of the Guanyin plant.

5.4.1 Expected benefits : Considering the growing demand in the pharmaceutical market and the risk of relying on a single factory, the company has decided to construct the Guanyin plant to maintain its sustainable development momentum.The Guanyin Plant is equipped with automated warehousing systems and packaging equipment, featuring a higher level of smart manufacturing compared to the Luzhu Plant. Currently, four production lines have been constructed, which are expected to provide approximately 50% of the Luzhu Plant's capacity. Trial production is scheduled for the second quarter of Year 2026.

5.4.2 Possible risks : If the utilization rate of the production capacity is not high enough after the operation started, it will affect the profitability of the company's main business.

5.4.3 Response measures :By strengthening the business team, expanding operational reach, exploring CDMO services, and optimizing product portfolios to enhance profitability.

5.5 Policy on investment in other companies, main reasons for profit / losses resulting therefrom, improvement plan, and investment plans for the upcoming fiscal year :

5.5.1 Policy on investment in other companies, main reasons for profit / losses resulting therefrom, improvement plan :

1. The reinvestment policy of the company is to invest in related fields of the medical and pharmaceutical industries, or businesses that can generate synergy with the major business of the company.
2. The main reasons for the company's profit or loss from reinvestment, and the improvement plan:

Name of investee	Original investment amount (thousands)	Percentage of ownership	Share of profit or losses of investee (thousands)	Major factors behind gain or loss	Strategy for improvement
Yushan Pharmaceuticals Inc.	351,761	100%	(7,352)	The company recognized a loss from its investment in HoneyBear Biosciences Inc. based on its shareholding percentage.	The principle is to invest with a long-term strategic approach and to continuously evaluate with prudence.
Framosa Co.	143,750	25%	(21,836)	As operations have not yet commenced, there has been no significant contribution to revenue or profit. Trial production is expected to begin in mid-2026.	After the company starts operating, it is expected that profitability will improve.
HoneyBear Biosciences, Inc.	68,000	11.65%	(24,791)	The company was founded in 2021 and focused on developing antibody-drug conjugate (ADC) research.	The development of new drugs is a lengthy process. The company adheres to a principle of long-term strategic investment while continuously and prudently evaluating development progress.

5.5.2 Investment plans for the upcoming fiscal year : Construction of a hazardous materials warehouse, along with the replacement of existing production line equipment and piping.

As the existing warehouse is unable to meet the requirements for hazardous materials storage and management, a dedicated hazardous materials warehouse is planned to improve storage efficiency and enhance safety management, providing a safe, centralized, and compliant storage environment. In Area 03B, only part of the equipment was damaged in a fire at the end of 2020. After one year of restoration, the facility resumed production. However, due to prolonged use, the equipment and piping of this production line have experienced reduced efficiency and raised occupational safety concerns. To ensure stable production operations, replacement of the equipment and piping will be carried out.

5.6 For risks, the following items shall be analyzed and assessed for the most recent year up to the printing date of this annual report :

5.6.1 The policies and organizational structure of risk management: The Risk Management Policy and Procedure please refer to Attachment 5.

1. Policies: The company's risk management policy is to establish a risk management mechanism to identify, evaluate, supervise, and control risks following the company's operating policies, and to achieve the goals of rationalizing the risks and the reward within the tolerable scope of risk.

2. Authority and responsibilities of each unit in the organisation:

(1) Board of Directors:

This is the highest authority of the company's risk management, and is in charge of approving, reviewing, and supervising the company's risk policies, ensuring the management structure

and the operation of risk control functions.

(2) Audit Committee:

Serves as the supervisory unit for the company's risk management related operational mechanisms. It is responsible for reviewing risk management policies, procedures, and frameworks to ensure that risk management mechanisms can fully address the risks faced by the company. It also designates personnel (at least once a year) to report to the board of directors on the implementation of risk management.

(3) President Office:

The unit is in charge of planning the operational strategy, also supervising and implementing its execution to fulfill the effectiveness and efficiency of the operation, reducing the operational and strategic risks. This unit is also in charge of legal risk management, compliance with the government monitoring measures, and determining possible agreement disputes or legal disputes to reduce the legal risks; responsible for the related risks of climate change and exploring the opportunities that arise from them.

(4) Audit Office:

The unit is in charge of evaluating the key risks matters, which shall be referenced for the audit plan operation. This unit is also in charge of enacting or amending the related control procedures and practices for possible risks.

(5) IT Office:

The unit is in charge of overall planning and set-up of the ERP information equipment and the enterprise network, and is also responsible for managing the Internet information security to reduce the information security risks.

(6) Safety Office:

The unit is in charge of the planning and execution of the industrial safety and health practices to comply with the related laws and regulations, and reduce the related risks.

(7) Strategy Office:

The unit is adept at grasping market trends and devising organizational strategies to mitigate strategic risks.

(8) Business Division:

A. The unit is in charge of the development of clients and products, as well as enacting the transaction terms and conditions based on the relationship with the client, the client’s financial condition, and the political and economic condition of the client’s location to prevent the risks of unable to receive the account receivables.

B. The unit is in charge of the management of a decent supply chain, ensuring the stable supply of raw materials, their qualities meeting the specification, and the stability of the price, to reduce the risks of daily operations.

(9) Technical Division:

The unit is in charge of evaluating and ensuring the development of new products does not involve the risk of violating others' patents and intellectual properties. This unit is also in charge of the management of patents and intellectual properties.

(10) Quality Division:

The unit is in charge of ensuring the products are manufactured following the GMP and standards demanded by the clients, while also complying with the regulations of health competent authorities in different countries, to reduce the risks of relating to decreases in quality and client complaints.

(11) Operating Division:

A. The unit is in charge of ensuring the production operation is following the schedule and related SOP to prevent the risks of delayed shipments or production disruptions.

B. The unit is in charge of optimizing the quantities of raw materials and final products to control the inventory cost while preventing the shortage of raw materials and finished

products. The unit is also in charge of managing the production schedule to improve production efficiency and planning for the requirements of sufficient future capacity to avoid the risk of production capacity shortage.

C. The unit is in charge of planning and implementing the environmental protection policies to maintain compliance with related laws and regulations and reduce the related risks.

D.The unit is in charge of the design and execution of the plant construction to ensure the plant and equipment meet the standard of the clients and the health-related authorities of different countries. This unit is also responsible for the preventive maintenance of the plant and equipment to reduce the risk of ceasing production due to the damaged production equipment.

(12) Finance and Administration Division:

The unit is in charge of the risk management for assets and compliance with the related laws and regulations from the government to ensure the sustainable operation of the company and the security of its assets. This unit is also responsible for evaluating the medium- and long-term investment performance, the financial operations and adjustment, the establishment of a hedging mechanism, and achieving the reliability of financial reports and compliance with laws and regulations to reduce the financial-related risks.

3. The company reports to the Board of Directors with the operational condition regularly every year, the latest company report to the Board of Directors have been conducted on December 29, 2025, and the operational conditions are as follows

(1) Operational risks - Supply chain risks:

A. Evaluate:a. Key raw materials are highly dependent on China and India. Any delays in order fulfillment or export disruptions may extend lead times.

b. Precious metals have increased by approximately 50% this year, significantly raising the cost of precious metal catalysts (such as palladium and platinum).

c. China has tightened export controls on key metal raw materials, leading to unstable supply sources.

B. Impact: Currently, the chemical market remains oversupplied. Except for raw materials used in the high-tech industry, where prices have increased, most chemical products have remained stable or experienced slight declines. As a result, the overall impact on profit and loss is limited. A batch of catalysts was recycled and processed by the end of 2024, and inventory levels are sufficient for operational turnover. There have been no purchases of precious metals in 2025 to date.

C. Response: a. Establish safety stock levels for materials with unstable lead times.

b. Closely monitor suppliers' operational conditions and adjust inventory based on order demand and market trends.

c. Review precious metal catalyst inventory and price trends on a quarterly basis to determine optimal purchasing timing.

d. Seek customer approval to expand supply sources and qualify secondary suppliers (from alternative countries) for key raw materials.

e. Confirm whether raw materials are subject to key metal regulations; additional supply sources have been secured for controlled materials.

(2) Operational risks - EHS risks:

A. Evaluate: a.Being in the chemical manufacturing industry carries high potential for fire and toxicity.

b.Equipment damage or employee death or injuries due to negligent operations that might lead to suspension of operations.

c.Environmental pollution due to negligent operations that might lead to suspension of operations.

d. The impact of net-zero carbon emissions and the imposition of carbon fees.

B. Impact: : a.The fire insurance premium is approximately 29.5 million(deductible is 20%).
b.If the Environmental Ministry expands the scope of carbon fee collection in the future, costs will increase by 4.72 million (based on 2024 carbon emissions estimates).
c.Products exported to Europe will be subject to a carbon tariff, with the European carbon tax approximately 10 times higher than Taiwan's.

C. Response: a.To execute standard operational procedures faithfully, ensuring adherence to ISO45000 and ISO14001.
b.To conduct educational training and fire drills and include environmental pollution and work safety incidents as factors for performance awards and punishments.
c.To have fire insurance, the current combined insurance amount of which is about NT$6.209 billion (including insurance for interruption of operations).
d.To have Insurances for public accident liability and employer liability.
e. Completion of greenhouse gas inventory and internal/external verification.
f. In 2025, implementation of an energy management system and achievement of ISO 50001 certification, along with the establishment of carbon reduction policy targets and control mechanisms.

(3) Operational risks - Quality risks:

A. Evaluate: Failing a client audit or health authority inspection or receiving warning letters, which create issues in product quality that necessitate remake or scrapping.

B. Impact: In 2025, the loss of inventory scrapping was about NT 3 million, and the amount of returns and allowances was about NT 4 million.

C. Response: a.To implement quality assurance policies and good manufacturing practice, ensuring adherence to ISO9001.
b.To have introduced the SAP ERP and Master Control softwares for data integrity and launch the Laboratory Information Management System (LIMS).
c. To have a product liability insurance for US$2 million.

(4) Financial risks - Exchange rates risks:

A. Evaluate: 90% of the company’s revenue is derived from exports. The quoted price is mainly in US dollars, and the appreciation or depreciation of the currency impacts the company’s revenue significantly.

B. Impact: The appreciation and depreciation of NT$1 in the foreign exchange between US dollars and New Taiwan dollars approximately impact 2% of the gross margin. The position of US dollars generates non-operating exchange gains and losses, NT$ 25 million of non-operating exchange loss in 2025.

C. Response: a.Based on developments in the international political and economic situation as well as trends in exchange rate fluctuations, determine the appropriate timing to buy or sell foreign currencies.
b.Timely implementation of foreign exchange hedging measures (e.g., forward contracts) to reduce the impact of currency fluctuations on operations.

(5) Financial risks - Long-term investment:

A. Evaluate: Currently, the financial asset measured at fair value through othe comprehensive income is Energenesis Biomedical Co., Ltd., with an amount of approximately NT$ 77.57 million；the equity-method investment in HoneyBear Biosciences, Inc. amounts to NT$68 million.

B. Impact: In 2025,other comprehensive income resulted in a loss of approximately13.51 million, mainly due to the evaluation loss of Energenesis Biomedical Co., Ltd.

C. Response: Energenesis Biomedical Co. is held as a long-term strategic investment, with

no plan for disposal at present. HoneyBear Biosciences, Inc. shows positive prospects for future development; however, due to the long product development cycle, investment losses are expected to be recognized in the short to medium term.

(6) Financial risks - Credit risks:

A. Evaluate: a.For the default risk of account receivables, the current account balance is NT$ 248 million.

b.For the default risk of cash and cash equivalent, the current balance is NT$ 60 million.

B. Impact: There was no bad debt loss in 2025.The interest income of cash and cash equivalent generated is approximately NT$ 4.62 million.

C. Response: a.The company shall implement proper client credit investigation, prepayment transactions shall be requested to the clients with concerning status, and factoring of accounts receivables and insurance shall be implemented when necessary.

b.The current cash level has significantly declined due to capital expenditures and is held with highly rated financial institutions.

(7) Financial risks – Others:

A. Evaluate: a. Interest rates risks.

b. Liquidity risks.

c. Inflation risks.

d. Endorsement / Guarantees risks.(Framosa Co.)

B. Impact: a. As of the end of 2025, the accumulated capitalization amount of interest on the five-year loan from Mega Bank is approximately NT$ 41.45 million, which will be amortized after the operation of the Guanyin plant.

b. Interest expense for 2025 was approximately NT$ 4.93 million.

c. Although the rate of price increases is expected to moderate in 2025, inflationary pressures remain.

d. If the endorser of the guarantee fails to fulfill their debt obligations, a loss must be recognized. As of the end of 2025, the actual disbursed amount is approximately NT$ 314 million.

C. Response: a. Interest rates : The current average interest rate on borrowings is approximately 2.1%, with priority given to utilizing low-interest loans. Following the cessation of interest capitalization, interest expenses are expected to increase to around NT$20 million in 2027.

b. Liquidity : Liquidity financial indicators are continuously monitored, and new credit lines with financial institutions are being explored to maintain cash flow and liquidity.

c. Inflation : Close attention is paid to relevant developments, with careful assessment of their impact on operating costs. Appropriate pricing strategies are formulated, and cost control measures are strengthened. Efforts are also made to actively expand the customer base to improve capacity utilization.

d. Endorsement / Guarantees: Record relevant matters in the reference book and monitor the utilization of guarantee limits. Internal audit personnel will audit the endorsement guarantee operation procedures and their execution at least quarterly.

(8) Strategy risks:

A. Evaluate: a.The company joint venture with Veolia to establish the Framosa Co., Ltd in the hope to reduce the consumption and the outsourced processing of chemical solvent, enhancing the competitiveness in operation and meeting

the global trend of ESG, thus the company support Framosa to construct its plant and operate within the schedule.

b. The plant in Guanyin is to decentralize the production locations and stabilize the relationships with clients.

B. Impact: a. The company is holding 25% of the shares of Framosa Co., Ltd., allowing it to become one of the company's affiliated companies. The shareholding ratio will be utilized to recognize the loss on investment (NT$ 21.84 million of losses recognized in 2025).

b. If the capacity utilization rate at the Guanyin plant is low after its activation, it will affect the profitability of the core business.

C. Response: a.To support the construction and operation of the Framosa Co., Ltd. under the schedule to secure the solvent processing service agreements within the industry and establish economic scale.

b.To strengthen the business team to maintain good relationships with existing customers while actively expanding to acquire new customers. This approach aims to enhance the sustained growth momentum of the products and subsequently improve capacity utilization.

(9) Hazard risks – Natural disaster risks:

A. Evaluate: a. Taiwan is easily impacted by natural disasters such as typhoons, earthquakes, etc.

b. Risks of emerging infectious diseases.

B. Impact: In 2025, there were a total of two days of typhoon day, resulting in a work stoppage loss of approximately NT$ 4 million.

C. Response: a.To enact the continuous operation plan of the company.

b.To enact the reporting and protection measures of infectious diseases, and implement them accordingly.

c.To purchase property insurance, currently the total coverage amounts of insurance is approximately NT$6.209 billion (the scope of insurance includes the stock, machinery equipment, buildings, and the interruption in operation.)

(10) Law risks :

A. Evaluate: a.Compliance with government laws and orders.

b.Investment agreement signed by the President's Office.

c.Non-disclosure agreement and supply agreement signed by the Business and Purchase Department.

d.Service agreement and equipment agreement from other departments.

B. Impact:In 2025, penalties of NT$80,000 and NT$100,000 were imposed for violations of the Fire Services Act and the Occupational Safety and Health Act, respectively.

C. Response: a.Each department shall assign personnel to review the amendment of laws and regulations and review its impact and the corresponding measures that shall be taken by the company.

b. Each department shall assign personnel to review the amendment of laws and regulations and review its impact and the corresponding measures that shall be taken by the company.

c.Each department shall review all agreements carefully, and strictly enforce the internal control procedures requiring signatures and seals.

d.To commission services from legal firms for special and significant events.

e.To consult the opinions of General Counsel from the parent company for special and significant events.

(11) Others risks – Market risks:

A. Evaluate: a.The market for pharmaceuticals grows steadily each year under population growth, aging, and economic growth.
b.The risk of losing clients.
c.The risk of having excessive ratios of a single product and a single client in the company's revenues.

B. Impact: Due to customer losses caused by the fire incident, coupled with intense market competition resulting from overcapacity among Chinese manufacturers, revenue in 2025 remained approximately NT$1.3 billion below pre-disaster levels (compared with the same period in 2020).

C. Response: a.To continuously enhance the relationship with the clients, speed up the processes of reconstruction, returning to production, and the construction of Guanyin Plant to restore the confidence of our clients.
b.To continuously develop new products with the goal of reducing the ratio of a singleproduct to the company's revenue to below 15%.
c.To continuously develop new clients with the goal of reducing the ratio of a single client to the company's revenue to below 10%.

5.6.2 Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives trading, main reasons for the profits or losses generated thereby, and future response measures:

1. Policy : The Company always focuses on its scope of business and does not engage in high-risk or highly-leveraged investment activities. In order to effectively manage special matters arising from actual business needs, the company has established internal management measures and operational procedures based on sound financial and operational practices, in accordance with the relevant laws and regulations of the Securities and Futures Commission. These include procedures such as " Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," and " Regulations Governing the Acquisition and Disposal of Assets by Public Companies." Derivative transactions undertaken by the company are solely for hedging purposes. In the future, the company will strictly adhere to the relevant transaction processing procedures of regulatory authorities and the company itself. In addition to carefully evaluating execution, it will further strengthen control mechanisms.
As of the end of 2025, the situation regarding the company's fund loans to others, endorsement guarantees, and derivative transactions is as follows:
(1) Loans to other parties: N/A.
(2) In response to the operational funding needs of our affiliated companies, banks have requested shareholders to provide guarantees in proportion to their capital contributions to ensure creditor rights. Below are the details of the endorsement guarantees:

Company Name	With a relationship to our company	As of December 31, 2025, the amount of endorsement guarantees
Framosa Co., Ltd.	The affiliated enterprises.	NT$ 313,831 thousand

2. Cause of profit or loss: N/A.
3. Future response measures: None.

5.6.3 Future R&D plans and expected R&D investments:

c	Current Progress	Expected Completion Time Mass Production Time	Key Factors Influencing R&D Success	Expected R&D Investments
Adenine	Capacity expansion and process optimization	Mar. 2026	Key technology	Investment of about NT$ 40million
Benserazide	Process development and optimization	Sep. 2026	Key technology	
Iron sucrose	Process optimization	Mar. 2026	Key technology	
LDX-OAc	Process development and optimization	Jun. 2026	Key technology	
B Project	Process development and optimization	Jun. 2026	Key technology	
CDMO-X project	Process optimization	Jun. 2026	Key technology	
Tapinarof	Process development and optimization	Dec. 2026	Key technology	
Rimegepant	Process development	Dec. 2026	Key technology	

5.6.4 Changes in local and overseas policies and laws, impact on the Company's finances and operations, and response measures:

The business operation is faced with numerous laws and regulations. The pharmaceutical industry is more subject to the pharmaceutical laws and regulations, such as the Pharmaceutical Affairs Act and Pharmaceutical Good Manufacturing Practice Regulations. As the regulatory environment continues to change and improve, each department of SCI has designated personnel to be responsible for management of changes in laws and regulations. In addition, APIs are related to the quality of preparations, so the Ministry of Health and Welfare implements source management and continuously promotes policies related to API management to ensure that domestic API companies fully comply with PIC/S GMP standards.

5.6.5 Changes in technology and industry, impact on the Company's finances and operations, and response measures: None.

5.6.6 Changes in the corporate image, impact on the Company's risk management, and response measures: None.

5.6.7 Expected benefits and possible risks of mergers and response measures: None.

5.6.8 Expected benefits and possible risks of expanding factory buildings and response risks:

The major capital expenditures in 2025 were for the construction of the Guanyin plant.

1. Expected benefits: Considering the growing demand in the pharmaceutical market and the risk of relying on a single factory, the company has decided to construct the Guanyin plant to maintain its sustainable development momentum.The Guanyin Plant is equipped with automated warehousing systems and packaging equipment, featuring a higher level of smart manufacturing compared to the Luzhu Plant. Currently, four production lines have been constructed, which are expected to provide approximately 50% of the Luzhu Plant's capacity. Trial production is scheduled for the second quarter of Year 2026.
2. Possible risks: If the utilization rate of the production capacity is not high enough after the operation started, it will affect the profitability of the company's main business.
3. Response measures:. By strengthening the business team, expanding operational reach, exploring CDMO services, and optimizing product portfolios to enhance profitability.

5.6.9 Risks resulting from the concentration of purchases or sales and response measures:

Most suppliers and customers of SCI are trading partners with long-term and close relationships resulting in low risk levels. In 2025, the largest supplier accounted for 27.29% of total purchases, down from 30.07% in 2024. The decrease was primarily due to adjustments in the procurement items and quantities of certain raw materials in response to production needs, resulting in a lower proportion of purchases from the largest supplier.

The largest customer accounted for 16.29% of net sales in 2025, down from 18.03% in 2024. This was mainly due to increased sales to other customers and a decrease in orders from the largest customer, leading to an adjustment in the overall sales structure. The future target is to reduce the revenue concentration of any single customer to 10%.

5.6.10 Impacts, risks, and response measures pertaining to major equity transfer or replacement of Directors, Supervisors, or shareholders holding more than ten percent (10%) of the Company's shares : None.

5.6.11 Impacts, risks, and response measures pertaining to changes in ownership: None.

5.6.12 Any litigious or non-litigious matters or administrative disputes up to the printing date of this annual report where the Company and its Directors, President, actual person in charge, and major shareholders holding more than 10% of the Company's shares, and affiliated companies that have been concluded by means of a final judgment or are still under litigation, to be a party thereof, and where the results thereof could materially affect shareholders' equity or prices of the Company's securities, as well as the facts of the dispute, amount of money at stake, start date of litigation, and main parties to the litigation: None.

5.6.13 Other important risks and corresponding measures: None.

5.7 Other important issues: None.

6、Special Disclosure

6.1 Affiliated enterprises: :According to Article 21, Item 1, Clause 1, and Article 22-1 of the "Regulations Governing the Matters to be Recorded in the Annual Report of Publicly Issued Companies," if the three reports on affiliated enterprises have been announced and filed with the Market Observation Post System (MOPS), the information query path can be recorded by index in the shareholder meeting's annual report to simplify the annual report preparation process.The MOPS query website is: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.2 Private placement of securities of the most recent year up to the publication date of this report printed: None.

6.3 Other items that must be included:

6.3.1 Employee output value in 2025. (Productivity):The annual revenue of 2025 was NT$ 1,343,720 thousand , the average number of employees was 268, and the average output value (productivity) of employees in 2025 was NT$ 5,014 thousand.

6.3.2 The annual report was sent to the accountant for reading on Apr. 01, 2026.

6.3.3 Professional training for directors:

Title	Name	Year	Trained
Chairman	Wei-Chyun Wong	2025	03.25/ How Board Directors and Supervisors Oversee Corporate Risk Management and Crisis Handling / CGA / 3 hours 04.24/Fair and Friendly Treatment of Vulnerable Customers – From the Board's Perspective / CGA / 3 hours 04.30/Corporate Sustainability and Net-Zero Carbon Reduction / NCCU / 6 hours 07.31 / 2025 Taiwan Capital Market Summit / TWSE / 3 hours 08.08/ Comprehensive Intellectual Property Protection Strategies – Using AI to Support Innovative Technology IP Layout / CGA / 3 hours 08.08/Trends and Risk Management of Generative AI / CGA / 3 hours 10.23 / Anti-Money Laundering and Counter-Terrorism Financing / Financial Legal and Crime Prevention Center / 1 hour 11.22/Integrity Management (Including Whistleblower Protection / Reporting System) and Prevention of Insider Trading / Financial Legal and Crime Prevention Center / 1 hour
Director	Shiang-Li Chen	2025	03.20 / Artificial Intelligence Applications and Governance, and Information Security with Zero Trust Architecture / CGA / 3 hours 03.25 / How Board Directors and Supervisors Oversee Corporate Risk Management and Crisis Handling / CGA / 3 hours 04.24 / Fair and Friendly Treatment of Vulnerable Customers – From the Board's Perspective / CGA / 3 hours 10.23 / Anti-Money Laundering and Counter-Terrorism Financing / Financial Legal and Crime Prevention Center / 1 hour 11.13 / Integrity Management (Including Whistleblower Protection / Reporting System) and Prevention of Insider Trading / Financial Legal and Crime Prevention Center / 1 hour
Director	Chin-Hsin Hsu	2025	03.20 / Artificial Intelligence Applications and Governance, and Information Security with Zero Trust Architecture / CGA / 3 hours 04.24 / Fair and Friendly Treatment of Vulnerable Customers – From the Board's Perspective / CGA / 3 hours 07.09 / 2025 Cathay Sustainable Finance and Climate Change Summit / TWSE / 6 hours 10.23 / Anti-Money Laundering and Counter-Terrorism Financing / Financial Legal and Crime Prevention Center / 1 hour 11.13 / Integrity Management (Including Whistleblower Protection / Reporting

			System) and Prevention of Insider Trading / Financial Legal and Crime Prevention Center / 1 hour
Director	Wen-Chih Chou	2025	04.11 / Corporate Governance Upgrade – Building a New Competitive Edge in Talent / TWIOD / 3 hours 12.10 / 2025 Corporate Governance Forum – Corporate Governance in Times of Change / Taipei Bar Association / 3 hours
Independent Director	Chia-Chun Jay Chen	2025	04.30/Corporate Sustainability and Net-Zero Carbon Reduction / NCCU / 6 hours 10.16/ 15th Taipei Corporate Governance Forum / TWSE / 6 hours
Independent Director	Vincent Wang	2025	04.08/Sustainable Finance and Corporate Sustainability Strategies / CGA / 3 hours 04.30/Corporate Sustainability and Net-Zero Carbon Reduction / NCCU / 6 hours 05.14 / Diversity, Equity & Inclusion (DEI) in Corporate Governance and Financial Services – Practices and Challenges / TWIOD / 3 hours 08.27/ Financial Regulatory Compliance and Corporate Governance / TWIOD / 3 hours 11.14 / New Trends in Copyright and Data Rights in the AI Era / CAA / 3 hours 11.14 / Trump 2.0: Corporate Strategies for Global Tax Reform and Supply Chain Restructuring / CGA / 3 hours
Independent Director	Lan-Ching Chang	2025	07.29&07.30 / Director and Supervisor Induction Course / SFI / 12 hours

3.3.4 Professional training for Accounting Supervisor、Accounting supervisorAgent、Audit officer and Audit officeragent:

Title	Name	Year	Trained
Accounting Supervisor	Deiter Yang	2025	Accounting supervisor continuing course / ARDF / 12 hours
Accounting supervisor agent	Lisa Kuo	2025	Accounting supervisor continuing course / ARDF / 12 hours
Audit officer	Jacky Hsu	2025	Corporate Governance Competencies for Internal Audit Functions and Practical Financial Statement Risk Assessment/ ARDF / 6 hours Practical Internal Control Management for Corporate Greenhouse Gas Inventory/ ARDF / 6 hours
Audit officer agent	Renee Chen	2025	Excel PivotTable Advanced Workshop/SFI/ 6 hours Promoting Corporate Sustainability Through Risk Management/ ARDF / 6 hours

3.3.5 Persons associated with transparency in financial information who have obtained the relevant certificates specified by the competent authorities :

Title	Name	License	License No.
Accounting Supervisor	Deiter Yang	CPA	FSC Zheny-Tzn N0.5467

3.3.6 Managers participate in training related to corporate governance :

Title	Name	Year	Trained
President	Wei-Chyun Wong	2025	03.25/ How Board Directors and Supervisors Oversee Corporate Risk Management and Crisis Handling / CGA / 3 hours 04.24/Fair and Friendly Treatment of Vulnerable Customers – From the Board's Perspective / CGA / 3 hours 04.30/Corporate Sustainability and Net-Zero Carbon Reduction / NCCU / 6 hours 07.31 / 2025 Taiwan Capital Market Summit / TWSE / 3 hours 08.08/ Comprehensive Intellectual Property Protection Strategies – Using AI to Support Innovative Technology IP Layout / CGA / 3 hours 08.08/Trends and Risk Management of Generative AI / CGA / 3 hours 10.23 / Anti-Money Laundering and Counter-Terrorism Financing / Financial Legal and Crime Prevention Center / 1 hour 11.22/Integrity Management (Including Whistleblower Protection / Reporting System) and Prevention of Insider Trading / Financial Legal and Crime Prevention Center / 1 hour
President	Wen-Chih Chou	2025	04.11 / Corporate Governance Upgrade – Building a New Competitive Edge in Talent / TWIOD / 3 hours 12.10 / 2025 Corporate Governance Forum – Corporate Governance in Times of Change / Taipei Bar Association / 3 hours
CG Officer	Deiter Yang	2025	05.16 / Insider Trading Prevention Seminar / SFI / 3 hours 06.26 / Corporate Governance – Anti-Money Laundering and Counter-Terrorism Financing Regulations and Case Analysis / TSA / 3 hours 07.09 /2025 Cathay Sustainable Finance and Climate Change Summit / TWSE / 6 hours

6.3.7 The Foundation for evaluating the method of recognizing the valuation account of assets and liabilities:

1. Notes and accounts receivable are processed with a simplified approach to estimate the expected credit losses, which means the measurement is conducted by using the expected credit losses within the duration. For such measurements, these notes and accounts receivable are grouped in accordance with the common credit risks characteristics that represent the client's ability to pay all the amount due under the terms and conditions of the agreements while also incorporating the fair expectation of forward-looking information such as the historical credit losses experience and the future economic conditions, including the overall economic situation and the related industry information.
2. Following IAS 2 "Inventories", inventories and allowance for inventory write-down to be recognized are measured by the net realizable value. The company recognized the allowance for inventory valuation and obsolescence losses due to the inventory write-down reaching the net realizable value. In addition, obsolete inventory from disasters, sales, or write-offs are no longer the factors of the net realizable value of the inventory dropping below cost, resulting in the reversal inventory write-down, with the related expenses presented as the cost of sales.
   The inventory write-down and recovery of obsolete inventory in 2025 amounted to a gain of NT$30,246 thousand.
3. The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured on a recurring basis. Financial instruments trade in active markets is based on quoted market prices. Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.The measurement of fair value of a non-active market financial instruments held by the Group which do not have quoted market prices are based on the

comparable market approach, with the use of key assumptions of price-book ratio multiple or earnings multiple of comparable listed companies as its basic measurement. These assumptions have been adjusted for the effect of discount without the marketability of the equity securities.

6.3.8 Key Performance Indicator for the company's Industry characteristics:

1. Capacity Utilisation:

(1) The average capacity utilization rate in 2025 is approximately 75%.

(2) The Company's production lines are designed to be multi-functional and capable of manufacturing various products. However, factors such as cleaning validation, production scheduling, customer order timing, and raw material procurement constraints may reduce the overall average capacity utilization rate.

(3) The Company utilizes idle production capacity to recycle waste liquids and recover usable solvents, thereby achieving the operational objectives of reducing waste generation and lowering production costs.

2. Authorized medicament license:

No.1	API	DMF (USA)	CEP (EDQM)	ASMF (EMA)	KDMF (Korea)	MF (Japan)	DMF (Canada)	CGMP certified (TFDA)	GMP certificate (Brazil)	China DMF	Brazil DMF
1	Adenine	2022						2025			
2	Articaine Hydrochloride	2014	2014		2023			2013		2021	
3	Allopurinol	2011	2003					2004			
4	Atomoxetine Hydrochloride	2018	2018					2016			
5	Bisoprolol Fumarate							2006			
6	Brinzolamide (082100)	2015				2017		2022 (GDP)	2023		
6	Brinzolamide (082190)			2024 (082190)	2024 (082190)					2024 (082190)	
7	Buprenorphine		2024					2025			
8	Buprenorphine Hydrochloride		2024					2025			
9	Clindamycin Palmitate HCl	2011									
10	Divalproex Sodium	2005					2010	2022 (GDP)	2023	2010	
11	Duloxetine Hydrochloride	2011	2014			2017	2016	2022 (GDP)	2023	2013	
12	Hydroxychloroquine Sulfate	2014	2019				2014	2014	2023	2020	
13	Loxoprofen Sodium Hydrate					2011		2012	2023		2024
14	Methylphenidate HCl		2014					2022 (GDP)	2023		
15	Pentobarbital Sodium		2011					2022 (GDP)			
16	Pimobendan		2025					2025#			
17	Probucol	2004				2017	2015	2022 (GDP)			
18	Propafenone Hydrochloride	2010	2012			2012	2012	2022 (GDP)	2023	2018	
19	Sodium Valproate	2019	2006			2017		2022 (GDP)	2023	2014	

No.1	API	DMF (USA)	CEP (EDQM)	ASMF (EMA)	KDMF (Korea)	MF (Japan)	DMF (Canada)	CGMP certified (TFDA)	GMP certificate (Brazil)	China DMF	Brazil DMF
20	Thiopental							2020			
21	Valproic Acid	2003	2004			2008	2008	2022	2023	2023	
22	Cannabidiol (CBD)	2020						2020			
No.2	API intermediate	DMF (USA)	CEP (EDQM)			MF (Japan)	DMF (Canada)	CGMP certified (TFDA)			
1	Menthadienol (PMDOL)	2019									
2	Olivetol	2019									
3	Ethyl Olivetolate	2019									

6.3.9 The company disclosed the related information about financial instruments except for shares and depository receipts, please refer to the Consolidated Financial Statement of 2025.

6.3.10 The company has not enacted a code of conduct or the code of ethics for the employees, however, the current Work Rules, Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, and related procedures are serving as the code of conduct for employees' behaviors, audits are also performed, with the implementations of such rules reported the to themanagement.
Inquiry method for the related procedures:
The company's website: www.sci-pharmtech.com.tw

6.3.11 The company has amended the related articles for a whistle-blowing system in the Ethical Corporate Management Best Practice Principles and has set up a stakeholder zone and complaint process flowchart on the website.
Inquiry method: The company's website: www.sci-pharmtech.com.tw

6.3.12 Descriptions for the Employees' salary and remuneration:
The company's salary and remuneration policy is to provide competitive salary standards to recruit and retain the required employees for the business operation to achieve stable growth and sustainable development. The salary and remuneration paid to the employees of the companycan be classified as fixed and variable salaries. Fixed salaries are the monthly salary paid to theemployees, with the payment standard referring to the statistics of industries and labor market,adding considerations for the job position, nature of the job, professional abilities, and the occupational supply & demand. Variable Salary consists of the end of year bonus and employees'remuneration. Part of the salary and remuneration are connected with the operational performance by the variable salary.
The company enacted the Salary Management Procedures, which are thoroughly conveyed to all employees with the educational training for the new recruits and the internal mail system for a full understanding of the salary andremuneration system of the company. In addition, for the Managers, the company set up performance goals and enacted related procedures for the salary and remuneration policies,system, standard, and structure. The salary and remuneration for personnel above the Manager level require the approval of the Salary and Remuneration Committee and the Board of Directors, which is to improve the transparency of the company's corporate governance, and the decisions for salary and remuneration.
1. Fixed salary: Monthly salary paid to the employees each month.
2. Variable salary: Connected to the operational performance.
   (1) End of the year bonus: Paid according to the performance with a minimum of 1.5 months and a maximum of 4 months of the monthly salary.

(2) Remuneration of the employees: The Company shall allocate 3% to 10% of its annual profits, of which no less than 50% shall be distributed to frontline employees.

Inquiry method: The company's website: www.sci-pharmtech.com.tw

6.3.13 Descriptions for the succession planning of the member of the Board of Directors and key executives:

The key executives are the employees above the Manager level, there are currently 13 people classified in such positions. Each of the key executives has completed their job description manuals and roadmap for duties, assigned the deputies for the jobs, and conducted further training on them. The company requested Managers to take all their annual leaves, giving their deputies adequate opportunities to experience managerial roles and prepare for future succession. There is a Manager and Deputy General Manager in all the key departments of the company, such as the R&D and Business departments, and the succession plan has basically been completed. As for the Production, Quality Control, Finance & Accounting, Engineering, and other departments, there are chief-level staff members qualified as the future successor to carry the duties of the key executives. Basically, the company has thoroughly implemented and completed the planning on the successions of the key executives, with periodic reviews and adjustments being performed. In addition, the company rotates the positions of key executives in different departments often in the hope to develop talents who are capable of managing in multiple fields, enabling flexible adjustments necessary when necessary, which shall strengthen the company's vast foundation of achieving a century-long business operation.

The company currently has 4 Directors, 2 of which are professionals business management and law, and the other 2 are the professionals in chemistry .Of the 3 Independent Directors, 2 of them are a professional in finance & accounting, and the other one is professionals in chemistry and chemical engineering, which are required for the company's main business. The future composition and the experience backgrounds of the Directors will apply the structure same as the current Board of Directors.Our company values diversity and inclusiveness in corporate governance, recognizing that gender diversity contributes to the quality of business decision-making. The selection of current board members is primarily based on professional capabilities, experience, and industry familiarity to ensure effective corporate governance. In the future, our company will continue to recruit female directors with professional expertise and industry experience to enhance gender diversity within the board.

With regards to the succession plans of the Board of Directors, the legal representatives of the parent will be 2 senior executives from the parent and 2 senior executives of the company as planned in the foreseeing future. There are dozens of companies underneath Mercuries & Associates Holding, Ltd. and several of them are public listed companies, resulting in the numerous Directors and professionals in senior management, therefore Mercuries & Associates Holding has an abundant talent pool for the succession of the two Directors position, and as for the two Directors from the senior executives of the company, please refer to the aforementioned succession plan of key executives. As for the Independent Directors, 1 of them shall be a professional in finance & accounting by law, experts in this field are sufficient domestically,and the company has planned the successor of this position as a Director to be an individual with academic background. The other 2 Independent Directors shall be professionals in chemistry and chemical engineering, the company still plans to academic background and the other from the industry. The company has been conducting close industry-academia cooperation with the National Tsing Hua University and National Taiwan Normal University, and has also been maintaining close relationships with several professors, which shall provide sufficient candidates for the company's Independent Director. As for the Independent Director from the industry, members of the domestic API industry have been actively differentiating each company's product

portfolio to avoid excessive competition, and often held gatherings to exchange the industrial information and know-how while participating in overseas exhibitions in the same group. In addition, the company has been actively participating events such as the operations of the Taiwan Pharmaceutical Manufacturer Association and the Institute for Biotechnology and Medicine Industry to familiarize itself with other significant figures in the medical and pharmaceutical industry, providing suitable potential candidates for this Independent Director position. In addition, the company arranges to report to the board of directors regarding succession planning for managers after each board election. On December 29, 2025, the General Manager presented succession planning reports for each department to the board of directors.

6.3.14 The Intellectual Property Management Plan and its implementation:

1. The Intellectual Property Management Plan: Please refer to Attachment 6.
2. Implementation status:

(1) Product Life Cycle Planning: The Sales Department and Strategy Planning Office have conducted searches on APIs with patents expiring over the next ten years. Considering market potential, currently 1–2 APIs are under process development in R&D.
(2) Patent Filing: In 2025, the Company filed a patent for one new product, applying in seven countries.
(3) Newly Granted Patents: In 2025, one European patent was granted. The Company currently holds 26 valid patents.
(4) Existing Patent Evaluation: As of the end of 2025, three patents were abandoned. (One due to age and high maintenance costs; two due to project termination.)
(5) Trademark Management: The Administrative Section is responsible for trademark application and maintenance. The Company currently holds one valid trademark.
(6) Intellectual Property Reporting: The Corporate Governance Officer presented the 2025 intellectual property management report to the Board of Directors on December 29, 2025.

6.3.15 Descriptions for the company's workplace diversity and gender equality policies:

1. Diversity and Inclusion: Our company adheres to the principle of equal employment and does not discriminate or provide differential treatment on the basis of race, nationality, age, gender, marital status, political views, religion, or any other factor. We also ensure the labor rights of vulnerable or marginalized groups such as indigenous peoples, women, migrant workers, contract workers, and people with disabilities. Employee promotion, salary, promotion, and rewards are based on job category, educational and professional background, expertise and technical skills, professional experience,and personal performance, without any differentiation based on age, gender, race, or other factors.

As of the end of December 2025, there were 221 Taiwanese employees, 1 Italian employee, 1 Malaysian employee, and 45 Filipino employees.

Item	percentage of total employees （%）
Republic of China nationality	82.46%
Foreign nationals	17.54%

In 2025, there were 213 male employees and 55 female employees, with female employees accounting for 20.52 % of the total workforce.

Item	Ratio （%）
Female employees as a proportion of the total workforce （%）	20.52%
Female executives account for all executives （%）	28.36%
Female senior executives account for senior executives (managerial level and above)（%）	23.08%

2. Providing a gender-friendly environment:
We have set up Breastfeeding Room and provided friendly maternity leave policies, including prenatal and postnatal medical check-ups and parental leave. We have also established a 'Maternal Health Protection Plan' to take care of our employees' physical and mental health needs. In 2025, there were 3 employees who applied for parental leave.

3. Anti-sexual harassment policies:
The company has established a method to prevent, file complaints, and discipline sexual harassment, and has also set up a Sexual Harassment Complaints Committee to prevent unsafe and sexually harassing behavior in the workplace and maintain gender equality and personal dignity. In 2025, the company did not receive any reports of sexual harassment from its employees.

6.3.16 Descriptions for the company’s corresponding measures and tangible results regarding community risks or opportunities:
The Company’s factory is located in Taoyuan City, and the surrounding community is defined as Taoyuan City. The Company is fully aware of the potential impact that the chemical and pharmaceutical industry may have on neighboring communities. Adhering to the philosophy of “taking from society and giving back to society,” the Company conducts comprehensive risk and opportunity assessments for its operational sites and actively implements corresponding measures, striving to be a corporate citizen with a positive social impact.

1. Risk Assessment and Mitigation Measures for the Community:

1-1 Risk Assessment:The Company operates in the chemical manufacturing industry. Potential risks include chemical spills, odor emissions, environmental burdens from air and wastewater discharges, as well as occupational safety incidents such as fires and explosions, which may pose threats to the health and property of surrounding community residents.

1-2 Specific Measures and Results:

(1) Air Pollution Control and Odor Management

- Measures: Installed and completed acceptance of structured redox scrubbing towers in main production areas (Buildings A and B). These utilize wet scrubbing with long-lasting oxidants to neutralize process emissions. Additionally, boiler fuel has been fully switched from heavy oil to low-pollution natural gas, significantly reducing NOx and SOx emissions.
- Results: Effectively reduced VOCs and odor emissions, improving air quality within the

production areas and surrounding environment.

(2) Waste Reduction and Circular Economy

- Measures: Promoted source reduction and resource recycling, using distillation to recover process solvents. Partnered with Veolia (France) to establish the joint venture Franmarosa to strengthen solvent reuse technology.
- Results: In 2025, recovered 26.30 kg of palladium and 1,450,113 kg of DN-series solvents, significantly reducing waste and resource consumption.

(3) Soil and Groundwater Remediation

- Measures: Implemented comprehensive spill containment facilities and necessary monitoring to prevent pollution recurrence.
- Results: Previously regulated site soils and groundwater were remediated. As of December 21, 2023, the Environmental Protection Bureau reviewed and lifted pollution control, and monitoring through the end of 2025 remained compliant, eliminating potential hazards to the community land.

(4) Occupational Safety and Disaster Response

- Measures: Strictly implement Standard Operating Procedures (SOPs) and maintain ISO 45001 and ISO 14001 management systems. Conduct regular company-wide training and disaster drills.
- Results: Conducted joint fire drills with the Taoyuan City Fire Department, simulating real fire scenarios and integrating public and private emergency response capabilities to protect both the industrial park and community residents' life and property.

2. Opportunity Assessment and Engagement Measures for the Community

2-1 Opportunity Assessment:The Company primarily focuses on export operations, and its products are not directly consumed by the public. Therefore, business activities may have limited direct engagement with the community. However, through localized operations, the Company creates employment opportunities, promotes regional economic development, and invests resources to strengthen community cohesion and cultural heritage.

2-2 Specific Measures and Results:

(1) Local Employment and Economic Contribution

- Measures: Prioritize hiring local personnel from Taoyuan City and encourage employees to recommend friends and relatives, fostering strong local relationships.
- Results: In 2025, 81.82% of new hires were residents of Taoyuan City (90% excluding foreign employees). Overall, 167 employees reside in Taoyuan City, accounting for 62.31% of total staff.

(2) Community Integration and Cultural/Educational Support

- Measures: Sponsor local cultural festivals, school sports development, and community activities.
- Results:
  - Cultural Preservation: Sponsored the Guan Gong Cultural Festival at a nearby faith center, promoting local cultural values.
  - Educational Support: Supported Haihu Elementary School anniversary cultural events and local elementary school table tennis teams, fostering healthy lifestyle habits among students.
  - Community Interaction: Sponsored Mid-Autumn Festival events in Haihu and Binhai districts and provided venues for nearby military training, promoting civilian-military-community engagement.

In 2025, total resources invested in social welfare and cultural/educational initiatives amounted to approximately NT$137,000.

6.3.17 Equipment Investment in Energy Efficiency or Green Energy for Environmental Sustainability:

Investments in energy-saving or green energy-related environmentally sustainable machinery and equipment, and their associated benefits, are as follows:

Equipment Name	Quantity	Acquisition Date	The investment amount in 2025 (in thousands)	Energy-Saving Benefits
Compressed Air System Leak Detector	1	2025.05.13	NT 700	Used for leak detection in the compressed air system, 44 leakage points were identified, with a total leakage of approximately 711.6 LPM (about 42.7 CMH), equivalent to an electrical loss of 4.6 kWh. After improvements, the estimated annual electricity savings are approximately 19,734 kWh.
Upgrading workshop lighting to LED fixtures and high-efficiency fluorescent lamps	1	2025.10.03	NT 62.1	The measure achieves annual electricity savings of 2,323.2 kWh. Based on the 2025 average electricity price of NT$4.65/kWh, this results in annual cost savings of approximately NT$10,800 and an estimated carbon reduction of 0.985 metric tons.

6.3.18 Disclosure of Policies Linking Executive Compensation to ESG-Related Performance Assessments: Please refer to attachment 7.

6.3.19 Disclosure of the Personal Data Protection Policy and its Implementation:

1. For the content of the Personal Data Protection Policy, please refer to Appendix 9 and our company's website: www.sci-pharmtech.com.tw

2. Personal Data Protection Management Policies, Measures, and Implementation Results:

Personal Data Management System Establishment and Maintenance	◆Establish a dedicated unit or appoint a Personal Data Protection Officer (DPO) to oversee the implementation and revision of personal data management policies. ◆Establish a personal data access control mechanism to ensure that only authorized personnel can access specific personal data.	◆The dedicated unit is the Financial Affairs Department, which has been implementing the internal control - personal data management procedures in previous years. In 2025, the Company formally established a Personal Data Protection Management Policy, which was approved and implemented by the General Manager in January 2025.
Standardization of Personal Data Collection and Processing	◆Ensure that the collection of personal data complies with the principles of legality, fairness, and necessity, and does not exceed the necessary scope for specific purposes. ◆Establish data retention periods and deletion mechanisms to ensure that personal data is stored appropriately within the legal or business-required timeframe, and is properly deleted or anonymized after the retention period expires.	◆Once the interviewee's data is confirmed as not being selected for the position, it will be immediately destroyed.
Information Security and Technical Protection	◆Implement firewalls, intrusion detection systems, and access log monitoring mechanisms to prevent unauthorized access and data breaches.	◆The IT department sets up firewalls to enforce control.
Internal Training and Education	◆Conduct annual regular training on personal data protection to ensure employees understand the data protection laws and internal company policies.	◆In 2025, the Company conducted two company-wide training sessions, with a total of 550 participants and a completion rate of 99.82%.
Personal Data Incident Response and Handling	◆Establish a data breach response mechanism, including detection and reporting, damage control, investigation and analysis, and subsequent remedial actions. ◆Establish a personal data breach reporting mechanism to ensure rapid internal response and legal reporting to the authorities and affected individuals.	◆No personal data breaches or violations occurred in 2025. The audit department conducted a review of the internal control - personal data management operations on December 11, 2025, with no findings.

6.3.20 Enterprise Value Enhancement Plan: Approved by the Board of Directors on November 7, 2025
Market Observation Post System Inquiry URL: https://mopsov.twse.com.tw/mops/web/t100sb16

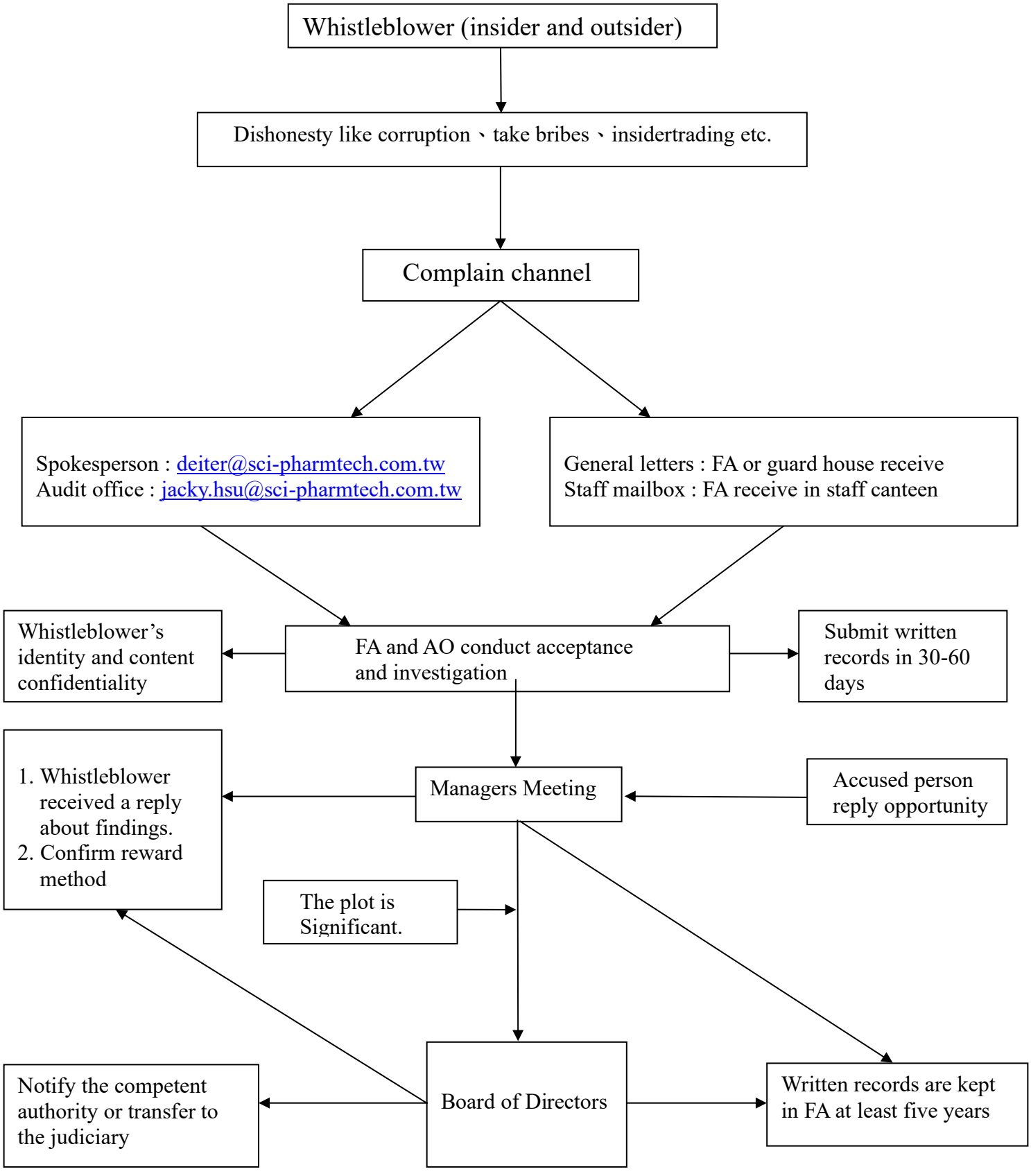
Company Inquiry URL: https://www.sci-pharmtech.com.tw/investors-05-118

6.3.21 Employee Training and Development Plan and 2025 Employee Training and Development Plan Results Report: Please refer to Attachment 11 and our company website: www.sci-pharmtech.com.tw

6.4 Any event which has a material impact on the shareholders' equity or securities prices as prescribed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act that has occurred in the most recent year up to the printing date of this annual report:None.

Attachment 1 :

Complain (Report) Flowchart



Attachment 2 : Information security management policy

SCI PHARMTECH, INC.
Infocomm Security Management Policy

1. Explanation

SCI PHARMTECH, INC. (hereinafter referred to as "the company") enacted this Infoccom Security Management Policy by taking into account the company's business needs, in order to strengthen information security management, ensure the security of our company's software, hardware and network management, for establishing various reliable information and communication systems, thereby enhancing the infocomm security and service quality of the operations related to the research and development, production and marketing of intermediates, APIs and specialty chemicals.

2. Purpose

The company aims to maintain the overall infocomm security, strengthen the security management of various infocomm assets, and ensure relevant confidentiality, integrity, and availability, to prevent any intentional or accidental threat and damage internally or externally that may result in any risks such as unauthorized business information alteration, disclosure, damage, loss, or others.

3. Scope of Applications

This policy applies to all the infocomm systems in the company as well as their relevant users. The infocomm users include formal employees, contractors, personnel related to business maintenance and operation, external units using infocomm resources, service providers, outsourced vendors, and other authorized personnel.

4. Definition

Generally, the basic requirements for infocomm security can be divided into three categories:

A. Confidentiality: Ensure that only the authorized personnel have the access to information.

B. Integrity: Ensure the correctness and integrity of information and processes.

C. Availability: Ensure that authorized users have access to information and related services if necessary.

In addition to the above-mentioned three basic requirements, the following requirements must be met according to the characteristics of various business sectors. Relevant explanations are as follows:

A. Authenticity: Ensure that an appropriate authentication process is required when a user logs in.

B. Accountability: Ensure that appropriate traceability is available for tracing the executor whenever a user executes any task.

C. Non-repudiation: Ensure that a user cannot deny the operations completed on the system.

D. Reliability: Ensure that the performed operations demonstrate consistent results.

5. Explanations about Authority and Responsibility

A. The Information Office governed by President is responsible for organizing and promoting infocomm security and relevant matters in the company. The Audit Office draws up relevant internal control procedures to conduct audit tasks regularly.

B. The company, as well as relevant personnel from corresponding authorities/institutions and vendors, shall comply with this policy.

6. Objectives of Infocomm Security Management

The company divides the objectives of information security management into two categories, which are qualitative and quantitative:

A. Qualitative Indicator

a. Enhance internal control, to prevent unauthorized access, and ensure the confidentiality of the company's business-related information.

b. Ensure the availability of the company's business-related infocomm equipment, and meet the needs for business operations regarding research and development, production, marketing, etc.
c. Ensure that no information leakage will reveal to any unauthorized third party in the process of information transmission or due to any unintentional behavior, so as to ensure the correctness and integrity of the company's business-related information and enhance operational performance and quality.

B. Quantitative Indicator
a. The management objective should be "no information security incident occurs" every year.
b. Conduct the drills of data backup and disaster recovery for important systems, at least once every year.
c. Ensure that important, confidential, and sensitive information will not leak out while data backup is in place. Internal audits shall be conducted once every year.

7. Responsibility of Infocomm Security

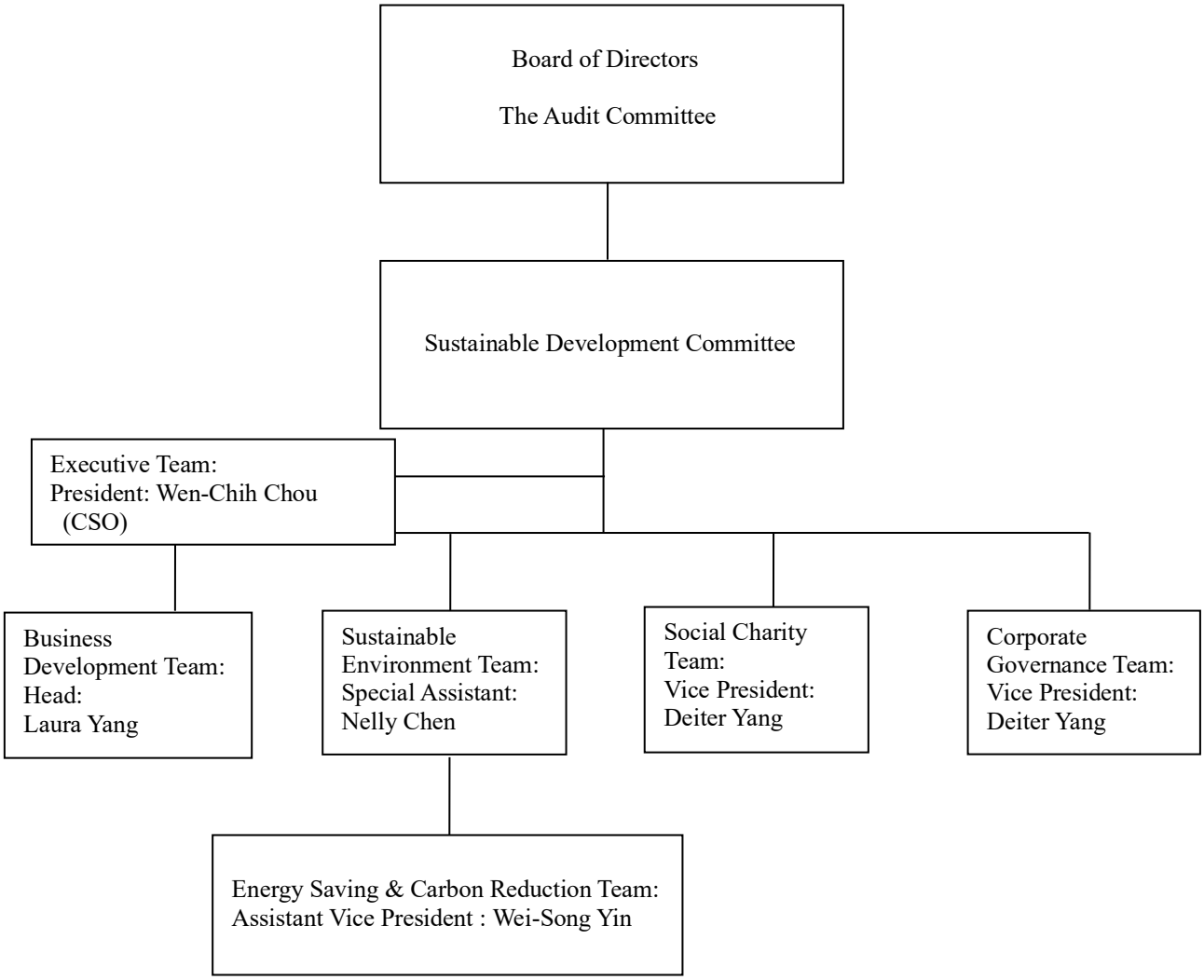
A. Senior executives should actively participate in the activities of infocomm security management and operation, to support infocomm security management systems.
B. The Information Office governed by President is in charge of the operations of infocomm security management. The Audit Office conducts internal audits according to relevant laws, regulations, and policies, to ensure the implementation and effectiveness of these systems.
C. Review and discuss the issues related to internal and external infocomm security, requirements from stakeholders/parties, and infocomm security operation activities from other organizations, to enhance the protection ability of infocomm security.
D. The Information Office should provide regular propaganda and training courses regarding infocomm security, to enhance the company personnel's awareness of information security.
E. Ensure all the information security incidents or suspicious information security weaknesses have been escalated following appropriate reporting systems to the upper management and that appropriate investigation and handling have been undertaken.

8. Review and Implementation of Infocomm Security Policies

These policies shall be reviewed regularly every year. In case of any changes in organizations, businesses,laws and regulations, environments, or other factors, appropriate amendments should be made to these policies and then approved by the President for further proclamation and implementation, to ensurethe validness of information security exercise and operation.

Attachment 3 : Sustainable Development

1. Sustainable Development Committee :



2. Sustainable development commitment and goals :
   (1) Company Vision - Contribute to Human Health.
   (2) Company Value - Sustainability, Trust, Innovation.

3. Sustainable Development Policies :
   (1) Comply with the laws and regulations, to implement integrity management.
   (2) Value employees' rights and benefits, to create happy workplaces.
   (3) Practice environmental protection policies, to contribute to society and communities.
   (4) Value shareholders' rights and benefits, to advocate activism.
   (5) Cooperate with suppliers, to improve product quality.
   (6) Protect customer rights, to contribute to human health.

4. Sustainable Development Management System :
   To be executed in following the company's Sustainable Development Principle.

5. The Implementation Status of Corporate Social Responsibility:

The Head of Corporate Governance reported the implementation status of corporate social responsibility to the Board of Directors on Dec. 29, 2025, and placed on the company website: http://www.sci-pharmtech.com.tw

Major items	Management policy	Implementation in 2024
Stakeholder Communication	Keep the communication channels with all stakeholders open, communicate with all stakeholders in good faith, and strengthen the transparency of various information.	Table 5.1 below
Corporate Governance	Strengthen the functions of the board of directors, and implement the corporate governance system in accordance with the requirements of laws and regulations and corporate governance evaluation.	1. Set up a special area on the company website to explain the implementation of corporate governance, labor practices, human rights, and integrity management. 2. In order to promote social responsibility, integrity management, and prevent insider trading, regular education and training are provided to employees every year. 3.The 2024 sustainable development report is completed in 2025. 4. In 2025, the Taiwan Stock Exchange announced the 11th Corporate Governance Evaluation, and listed it as a company with a 21%-35% gap in the fourth level.
Customer Health and Safety	Follow the cGMP good manufacturing practice for pharmaceuticals and implement the ISO 9001 quality management system.	1. Pass 26 customer audits in 2025. 2. Insured product liability insurance - USD 2 million.
Environmental Management	Implement ISO14001 (2015 edition) environmental management system and ISO45001 (2018 edition) environmental safety and health management system.	Performance of environmental management objectives: 1.In 2025, the Company's greenhouse gas emissions were 5,920 metric tons of CO_2e for Scope 1 and 7,974 metric tons of CO_2e for Scope 2, with a combined total of 13,894 metric tons of CO_2e. This represents approximately 63.4% of the baseline year (2020) emissions of 21,898 metric tons of CO_2e. Although capacity utilization was still in the adjustment phase during the early stage of operations resumption, the Company continued to enhance operational efficiency through energy consumption monitoring. In addition, emissions inventory data has been used to accurately identify emission hotspots across production lines, serving as a reference for improving energy intensity as production capacity increases in the future. 2. In response to greenhouse gas management, the Company has set 2020 as the baseline year and established a target to achieve a 20% carbon reduction by 2030.Demonstrating strong management commitment, the Company completed certification for ISO 14064-1 (organizational greenhouse gas inventory) and ISO 50001 (energy management system) ahead of schedule in 2023 and 2025, respectively. In addition, the Company has promoted carbon footprint management for its key products, with six products having already obtained verification under ISO 14067 and ISO 14044.Through this comprehensive certification framework, the Company ensures a transparent and compliant data foundation amid increasingly stringent regulatory and supply chain requirements. This also supports the implementation of internal carbon pricing and enables

		the steady advancement of its low-carbon transformation pathway. 3.The labor safety and health committee meeting is held quarterly.
Supplier Management	Committed to energy saving and carbon reduction in the supply chain, the procurement principle is based on local procurement and local supply, and supplier evaluation is carried out.	1. New suppliers must pass the QCDS (Quality, Cost, Delivery, Service) assessment, environmental standard, and social standard assessment. 2. Work with suppliers to fulfill corporate social responsibilities on issues such as ethics, employee human rights, and the environment.
Employee Care	Implement human rights policies, improve employee benefits, and pay attention to employees' physical and mental conditions.	1. Employee group insurance and annuity insurance. 2. Employee stock ownership trust. 3. Staff canteen and dormitory. 4. Promotion of employees' physical and mental health (such as: health checkups, holding health lectures, setting up indoor arenas, etc.). 5. Formulate annual employee education and training plans to cultivate employees' professional capabilities. 6. Regularly hold labor-management and managerial meetings.
Social welfare	Implement the concept of giving back to society and promote social integration.	1. Participate in community and school activities and maintain good interaction with residents. 2. Assist in the development of police public welfare undertakings. 3.Donated to the Chang Chau-Ting Memorial Foundation, and sponsored the research and publication of science, culture and talent cultivation.

5.1

Stakeholder	Communication channels and response methods	Communication frequency
Employee	Email and Bulletin Board Announcements	Irregular、Set up a line group to communicate at any time
	Human resources service and health consultation	At any time / The administration department provides human resources services, health checks, external doctors and factory nurses provide health consultation.
	Conference communication	Labor-management meetings and occupational safety and health committees are held quarterly.
	Supervisor mailbox/employee opinion mailbox communication	At any time
	Complaint (report) process	At any time
	Employee education and training	Irregular Organize professional training for various departments.
Customer	Customer satisfaction survey	1 time per year / The 2025 customer satisfaction survey shows that 7 items were rated as “Excellent” (5 points).
	Production and marketing meeting	Weekly
	Customer audit	Irregular / There were 26 customer audits in 2025.
	Reply to customer concerns by phone/email	At any time
	Participate in the exhibition	Regular / 2025 to participate in the European and Shanghai CPHI exhibition.
Supplier	Phone / Email Contact	Irregular
	Questionnaire	Regular
	Audit	Regular / 10 suppliers were audited in 2025.
Shareholders / Investors	Shareholders/Investors General Meeting	1 time per year
	Legal person briefing	Irregular / Ivited to present at CTBC Securities on Feb. 13, 2025.
	Phone / Email Reply	At any time / The website updates the post-disaster reconstruction record every month.
	Company official website	Regular announcement of financial statements and other relevant information.
	TESE	Regular announcement of financial statements and other major information.
Nonprofit / Community / Neighborhood Vendors	Nonprofit / Community Phone Interviews	At any time
	Face to face interview	At any time
	Phone / Email Contact	At any time
Government	Competent authority decree announcement letter and inspection	Irregular (The municipal government departments have repeatedly checked)
	Regulatory publicity meeting or symposium of the competent authority	Irregular
	Telephone, letter and email contact	Irregular

Attachment 4:

SCI PHARMTECH, INC.

Performance Evaluation Regulation of the Board of Directors

1. Set purpose and legal basis
   To implement corporate governance and enhance the Company's board functions, and to set forth performance objectives to improve the operation efficiency of the board of directors, this regulation is established pursuant to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. According to other appropriate methods, the internal evaluation of the board(include functional committees), and self-evaluation by individual board members shall be conducted annually.

2. Regulation compliance
   The general evaluation cycles, evaluation periods, scope and method of evaluation, the unit conducting evaluations, evaluation procedures and other matters for compliance under the Company's regulations governing the board performance evaluation shall be subject to this regulation.

3. Evaluation cycle and period
   Beginning of each year, the Company's board of directors shall conduct an internal board performance evaluation according to the evaluation procedures and the evaluation indexes, and evaluation period is previous years.
   Internal board performance evaluations shall be completed before the end of the first board meeting of the following year.

4. Evaluation scope and methods
   The Company's board evaluation scope covers the evaluation of the board(include functional committees) and individual directors.
   Methods of evaluation include the internal evaluation of the board(include functional committees), and self-evaluation by individual board members.

5. Evaluation executor
   Corporate Governance officer conducting internal evaluations of the Company's board of directors shall have an adequate understanding of the operation of the unit subject to evaluation and shall play a fair, impartial and independent role.

6. Evaluation procedure
   a. End of each year, Corporate Governance officer will collect information about the activities of the board of directors and distribute the Questionnaire of Self-Evaluation of Performance of the Board in Annex 1, the Questionnaire of Self-Evaluation of Performance of Board Members in Annex 2, and the Questionnaire of Self-Evaluation of Performance of the Functional Committee in Annex 3 to be completed.
   b. Corporate Governance officer will collect all information, give scores based on the evaluation indexes in Article 8, record the evaluation results in a report, and submit the report to the board of directors.

7. Evaluation index and score standard
   The Company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the board of directors, which should cover, at a minimum, the following five aspects:
   a. Participation in the operation of the company;
   b. Improvement of the quality of the board of directors' decision making;
   c. Composition and structure of the board of directors;

d. Election and continuing education of the directors; and
e. Internal control.

The criteria for evaluating the performance of the board members, should cover, at a minimum, the following six aspects:
a. Alignment of the goals and missions of the company;
b. Awareness of the duties of a director;
c. Participation in the operation of the company;
d. Management of internal relationship and communication;
e. The director's professionalism and continuing education; and
f. Internal control.

The criteria for evaluating the performance of functional committees should cover, at a minimum, the following five aspects:
a. Participation in the operation of the company;
b. Awareness of the duties of the functional committee;
c. Improvement of quality of decisions made by the functional committee;
d. Makeup of the functional committee and election of its members; and
e. Internal control.

The indexes of board performance evaluation shall be determined based on the operation and needs of the Company and suitable and appropriate for evaluations by the company, subject to regular reviews and constructive comments of the remuneration committee.
Scoring criteria may be modified and adjusted based on the company's needs. The weighted scoring method may be adopted based on the aspects of evaluation.

8. Use of evaluation results
When electing or nominating members of the board of directors, the Company shall base its election on the evaluation results of the performance of the board and shall base its determination of an individual director's remuneration on the evaluation results of his or her performance.

9. Annual report information disclose
It is advisable that the Company disclose in its annual report whether regulations governing the board performance evaluation have been established as well as how the board performance evaluation has been conducted each year, with a description of the evaluation method provided.

10. Disclose way
The performance evaluation regulation established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website at all times, to be made available for consultation.

11. Implement
The Company's regulation shall take effect after having been discussed and approved by the board of directors. Subsequent amendments thereto shall be effected in the same manner.

12. Enact and amendment date
This regulation was enacted on Nov. 12, 2019 and amended on Nov. 6, 2020 for the first time.

Attachment 5:

SCI PHARMTECH, INC.

Risk Management Policy and Procedure

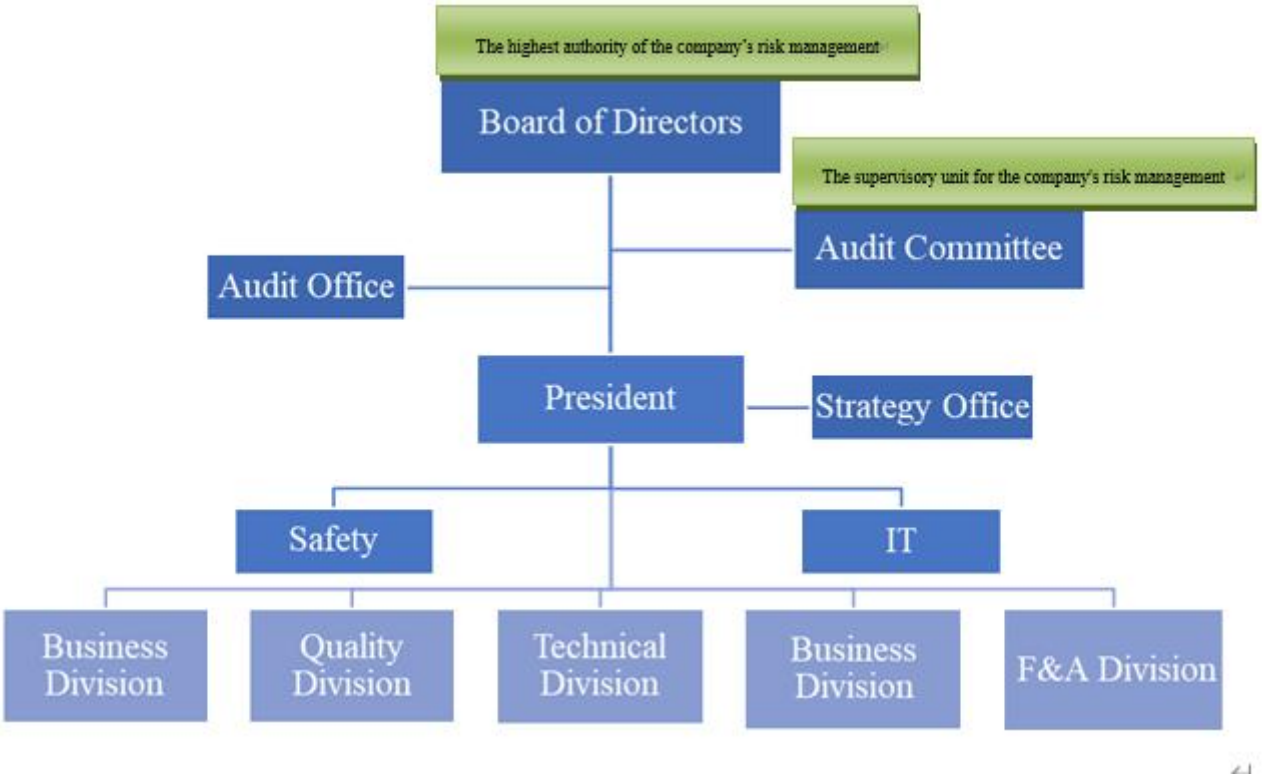
Article 1 Purpose of Enactment

This policy and procedure are hereby enacted to achieve the purpose of sustainable and stable management, in order to strengthen corporate governance, implement a sound and effective risk management mechanism for the company, and reduce potential risks that may occur in operations.

Article 2 Organizational Structures and Duties in Risk Management

1. The Organizational Structure of the company's risk management:

The company's board of directors serves as the highest governing body for risk management. In order to establish and strengthen our risk management capabilities, and taking into account the company's size, risk profile, and business activities, the audit committee serves as the supervisory unit for risk management operations. The organizational structure of the risk management team is as follows:



2.Duties of each unit in the risk management organization:

(1) Board of Directors:

This is the highest authority of the company's risk management, and is in charge of approving, reviewing, and supervising the company's risk policies, ensuring the management structure and the operation of risk control functions.

(2) Audit Committee:

Serves as the supervisory unit for the company's risk management related operational mechanisms. It is responsible for reviewing risk management policies, procedures, and frameworks to ensure that risk management mechanisms can fully address the risks faced by the company. It also designates personnel (at least once a year) to report to the board of directors on the implementation of risk management.

(3) President Office:

The unit is in charge of planning the operational strategy, also supervising and implementing its execution to fulfill the effectiveness and efficiency of the operation, reducing the operational and strategic risks. This unit is also in charge of legal risk management, compliance with the government monitoring measures, and determining possible agreement disputes or legal disputes to reduce the legal risks; responsible for the related risks of climate change and exploring the opportunities that arise from them.

(4) Audit Office:

The unit is in charge of evaluating the key risks matters, which shall be referenced for the audit plan operation. This unit is also in charge of enacting or amending the related control procedures and practices for possible risks.

(5) IT Office:

The unit is in charge of overall planning and set-up of the ERP information equipment and the enterprise network, and is also responsible for managing the Internet information security to reduce the information security risks.

(6) Safety Office:

The unit is in charge of the planning and execution of the industrial safety and health practices to comply with the related laws and regulations, and reduce the related risks.

(7) Strategy Office:

The unit is adept at grasping market trends and devising organizational strategies to mitigate strategic risks.

(8) Business Division:

A. The unit is in charge of the development of clients and products, as well as enacting the transaction terms and conditions based on the relationship with the client, the client’s financial condition, and the political and economic condition of the client’s location to prevent the risks of unable to receive the account receivables.

B. The unit is in charge of the management of a decent supply chain, ensuring the stable supply of raw materials, their qualities meeting the specification, and the stability of the price, to

reduce the risks of daily operations.

(9) Technical Division:

The unit is in charge of evaluating and ensuring the development of new products does not involve the risk of violating others' patents and intellectual properties. This unit is also in charge of the management of patents and intellectual properties.

(10) Quality Division:

The unit is in charge of ensuring the products are manufactured following the GMP and standards demanded by the clients, while also complying with the regulations of health competent authorities in different countries, to reduce the risks of relating to decreases in quality and client complaints.

(11) Operating Division:

A. The unit is in charge of ensuring the production operation is following the schedule and related SOP to prevent the risks of delayed shipments or production disruptions.

B. The unit is in charge of optimizing the quantities of raw materials and final products to control the inventory cost while preventing the shortage of raw materials and finished products. The unit is also in charge of managing the production schedule to improve production efficiency and planning for the requirements of sufficient future capacity to avoid the risk of production capacity shortage.

C. The unit is in charge of planning and implementing the environmental protection policies to maintain compliance with related laws and regulations and reduce the related risks.

D.The unit is in charge of the design and execution of the plant construction to ensure the plant and equipment meet the standard of the clients and the health-related authorities of different countries. This unit is also responsible for the preventive maintenance of the plant and equipment to reduce the risk of ceasing production due to the damaged production equipment.

(12) Finance and Administration Division:

The unit is in charge of the risk management for assets and compliance with the related laws and regulations from the government to ensure the sustainable operation of the company and the security of its assets. This unit is also responsible for evaluating the medium- and long-term investment performance, the financial operations and adjustment, the establishment of a hedging mechanism, and achieving the reliability of financial reports and compliance with laws and regulations to reduce the financial-related risks.

Article 3 Risk Management Policy

The company's Risk Management Policy is established following the company's business guidelines, to set up a risk management mechanism for identifying, measuring, supervising, and controlling risks, achieving the goals of rationalizing the risks and the rewards within the scope of tolerable risks.

Article 4 Risk Management Procedure

To perform the sound function of operational risk management, the company determines the scope of operational risks and takes appropriate measures to ensure relevant operational risks related to management through the procedures for risk identification, risk measurement, risk monitoring, risk report, and disclosure.

1. Risk Identification: Risk Identification is to find out the risk factors required to be managed. By referring to the factors such as the company's business characteristics, internal and external environments, etc., the company is likely exposed to the risks classified as follows:

A. Business Risk: It means the risk that may affect the company's normal management due to uncertainty factors in the process of the company's production and management, such as operational risk (factors such as material shortage or improper production schedules), product quality risk, and information system risk.

B. Financial Risk: It means the risk that may affect the company's financial status and business due to factors such as economic and industrial changes both domestically and internationally, e.g. the risks concerning interest rate, foreign exchange rate, liquidity, credit, etc.

C. Strategic Risk: It means the risk arising from the loss due to any business strategy error, e.g. the risks due to excessive concentration of sales territories, excessive concentration of clients, mergers and acquisitions, etc.

D. Hazard Risk: It means the risk that may cause damage to the company due to the occurrence of any incident such as major natural disasters or man-made disasters, e.g. earthquake, fire, chemical leakage, pandemic disease, etc.

E. Legal Risk: It means the risk that causes damage to finance or goodwill due to any failure at complying with relevant laws and regulations enacted by the competent authorities, or due to other factors such as any invalid agreement that has been signed, or due to any breach, inadequate regulations, omissions in terms and conditions, etc.

F. Other Risk: This indicates the risk apart from the risks mentioned above. If any other risk caused the company to suffer losses, then appropriate risk management procedures shall be established according to risk characteristics and susceptibility degree.

2. Risk Measurement

After identifying the potential risks that may affect the company, the company shall analyze the nature and scale of various business and operational activities as well as the degree of the company's risk tolerance, then set up appropriate risk measurement standards. For risks that can be quantified, rigorous statistical analyses and techniques should be applied to conduct analyses and management. For risks that are difficult to be quantified, the risk impact degree can be described in writing. Compare the risk level determined according to risk analysis results with the risk measurement standards enacted by the company, and then determine the priority of such risks for serving as the reference of risk management.

3. Risk Monitoring

Each department shall continuously monitor business-related risks. Whenever the risk exposure level exceeds the risk limit, relevant departments shall propose countermeasures, and then escalate the risks and countermeasures to the senior executive level.

4. Risk Report and Disclosure

To fully document risk management procedures and subsequent implementation results, the Audit Committee shall regularly report the risk conditions to the Board of Directors for reference, to ensure that management structures and risk control functions can operate properly.

Article 5　Risk Management Execution

The company executes risk management on three levels:

The First Level is carried out by the business case responsible person in each department. The business case responsible person performs daily risk management activities following internal control systems and internal regulations related to business, then conducts risk assessments of risk control activities.

The Second Level is carried out by the supervisors of each level in a department. The supervisors are responsible for business-related risk management, compiling the results of risk management implementation activities, and supervising the risk management activities within the department. The supervisors can determine risk levels and recommend risk assumption methods depending on the changes in external environments and internal strategies. The supervisors shall coordinate interactions and communications regarding cross-department risk management when necessary.

The Third Level is carried out by the executive management, who are required to review the integrity of the company's mechanisms related to risk management and supervise relevant risks in each unit through risk management decisions and related risk management practices.

Article 6 Operation Condition and Disclosure of Risk Management

1. The company manages business-related risks through the following regular and irregular meetings:
   A. Regular Meeting on Production and Marketing.
   B. Regular Meeting on Research and Development.
   C. Meeting on Good Manufacturing Practice of Drugs.
   D. Regular Meeting on Engineering.
   E. Meeting on Environmental Safety and Health.
   F. Regular Meeting on Production.
   G. Meeting on Quality Control Review.
   H. Business Management Meeting of Senior Executives.
   I. Board of Director's Meeting.
   J. Other Meetings (for example, Labor-Management Meeting, etc).
2. In addition to the disclosure of relevant information following the regulations enacted by the competent authority, the information related to risk management should be disclosed on the company's website and in annual reports.

Article 7

This risk management policy and procedure shall be implemented after being approved according to the resolution of the Board of Directors, and any revisions shall also require approval by the board of directors.

Article 8

This Risk Management Policy and Procedure was established on May 8, 2020. The first revision was made on May 12, 2023. The second revision was made on May 9, 2024.

Attachment 6 :

SCI Pharmtech, INC
Intellectual Property Right Management Plan

1. Purpose

The Company has established an Intellectual Property (IP) Management Policy based on its business strategy and the development blueprint for Active Pharmaceutical Ingredients (APIs) and key intermediates.

The objectives are to:

(1) Ensure technological leadership and extend product life cycles.

(2) Reduce patent infringement and legal risks, enhancing product launch stability.

(3) Strengthen market competitiveness and negotiation leverage.

The management system follows the PDCA (Plan-Do-Check-Act) cycle to ensure policy implementation and continuous improvement.

2. Strategy

(1) Product Life Cycle Planning: Track patent expiration dates of original APIs and conduct API process development and patent filings in advance.

(2) Global Process and Technology Protection: Implement global patent strategies for non-infringing design-around routes and key intermediates, covering potential markets including the United States, Europe, Japan, and China. Forward-looking planning is conducted for synthetic routes not yet protected by patents, reducing litigation and compensation risks.

(3) Multi-Level Defense Mechanism: Protect intellectual property through patents, trademarks, and trade secrets. Patent strategies and risk assessments are aligned with R&D stages and market deployment to extend product life cycles.

(4) Value Realization and Competitiveness Enhancement: Use patent and technology management to raise CDMO/CMO collaboration barriers, extend product market exclusivity, and increase licensing and partnership negotiation leverage.

3. System Establishment and Execution

(1) Acquisition and Deployment

- R&D Disclosure and Review: All API synthesis routes undergo patent searches (USPTO, EPO, JPO, CNIPA, WIPO, etc.), and the R&D, regulatory, and business teams evaluate patent value and filing necessity, considering contributions to environmental sustainability and innovative R&D.
- Competitive Analysis: Utilize patent landscapes to analyze patent distributions and competitor layouts within specific technology fields, supporting R&D and patent strategy planning.
- Global Deployment: Conduct systematic patent and trademark filings in major markets (US, Europe, Japan)

to support corporate governance and sustainability strategy.

(2) Multi-Level Protection Mechanism

- Systematic Management: Patents and trademarks are tracked and maintained through a structured system.
- Trademark Management: Units properly use company trademarks. The Administrative Section is responsible for application and maintenance to ensure legal compliance.
- Trade Secret Management: Core production formulas, unpublished R&D data, and other economically valuable or confidential information are controlled through systematic protocols. All employees follow the Document Control and Security Management policy.
- Contract Management: Internal employees and external collaborators (CDMO/CMO, academic institutions, suppliers, strategic partners) clearly agree on IP ownership, including Background IP and Foreground IP, NDA obligations, and usage/licensing rules.

(3) Maintenance and Inventory

- Regular Inventory and Oversight: The Board of Directors is responsible for formulating and supervising IP management policies. The responsible units submit at least one IP management execution report per year to the Board.
- Patent Evaluation: Assess patent value, commercial benefit, and market relevance. Patents that do not align with strategy or offer low value may be abandoned or discontinued to optimize IP investment ROI.

(4) Utilization and Value Realization

- Market Entry Barriers: Strategic patent portfolios create technological and process barriers to imitation, enhancing product differentiation and reducing competitor market encroachment via low pricing.
- Reduced Infringement Risk: Preemptive patent searches and licensing planning minimize legal disputes, improve launch stability, and extend product life cycles.
- Enhanced Customer Trust and Product Value: Patent-protected technologies serve as proof of competitive advantage, strengthen customer trust, and reduce the risk of receiving infringement warnings from competitors.

Attachment 7 :

SCI Pharmtech, INC
ESG Performance and Executive Compensation Linkage Policy

Article 1: Policy
The purpose of this policy is to establish guiding principles for linking the compensation of executives within the organization to their performance in environmental, social, and governance (ESG) aspects. It aims to align executive compensation with the organization's commitment to ESG, reinforcing a culture of sustainable operation from top to bottom.

Article 2: Objectives
1. Align executive compensation with the organization's long-term sustainable development goals.
2. Foster an accountability culture regarding ESG performance.
3. Encourage executives to incorporate ESG into the decision-making process.

Article 3: Definitions:
1. Executives: Executives at the division head level or above within the company.
2. ESG Performance: The company's performance in the areas of environmental, social, and governance, including but not limited to carbon reduction, diversity and inclusivity measures, ethical business practices, and board diversity.

Article 4: Assessment Framework:
1. Incorporate ESG performance indicators alongside traditional performance indicators in the evaluation of executives, subject to regular review to ensure compliance with ESG standards and organizational goals.
2. ESG performance indicators carry significant weight, with adjustments made as necessary, with higher-ranking positions carrying greater weight to reflect the organization's commitment to sustainable development.
3. Based on the scores from the performance indicators, executive assessments are categorized into A, B+, B, and C levels, with these distinctions factoring into the distribution of short-term variable compensation such as year-end bonuses and employee compensation to incentivize performance.
4. Long-term incentive measures such as stock or options will be continuously linked to ESG performance to incentivize executives to consider long-term sustainable development strategies.

Article 5: Executive ESG Performance Indicators:
1. President: Sustainable development performance carries a weight of 20%, with assessment indicators including: Enterprise Risk Management (5%), Resource Efficiency Management (5%), Partnership Diversity Establishment (5%), and Responsible and Transparent Institutional Establishment and Implementation (5%).
2. Vice President of Business Division: Sustainable development performance carries a weight of 15%, with assessment indicators including: Supply Chain Management (5%), Sustainable Product and Development (5%), and Customer Relationship Management (5%).
3. Vice President of Technology Division: Sustainable development performance carries a weight of 15%, with assessment indicators including: Green Process Development (10%) and Customer Health and Safety (5%).
4. Vice President of Finance and Administration Division: Sustainable development performance carries a weight of 15%, with assessment indicators including: Board Performance (3%), Talent Cultivation and Development (3%), Healthy Workplace and Human Rights (3%), Social Engagement (3%), and Stakeholder Communication (3%).
5. Assistant Vice President of Operating Division: Sustainable development performance carries a weight of 15%, with assessment indicators including: Responsible Production (5%), Carbon and Water Energy Efficiency (5%), and Waste and Environmental Management (5%).
6. Assistant Vice President of Quality Division: Sustainable development performance carries a weight of 15%, with assessment indicators including: Customer Health and Safety (10%) and Sustainable Responsible Procurement (5%).

Attachment 8 :

SCI Pharmtech, INC

Supplier Management Policy

SCI formulates Supplier Management Policy that requires cooperation with suppliers to follow relevant regulations on ESG (Environmental, Social and Governance) and work together to improve corporate social responsibility management procedures.

1. Purpose:

In order to ensure that suppliers understand the requirements of corporate social responsibility and ethics standards and gradually improve their social responsibility and ethics performance, this policy is specially formulated.

2. Content:

1) The Procurement Section (hereinafter referred to as PCS) should select suppliers based on their social responsibility and ethics performance, select suppliers with good performance, and eliminate suppliers with poor performance, thereby encouraging all suppliers to take measures to improve their social responsibility and ethics performance.
2) All suppliers should sign a commitment letter regarding human rights and ethics policies before receiving an order or contract. The letter should confirm their agreement to comply with local labor laws and social responsibility standards and ethics guidelines.
3) PCS shall regularly conduct on-site audit or written review of suppliers to evaluate the supplier's performance in terms of social responsibility and ethics, and follow up on improvement measures.
4) If a supplier is found to have intentionally used child labor, forced labor or other serious violations of labor regulations, the cooperative relationship should be terminated immediately.
5) If there is any instance of offering bribes or other inappropriate benefits to customers, such as kickbacks or gifts, the company must disclose its business activities and financial status truthfully, without any falsification or deception. Failure to comply will result in the immediate termination of the partnership.
6) It is strictly forbidden on convenience of the position to seek profit, obtain property, etc. As for the obligation of bribery, confidentiality of business information and other criminal liabilities, it will be dealt with in accordance with the relevant laws.

3. Domestic and foreign supplier selection process

1) PCS collects information on manufacturers capable of producing raw materials required by SCI.
2) Qualification assessment: For suppliers that have passed domestic or international quality system certification, PCS will request the manufacturer for a copy of the certified qualifications, such as domestic or foreign certificates of quality management, environmental protection, occupational safety and health or labor rights. These certificates serve as the basis for assessment.
3) Sample delivery: PCS will notify the manufacturer of new source samples or important raw materials to send samples. The samples sent by the manufacturer will be transferred to the Quality Control Department by PCS for sample inspection and evaluation. If the sample fails to pass the inspection, PCS will notify the manufacturer of the inspection results and request resubmission of the sample for inspection. If it still fails to meet the required standards, the supplier will be disqualified.
4) Assessment: Suppliers of important raw materials will be understood and assessed in writing review or on-site audit by the Quality Control Department based on the assessment items.
5) Review and evaluation: Suppliers fill in the supplier self-evaluation questionnaire and provide relevant certificates for qualification review by the Quality Assurance Department.

6) Qualification approval: Suppliers must be reviewed and evaluated based on the audit results before being added to the list of qualified suppliers. Registration: After suppliers are approved, the Quality Assurance Department should register them in the "Qualified Supplier List" of SAP ERP as a basis for selecting suppliers for future purchases.

4. Supplier selection

1) The assessment items are divided into five categories: delivery time, price, exception handling, cooperation, quality, environmental safety, and other international certifications.

2) Assessment basis:

A. Delivery time: Scores will be given based on delivery records and statistical delivery timeliness.

B. Price: Scoring will be based on the market price and the price reasonableness of existing suppliers.

C. Exception handling: Scoring will be based on quality inspection results, return of defective products, timeliness and results of exception handling, dispatch of market shortages, assistance with inventory adjustment, etc.

D. Cooperation: Scoring will be based on the timeliness of sample delivery, new product provision and description, timeliness and reasonableness of quotation, cooperation with company policies, etc.

E. Quality and environmental safety systems and other international certifications: Scoring will be based on the manufacturer's acquisition of international certifications, the company's response speed to the questionnaire, and the results of inspections by regulatory agencies.

3) Regular evaluation

A. Once annually, PCS will actively schedule and coordinate an appropriate time for the PCS and Quality Assurance Department to conduct either a written review or an on-site audit. Alongside addressing previous evaluation shortcomings, they will collaborate with manufacturers on crucial issues and propose improvement strategies, requesting necessary enhancements. Any significant deficiencies or performance shortcomings not rectified must be addressed within a designated timeframe. Failure to comply may lead to disqualification.

B. For suppliers that have obtained relevant certifications, PCS must confirm whether their certifications are still within the validity period. If is they are still within the validity period, the supplier will still be qualified. If any certificate has expired, the supplier will be requested to submit a valid certificate, otherwise, they will be disqualified.

Attachment 9 :

SCI PHARMTECH, INC.
Personal Data Protection Management Policy

1. Purpose

SCI PHARMTECH, INC. (hereinafter referred to as "the Company") has established this Personal Data Protection Management Policy (hereinafter referred to as "this Policy") to ensure the protection and management of personal data and to comply with the requirements of the Personal Data Protection Act (hereinafter referred to as "PDPA").

2. Objectives

2.1 Ensure that all business operations comply with the relevant laws and regulations of the PDPA.

2.2 Protect the legitimate rights and interests of data subjects, preventing risks such as data theft, alteration, damage, loss, or leakage due to external threats or improper internal management and usage.

3. Scope and Applicability

All employees of the Company, as well as personnel affiliated with third parties such as customers, suppliers, contractors, and external consultants, are all covered by this policy.

4. Collection and Processing of Personal Data

The Company may collect and process personal data necessary for business operations, including but not limited to individuals' names, dates of birth, national identification numbers (passport numbers), physical characteristics, fingerprints, marital status, family details, education, and occupation. The collection and processing of personal data shall comply with the PDPA and other applicable laws, ensuring that such activities are conducted lawfully, fairly, appropriately, and to the extent necessary for the specified purposes.

5. Exceptions to Personal Data Usage

5.1 The Company is obligated to maintain the confidentiality of personal data. Except in cases where data subjects request access or in the following circumstances, the Company shall not disclose personal data to third parties unless required by Article 16 of the PDPA and related laws and regulations, and only upon receiving a formal written request:

5.1.1 Required by judicial, supervisory, or law enforcement agencies for criminal investigations or evidence collection.

5.1.2 Required by other government agencies for legitimate execution of public authority.

5.1.3 Required by public safety agencies for emergency rescue purposes.

5.2 The Company shall use personal data only within the necessary scope of the specific purposes for which it was collected, except in the following circumstances where data may be used beyond its original purpose:

5.2.1 Explicit legal provisions require such usage.

5.2.2 Necessary for national security or public interest.

5.2.3 Necessary to protect the life, body, freedom, or property of the data subject.

5.2.4 Necessary to prevent significant harm to the rights and interests of others.

5.2.5 For statistical or academic research conducted by government agencies or academic institutions, provided that the data is processed so that individuals cannot be identified.

5.2.6 Beneficial to the rights and interests of the data subject.

5.2.7 With the consent of the data subject.

6. Awareness and Training

The Company shall conduct personal data protection awareness and training session at least one time annually to ensure that employees understand relevant legal requirements, responsibilities, and mechanisms, procedures, and measures for personal data protection.

7. Zero Tolerance Policy

The Company strictly prohibits any intentional, malicious, or knowingly tolerated violations of this Policy by employees. Any such violations will be subject to penalties as outlined in Section 8.

8. Penalties

Employees must adhere to this Policy and internal regulations. Any violation that adversely affects individuals or the Company will result in penalties in accordance with internal policies and legal accountability based on the severity of the violation.

9. Implementation and Revisions

9.1 Matters not covered by this Policy shall be handled in accordance with the Company's relevant management regulations and applicable laws and regulations set forth by competent authorities.

9.2 This policy is implemented and revised by the Finance and Administration Division, and shall be announced and enforced after approval by the President. The same procedure applies to any amendments.

Attachment 10 :

SCI PHARMTECH, INC.

Customer Rights Policy

1. Policy Objectives
   In order to protect the legitimate rights and interests of customers and enhance their trust and satisfaction with our products and services, we are committed to adhering to principles of integrity in business operations. This policy has been established to ensure the basic rights of customers when using our products and services.

2. Scope of Application
   This policy applies to all customers who have signed cooperation agreements with our company, including but not limited to pharmaceutical manufacturers, distributors, research institutions, etc.

3. Customer Rights

   1. Product Quality Assurance
      We commit to providing products manufactured in compliance with CGMP and ISO9001 standards to ensure customer satisfaction. We continuously improve our quality system to meet current government regulations and international standards.
   2. Transparency and Accuracy of Information
      We guarantee that all product-related information (such as specifications) is accurate, complete, and provided to customers in a transparent manner.
   3. Timely Delivery
      We promise to deliver products or services on time according to the agreements reached with customers.
   4. Confidentiality Obligation
      We strictly protect the business secrets and data of customers. Without written consent from the customer, we will not disclose any related information.
   5. Support and Communication
      We offer professional technical support and after-sales service to ensure that customers receive timely assistance and solutions during the use of our products.

4. Customer Rights

   1. Complaints and Feedback
      Customers have the right to lodge complaints regarding product quality, delivery, services, and other issues. We will process these complaints in accordance with the standard operating procedure SOP-017 for customer complaints, striving to resolve customer issues within a reasonable time frame.
   2. Return and Exchange Policy
      If a product does not meet the requirements due to quality issues or other reasons within our responsibility, customers have the right to request a return or exchange, and we will handle it according to the terms of the agreement.
   3. Insurance
      We promise to insure product liability with a coverage of USD 2 million to comprehensively protect customer interests.

5. Our Responsibilities and Obligations

   1. Compliance Operations
      We comply with all relevant laws, regulations, and standard operating procedures, and are always ready

to cooperate with customer audits and factory inspections. We continuously improve internal processes to ensure compliance and meet customer requirements.

2. Quality Control
   We have established and operate a strict quality management system, controlling the entire process from raw materials to finished products, ensuring the stability and consistency of product quality.
3. Continuous Improvement
   We value customer suggestions and feedback as important bases for improving our products and services, and regularly conduct customer satisfaction surveys.

6. Policy Changes
   We reserve the right to revise this policy based on business needs and regulatory changes.

Attachment 11 :

SCI PHARMTECH, INC.
Employee Training and Development Plan

1. Plan Objectives:

To enhance workforce quality and strengthen competitive advantage, the company continuously implements a systematic employee education and training program. This initiative aims to promote professional growth, improve work efficiency, and ensure sustainable business operations. The objectives include:

- Establishing a standardized training system to enhance employees' core competencies.
- Strengthening professional knowledge and skills to ensure smooth business operations.
- Developing a talent pipeline to improve career development and internal promotion opportunities.
- Increasing employee satisfaction and loyalty while reducing turnover rates.

2. Training Participants:

This plan applies to all full-time employees. Training content is tailored based on departmental roles, job levels, and functional requirements.

3. Training Content and Methods:

3.1 Onboarding Training (New Employees):

- Company culture and values
- HR policies and work regulations
- Employee benefits and rights
- Workplace safety and occupational health
- Quality management and GMP standards

3.2 Skills Training (Current Employees):

- Professional skill enhancement (designed per departmental needs)
- Cross-departmental collaboration and communication skills
- Problem-solving and decision-making abilities
- Digital tools and technology applications

3.3 Advanced Career Development (High-Potential Employees and Management):

- Personal growth and career planning
- Leadership and team management
- Industry trends and market analysis
- Professional certifications and continuous education
- Project management and innovative thinking

4. Training Methods:

- Internal Training: Conducted by in-house instructors, senior employees, or supervisors.
- External Courses: Participation in training by professional institutions, seminars, online courses, etc.

- On-the-Job Coaching: Through mentorship programs or job rotation to promote practical application.

5. Training Schedule and Frequency:

- Onboarding Training: Completed within one week of new employee's start date.
- Skills Training: At least once per quarter, adjusted based on departmental needs.
- Advanced Career Development: Annually arranged according to talent development plans, with high-potential employees recommended for participation.

6. Training Effectiveness Evaluation:

6.1 Learning Assessment:

- Post-training tests to evaluate learning outcomes.

6.2 Practical Application:

- Supervisors observe and provide feedback on employees' application of skills in the workplace.

6.3 Long-Term Tracking and Improvement:

- Regular reviews of the training plan, optimized based on company development and business needs.

2025 Employee Training and Development Plan Performance Report

1. Training Outcomes Overview:

- Total Internal Training Participants: 45,189
- Total Training Sessions: 3,072
- Professional Certifications Obtained: 179
- Total External Training Participants: 154
- External Training Expenses (NTD): 375,466
- Average External Training Cost per Person (NTD): 2,438

2. Internal Training Results:

- Training Scale: Conducted 3,072 internal training sessions with a cumulative participation of 45,189 averaging approximately 15 training sessions per employee annually. Internal training serves as the core mechanism for enhancing employee skills.
- Course Content: Covered diverse areas including onboarding training, professional skills, cross-departmental collaboration, problem-solving, and digital tool applications.

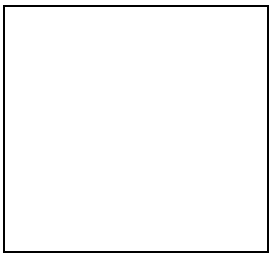
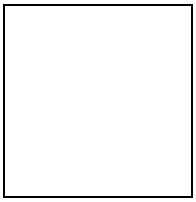
3. External Training Results:

- Professional Certifications: A total of 179 employees obtained or maintained professional certifications, complying with relevant regulatory standards and demonstrating the tangible benefits of training.
- External Participation: A total of 154 participations in external training, primarily encompassing professional certification courses and industry trend seminars.

SCI PHARMTECH, INC.

2025 years of the Republic of China

Corporate Seal



Chairman : Wei-Chyun Wong