TSE Code 1789

ScinoPharm Taiwan, Ltd.

2024 Annual Report

<u>Notice to readers</u>

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.

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Contents

I. Letter to Shareholders

The year 2024 presented both opportunities and challenges for the global economy. While inflation showed signs of easing, major central banks remained cautious in their policies. Some countries began to lower interest rates while keeping inflation risks in focus. The U.S. economy demonstrated strong resilience, supported by a stable labor market and steady consumer spending. In contrast, China faced pressure from the real estate sector and weak domestic consumption, prompting the government to introduce stimulus policies. Meanwhile, Europe experienced slower economic growth due to fluctuations in energy prices and geopolitical risks. The global supply chain continued to undergo adjustments, with investments in artificial intelligence and green energy emerging as key focal points. Corporate mergers and industry consolidation accelerated across multiple sectors. Amid this external environment, ScinoPharm successfully navigated challenges through a well-established business strategy and outstanding pharmaceutical expertise. By focusing on the expansion of its core businesses, the company laid a solid foundation for sustainable future growth.

In 2024, ScinoPharm achieved consolidated revenue of NT$3.406 billion, with a net profit after tax of NT$339 million and earnings per share (EPS) of NT$0.43. By the end of the year, the paid-in capital stood at NT$7.907 billion, while shareholders' equity reached NT$10.526 billion, accounting for 88.14% of total assets, which amounted to NT$11.943 billion. The long-term capital-to-fixed-assets ratio was 2.99 times, and the current ratio was 8.61 times, reflecting a stable and sound financial structure.

Extending API Value and Continuous Growth in CDMO Services
Zero Deficiencies in FDA and ANVISA Inspections

Over the past year, ScinoPharm made significant progress across its three major business sectors: proprietary Active Pharmaceutical Ingredients (APIs), proprietary formulations, and contract development and manufacturing (CDMO) services. In the proprietary API sector, the company continued its strategic production and sales planning for core API products, selectively expanding its order base. Simultaneously, it leveraged its strengths in API manufacturing to explore strategic partnerships in the downstream formulation sector, initiating collaborations with oral formulation manufacturers.

In proprietary formulations, ScinoPharm further strengthened its expertise in complex injectable and peptide-based combination drugs while advancing the development and market positioning of innovative injectable drugs. In addition to four injectable products that have already received market approval, the company currently has three ANDA injectable products undergoing supplementary review and has also completed preclinical preparations for its first 505(b)(2) injectable drug.

Within the CDMO sector, ScinoPharm maintained an exceptional performance and strong market presence particularly in peptide and small-molecule API CDMO services. Meanwhile, its formulation CDMO services continued to expand with steady shipments of injectable contract manufacturing products and multiple upcoming projects in preparation for market launch. The Company remains committed to continuous breakthroughs in technological innovation, providing clients with cutting-edge and environmentally friendly manufacturing solutions. With ongoing market expansion efforts, ScinoPharm has successfully increased its CDMO client base, ensuring steady revenue growth momentum.

Additionally, in response to regulatory requirements for its formulation products, the Company's injectable facility underwent its first U.S. FDA Medical Device PMA inspection and passed with zero deficiencies (Zero Form 483), continuing its longstanding track record of flawless regulatory audits. In 2024, the company also passed its first-ever ANVISA inspection from Brazil with zero deficiencies, further demonstrating that its production and quality management systems meet world-class standards, strengthening its position for long-term business expansion.

Deepening Core Business and Global Expansion to Build Long-Term Competitive Advantages

SciAnda Changshu, successfully passed an on-site audit by the U.S. FDA with Zero 483 findings after an eight-year gap, reaffirming its strong quality and compliance capabilities. Recognizing the vast potential of the Chinese market, SciAnda Changshu has also passed multiple API GMP compliance inspections, providing essential regulatory support for its formulation clients in China and securing more business opportunities. At the same time, the subsidiary has continued its internal optimization efforts, achieving significant cost reductions in raw material procurement and process efficiency improvements.

While actively expanding its business, ScinoPharm also completed a third-party verification of the carbon footprint of its core API products in accordance with ISO 14067. The company remains committed to corporate sustainability, environmental responsibility, and advancing low-carbon technology. This dedication has been recognized through multiple sustainability awards, including being named one of CommonWealth Magazine's "Top 25 Sustainable SMEs," Business Weekly's "Top 100 Carbon Competitiveness Leaders," and receiving the 21st Century Foundation's "Outstanding Net-Zero Industry Competitiveness Award." These achievements highlight ScinoPharm's efforts in sustainable business practices and low-carbon technology while aligning with global clients' expectations for environmentally responsible corporate operations.

Reflecting on the past year, ScinoPharm has made significant breakthroughs in core business development, technological innovation, and market expansion. These achievements were made possible by the dedication of its employees and the unwavering trust and support of its customers and shareholders. Looking ahead to 2025, ScinoPharm will further deepen its collaborations with leading global pharmaceutical companies to enhance its international influence and market competitiveness. The company will continue expanding its presence in small molecules, peptide-based drugs, and high-value-added products, offering comprehensive solutions to its global clients. ScinoPharm remains committed to creating long-term value for shareholders and working together to achieve a brighter future.

II. Corporate Governance Report

2.1 Information on Directors and Management Team

2.1.1 Directors

2.1.1.1 Information Regarding Directors

As of 2024.12.31

Title	Nationality	Name	Gender	Age group	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director (Institutional Shareholder)	Tainan City	Uni-President Enterprises Corp.	-	-	2024.05.28	3	1997.10.16	299,968,639	37.94%	299,968,639	37.94%	-	-	-	-	-	-	-	-	-	-
Chairman (Representative)	R.O.C.	Chih-Hsien Lo (Note 3)	M	61~70	2024.05.28	3	2010.07.06	-	-	-	-	-	-	-	-	Education: MBA, U.C.L.A, U.S.A. Experience: Executive Vice President and President of Uni-President Enterprises. Corp.	(Note 10)	director	Shiow-Ling Kao	spouse	-
Director (Representative)	R.O.C.	Tsung-Pin Wu (Note 3)	M	61~70	2024.05.28	3	2015.06.23	-	-	-	-	-	-	-	-	Education: Accounting, Chung Yuan Christian University Experience: Chief Accountant of Uni-President Enterprises Corp.	(Note 10)	-	-	-	-
Director (Representative)	R.O.C.	Jia-Horng Guo (Note 3)	M	61~70	2024.05.28	3	2017.08.18	-	-	-	-	-	-	-	-	Education: Master of Finance, University of Illinois, Master of Business Administration, University of Minnesota, BS, National Taiwan University. Experience: Managing Director & head of UBS Investment Banking, Taiwan, Executive Director of Citigroup Investment Bank, Taiwan、Director of ING Barings Investment Bank、Director of Citi Investment Bank(HK).、Director of Taishin Securities Co., Ltd.	(Note 10)	-	-	-	-

Title	Nationality	Name	Gender	Age group	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director (Representative)	R.O.C.	Chyun-Yu Yang (Note 3)	M	71~80	2024.05.28	3	2023.05.29	-	-	-	-	-	-	-	-	Education: Bachelor of Medicine, National Taiwan University Experience: 1. Professor, Associate Professor, Instructor, Department of Orthopedics, College of Medicine, National Cheng Kung University, Taiwan, Taiwan, 2. Superintendent, Deputy Superintendent, Acting Superintendent, Chairman-Center for Quality Management, Staff Surgeon-Department of Orthopedic Surgery, Chairman, National Cheng Kung University Hospital 3. Research fellow, Department of Orthopedic Surgery University of Texas Medical Branch at Galveston, TX, USA 4. Chief Resident, Department of Orthopedics, College of Medicine, National Taiwan University	(Note 10)	-	-	-	-
Director (Representative)	R.O.C.	Chin-Yuan Cheng (Note 3)	M	61~70	2024.05.28	3	2021.07.21	-	-	-	-	-	-	-	-	Education: Ph.D., Chemical and Biomolecular Engineering Department, The Ohio State University U.S.A. Experience: Director, Dairy Products Development Division and Corp.Group internet plus Organizer Uni-President Enterprises Corp. Adjunct Professor, Dept. of Animal Science & Technology, National Taiwan University	(Note 10)	-	-	-	-

Title	Nationality	Name	Gender	Age group	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director (Representative)	R.O.C.	Fu-Jung Lai (Note 3)	M	51~60	2024.05.28	3	2018.10.29	-	-	-	-	-	-	-	-	Education: MBA, Kun Shan Univ., R.O.C. Experience: Chief Secretary of President office of Uni-President Enterprises Corp. Manager of the Secretariat to the Board of Directors of Uni-President Enterprises Corp., Director of Uni-President Social Welfare Charity Foundation	(Note 10)	-	-	-	-
Director (Institutional Shareholder)	Tainan City	Kao Chyuan Inv. Co., Ltd.	-	-	2024.05.28	3	2002.06.13	14,832,733	1.88%	14,832,733	1.88%	-	-	-	-	-	-	-	-	-	-
Director (Representative)	R.O.C.	Shiow-Ling Kao (Note 4)	F	61~70	2024.05.28	3	2010.07.05	-	-	-	-	-	-	-	-	Education: Marymount College,U.S.A. Experience: Chairman of Kao Chyuan Inv. Co., Ltd.	(Note 10)	Chair-man	Chih-Hsien Lo	spouse	-
Director Institutional Shareholder	Tainan City .	Tainan Spinning Co., Ltd.	-	-	2024.05.28	3	1997.10.16	23,605,921	2.99%	23,605,921	2.99%	-	-	-	-	-	-	-	-	-	-
Director (Representative)	R.O.C.	Po-Ming Hou (Note 5)	M	61~70	2024.05.28	3	2016.11.10	-	-	-	-	-	-	-	-	Education: Department of Tourism Management, Chinese Culture Univ., R.O.C Experience: Enterprise Chairman of Tainan Spinning Co., Ltd.	(Note 10)	-	-	-	-
Director (Institutional Shareholder)	Taipei City	President International Development Corp.	-	-	2024.05.28	3	2010.07.06	28,673,421	3.63%	28,673,421	3.63%	-	-	-	-	-	-	-	-	-	-
Director (Representative)	R.O.C.	Chiou-Ru Shih (Note 6)	F	51~60	2024.05.28	3	2010.07.06	-	-	-	-	-	-	-	-	Education: MA in Economics, University of Hawaii Experience: Vice General Manager, President International Development Corp.,	(Note 10)	-	-	-	-

Title	Nationality	Name	Gender	Age group	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director (Institutional Shareholder)	Taipei City	National Development Fund, Executive Yuan	-	-	2024.05.28	3	1997.10.16	109,539,014	15.85%	109,539,014	13.85%	-	-	-	-	-	-	-	-	-	-
Director (Representative)	R.O.C.	Ming-Chuan Hsieh (Note 7)	F	61~70	2024.05.28	3	2018.06.27	-	-	-	-	-	-	-	-	Education: Master of Health Services Administration, China Medical University Experience: Executive supervisor, Taiwan Health & Wellness Counseling Association	(Note 10)	-	-	-	-
Director (Representative)	R.O.C.	Ya-Po Yang (Note 7)	M	61~70	2024.05.28	3	2018.06.27	-	-	-	-	-	-	-	-	Education; Ph.D. in Economics, Department of Economics National Taiwan University Experience: Professor and Chairperson of Institute of International Business, College of Business, Southern Taiwan University of Science and Technology	(Note 10)	-	-	-	-
Director (Institutional Shareholder)	Tainan City.	Taiwan Sugar Corporation	-	-	2024.05.28	3	2012.06.13	32,581,963	4.12%	32,581,963	4.12%	-	-	-	-	-	-	-	-	-	-
Director (Representative)	R.O.C.	Ling Ming Sun (Note)	M	61~70	2024.05.28	3	2023.11.03	-	-	-	-	-	-	-	-	Education: Master, Institute of Agricultural Chemistry, National Taiwan University Experience: Engineer, R&D Director, Biotechnology Factory Director, Deputy CEO of Biotechnology Division, CEO of Biotechnology Division, Taiwan Sugar Corporation	(Note 10)	-	-	-	-
Independent Director	R.O.C.	Lewis Lee	M	61~70	2024.05.28	3	2018.06.14	-	-	-	-				-	Education: Master of Commerce, Department of Accounting, National Chengchi University Experience: Deputy Chairman of PwC Taiwan-	-	-	-	-	-

Title	Nationality	Name	Gender	Age group	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Li-Tzong Chen	M	61~70	2024.05.28	3	2018.06.27	-	-	-	-	-	-	-	-	Education: Ph.D., Kaohsiung Medical University Graduate Institute of Clinical Medicine Experience: 1. Research Vice Superintendent, Kaohsiung Medical University Chung-Ho Memorial Hospital 2. Director, Cancer Center of Kaohsiung Medical University Chung-Ho Memorial Hospital 3. Executive Director, President of Taiwan Oncology Society 4. Acting Supervisor of the Gastroenterological Society of Taiwan 5. Chair, Deputy Chair of National Institute of Cancer Research, National Health Research Institutes 6. Adjunct Professor, College of Medical Science and Technology, Taipei Medical University 7. Acting Director of Taiwan Pancreas Society 8. R&D consultant of Pharma Engine Inc.	(Note 10)	-	-	-	

Title	Nationality	Name	Gender	Age group	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Wen-Chang Chang	M	71~80	2024.05.28	3	2018.06.27	-	-	-	-	-	-	-	-	Education: Ph.D. Physiological Chemistry, University of Tokyo, Faculty of Pharmaceutical Sciences, Tokyo, Japan Experience: 1. Chairman, Board of Trustees, of Graduate Institute of Medical Science, Taipei Medical University 2. Vice Chairman, Institute for Biotechnology and Medicine Industry 3. Deputy Minister, National Science Council、General Director, Department of Life Sciences, National Science Council, Taiwan 4. National Cheng Kung University, Tainan, Taiwan : Professor, Department of Pharmacology, College of Medicine、Chairman, Department of Pharmacology, National Cheng Kung University、Chairman, Institute of Basic Medical Sciences, National Cheng Kung University、Associate Dean, College of Medical、University Chair Professor、Director, Center for Biosciences and Biotechnology、Dean, College of Bioscience and Biotechnology、Distinguished Chair Professor、Emeritus Distinguished Chair Professor	(Note 10)	-	-	-	-

Title	Nationality	Name	Gender	Age group	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
								Shares	％	Shares	％	Shares	％	Shares	％			Title	Name	Relation	
Independent Director	R.O.C.	Jang-Yang Chang	M	61~70	2024.05.28	3	2022.06.17	-	-	-	-	-	-	-	-	Education: Bachelor of Medicine, National Defense Medical Center, Taipei, Taiwan Experience: 1.President of Taipei Cancer Center 2.Distinguished Investigator and Director of Institute of Biotechnology and Pharmaceutical Research, NHRI 3.Executive Vice President, Professor Emeritus, National Cheng Kung University 4.Professor and Dean, College of Medicine, National Cheng Kung University 5.Director of National Institute of Cancer Research, NHRI 6.Secretary General, Taiwan Oncology Society 7.Chief of Medical Oncology, Tri-Service General Hospital, National Defense Medical Center 8.Visiting scholar at the Department of Pharmacology, School of Medicine, Yale University of the U.S 9.Fellow, 1st Medical oncology training program, Institute of Biomedical Sciences, Academia Sinica	(Note 10)	-	-	-	-
Independent Director	R.O.C.	Lai-Shou Su	M	61~70	2024.05.28	3	2021.08.13	-	-	-	-	-	-	-	-	Education: M.B.A. of University of North Texas, U.S.A. Experience: Executive Secretary, Deputy Executive Secretary, Director, Researcher of National Development Fund	(Note 10)	-	-	-	-

Note 1: Amount of shares held and Percentage of shared held as of 2025.03.30
Note 2: Disruption for first term as the company's director: None
Note 3: Uni-President Enterprises Corp. Representative
Note 4: Kao Chyuan Inv. Co., Ltd. Representative
Note 5: Tainan Spinning Co., Ltd. Representative
Note 6: President International Development Corp. Representative
Note 7: National Development Fund, Executive Yuan Representative
Note 8: Taiwan Sugar Corporation Representative
Note 9: If the Directors of Company have held any position in the Chartered Accounting firm or its affiliates: None
Note 10: Current position with other company, please refer to next page.
Note 11: Given the company's operating need, the chairman also serves as the chief strategic officer, responsible for formulating the strategies for the business group's operation and resources integration, different from the duties of president which focus on corporate management.

Note 10：Current position with other company

Name	Current Position with Other Company
Chih-Hsien Lo	**Chairman of：** Uni-President Enterprises Corp., President Natural Industrial Corp., Presicarre Corp., Ton Yi Industrial Corp., Ttet Union Corp., Prince Housing & Development Corp., President Packaging Industrial Corp., Woongjin Foods Co., Ltd., Daeyoung Foods Co., Ltd., President International Development Corp., Uni-President China Holdings Ltd., Changjiagang President Nisshin Food Co., Ltd., ScinoPharm Taiwan, Ltd., Uni-President (Philippines) Corp., Uni-President (Thailand) Ltd., Uni-President (Vietnam) Co., Ltd., Uni-President Enterprises (China) Investment Co., Ltd., President Chain Store Corp., Uni-President Cold-Chain Corp., Presco Netmarketing, Inc., Uni-President Dream Parks Co., President Century Corp., President Property Corp., Nanlien International Corp., Prince Real Estate Co., Times Square International Holding Co., Times Square International Hotel Co., Times Square International Stays Co., Uni-President Express Corp. Cheng-Shi Investment Holding Co. **Vice Chairman of：**President Nisshin Corp. **Director of：** Uni-Wonder Corp., Uni-President Organics Corp., Uni-President Glass Industrial Co., Ltd., Cayman President Holdings Ltd., Kai Yu (BVI) Investment Co., Ltd., President Fair Development Corp., Uni-President Southeast Asia Holdings Ltd., Uni-President Asia Holdings Ltd., Uni-President Hong Kong Holdings Ltd., Champ Green Capital Co., Ltd., Champ Green (Shanghai) Consulting Co., Ltd., Uni-President Enterprises (Guangzhou) Co., Ltd., Uni-President Enterprises (Fuzhou) Co., Ltd., Uni-President Enterprises (Xinjiang) Food Co., Ltd., Uni-President Enterprises (Wuhan) Food Co., Ltd., Uni-President Enterprises (Kunshan) Food Co., Ltd., Uni-President Enterprises (Chengdu) Food Co., Ltd. 、Uni-President Enterprises (Shenyang) Co., Ltd., Uni-President Enterprises (Harbin) Co., Ltd., Uni-President Enterprises (Hefei) Co., Ltd., Uni-President Enterprises (Zhengzhou) Co., Ltd., Uni-President Enterprises (Beijing) Drink Co., Ltd., Uni-President Enterprises (Kunshan) Food Technology Co., Ltd., Uni-President Enterprises (Nanchang) Co., Ltd., Uni-President (Shanghai) Trading Co., Ltd., Uni-President Enterprises (Kunming) Food Co., Ltd., Uni-Yantai Tongli Beverage Industries Co., Ltd., Uni-President Enterprises (Changsha) Co., Ltd., Uni-President (Bama) Mineral Water Co., Ltd., Uni-President Enterprises (Nanning) Co., Ltd., Uni-President Enterprises (Zhanjiang) Co., Ltd., Uni-President Enterprises (Chongqing) Co., Ltd.、Uni-President Enterprises (Taizhou) Co., Ltd., Uni-President Enterprises (Akesu) Co., Ltd., Uni-President Enterprises (Changchun) Co., Ltd., Uni-President Shanghai Management Consulting Co., Ltd, Uni-President (Shanghai) Pearly Century Co., Ltd. 、Uni-President Enterprises (Baiyin) Co., Ltd., Hainan President Enterprises Co., Ltd., Uni-President Enterprises (Guiyang) Co., Ltd., Uni-President Enterprises (Jinan) Co., Ltd., Uni-President Enterprises (Hangzhou) Co., Ltd., Uni-President Enterprises (Wuxue) Mineral Water Co., Ltd., Shijiazhuang President Enterprises Co., Ltd. 、Uni-President Enterprises (Xuzhou) Co., Ltd. 、Uni-President Enterprises (Henan) Co., Ltd., Uni-President Trading (Kunshan) Co., Ltd., Uni-President Enterprises (Shaanxi) Co., Ltd., Uni-President Enterprises (Jiangsu) Co., Ltd., Uni-President Enterprises (Changbai Mountain Jilin) Mineral Water Co., Ltd., President Enterprises(Kunshan) Real Estate Development Co., Ltd., Uni-President Enterprises (Ningxia) Co., Ltd., Uni-President Enterprises (Shanghai) Co., Ltd., Uni-President Enterprises (Inner Mongolia) Co., Ltd., Uni-President Enterprises (Shanxi) Co., Ltd., Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd., Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd., Uni-President Enterprises (Tianjin) Co., Ltd., Ltd., Uni-Oao Travel Service Corp., President Packaging Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., President Energy Development (Cayman Islands) Ltd., Uni-President Development Corp., President Professional Baseball Team Corp., Tait Marketing & Distribution Co., Ltd., Wei Lih Food Industrial Co., Ltd., Keng Ting Enterprises Co., Ltd., President Chain Store (BVI) Holdings Ltd., President Chain Store (Labuan) Holdings Ltd., Rsi, Retail Support International Corp., Prince Property Management Consulting Co., Kao Chuan Inv. Co., Ltd. **Supervisor of：** Infinity Holdings Ltd., Eternity Holdings Ltd., Celestial Prosperities Holdings Ltd. **President of：**Presco Netmarketing Inc., Uni-President Express Corp.
Shiow-Ling Kao	**Chairman of：** Kao Chuan Inv. Co., Ltd., President Being Corp., President Fair Development Corp., Uni-President Department Store Corp., President Pharmaceutical Corp., President Drugstore Business Corp., Infinity Holdings Ltd., Eternity Holdings Ltd., Celestial Prosperities Holdings Ltd. **Director of：** Uni-President Enterprises Corp., President Chain Store Corp., Ton Yi Industrial Corp., Prince Housing & Development Corp., ScinoPharm Taiwan, President International Development Corp., Ltd., Uni-President Development Corp., President Century Corp., Times Square International Holding Co., Uni-Wonder Corp., Times Square International Hotel Co., President Natural Industrial Corp., Uni-President Organics Corp. **President of：**President Fair Development Corp., Kao Chyuan Inv. Corp

Name	Current Position with Other Company
Chyuan-Yu Yang	**Director of：** ScinoPharm Taiwan, Ltd Professor, Department of Orthopedics, Kuo General University Hospital, Honoring Superintendent, Kuo General Hospital Professor, Department of Orthopedics, College of Medicine, National Cheng Kung University
Tsung-Pin Wu	**Chairman of：** Tung –Ren Pharmaceutical Corp., Kai Nan Investment Co., Ltd. **Director of：** President Chain Store Corp., ScinoPharm Taiwan, Prince Housing & Development Corp., Grand Bills Finance Corp., Presicarre Corp., Tung Lo Development Co., Ltd., Tone Sang Construction Corp., President International Development Corp., Uni-President (Vietnam) Co., Ltd., Uni-President Hong Kong Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., Cheng-Shi Investment Holding Co., Prince Real Estate Co., Times Square International Holding Co., Times Square International Hotel Co., President Fair Development Corp. **Supervisor of：** President Professional Baseball Team Corp., Nanlien International Corp., President Kikkoman Inc., Kunshan President Kikkoman Biotechnology Co., Ltd., President Kikkoman Zhenji Foods Co., Ltd., President Century Corp., Times Square International Stays Co., Woongjin Foods Co., Ltd., Daeyoung Foods Co., Ltd., Uni-President (Korea) Co.,Ltd. Uni-President Express Corp., PAYUNi Co. Ltd.
Chin-Yuan Cheng	**Director of：** ScinoPharm Taiwan, Ltd.
Fu-Jung Lai	**Director of：** ScinoPharm Taiwan, Ltd. Vice President of the President's Office of Uni-President Enterprises Corp./ Corporate Governance Officer
Po-Ming Hou	**President of：** Tainan Spinning Co., Ltd.(Vietnam), Tainan Textile Co., Ltd., **Chairman of：** Tainan Spinning Co., Ltd., Nan-Fan International Investment(Cayman), Ltd. Yu Peng Investment Co., Ltd., Tainan Spinning Cultural and Educational Foundation., Tainan Spinning Retail & Distribution Co., Ltd., New Yupeng Investment Co., Ltd. Qi Liu Investment Co. Ltd. **Director of：** Nantex Industry Co., Ltd., Nanfang Development Co., Ltd., Tainan Spinning Holdings (Cayman Islands) Co., Ltd., Prince Housing & Development Corp., Uni-President Enterprises Corp., ScinoPharm Taiwan, Ltd., President International Development Corp., Howard Beach Resort Keting Co.m Ltd., President Real Estate(U.S.) Investment Co.
Jia-Horng Guo	**Chairman of：** Taishin Securities Co., Ltd. **Director of：** ScinoPharm Taiwan, Ltd., Taipei Exchange, Accelerate Private Machine Intelligence Corp. **Supervisor：** Standard Motor Corp., Dynasty Techwood corp. **Executive Director of：** Taiwan Securities Association
Chiou-Ru Shih	**Director of：** SyNergy ScienTech Corp., ScinoPharm Taiwan, Ltd., Grand Bills Finance Corp., IMQ Technology Inc., CDIB & Partners Investment Holding Corp., President(BVI) International Investment Holdings Ltd., Kunshan Synergy Scientech Co., Ltd., Androscience Corp. **Vice President of：** President International Development Corp.
Ming-Chuan Hsieh	**Director of：** ScinoPharm Taiwan Ltd., **Independent Director of：** Uni Pharma Co., Ltd, Pharmaessentia Corp. Professor of Chia Nan University of Pharmacy ＆ Science, Department of Hospital and Health Care Administration

Name	Current Position with Other Company
Ya-Po Yang	**Director of：** ScinoPharm Taiwan, Ltd. Professor of Institute of Business and Management, College of Management, National University of Kaohsiung
Ling Ming Sun	**Director of：** ScinoPharm Taiwan, Ltd., Haleon Co., Ltd. CEO of Biotechnology Division, Taiwan Sugar Corporation
Lewis Lee	**Independent Director of：** ScinoPharm Taiwan, Ltd., Brogent Technologies Inc., All Ring Tech Co., Ltd., Poya International Co., Ltd., Xiamen Jinyuan President Securities Corp. Ltd. Deputy Chairman, Zhi Cheng Co-Located CPA Firm Adjunct Associate Professor, National Cheng Kung University
Li-Tzong Chen	**Independent Director of：** ScinoPharm Taiwan, Ltd Distinguished Investigator & Director, National Institute of Cancer Research, National Health Research Institutes, President of Taiwan NeuroEndocrine Tumor Society, Chair Professor , Internal Medicine, Kaohsiung Medical University, Emeritus Chair Professor of Institute of Biomedical Sciences, National Sun Yat-sen University, Adjunct Professor, Dept. Bio Science & Tech, National Yang Ming Chiao Tung University, Adjunct Attending Physician, Department of Internal Medicine, National Cheng-Kung University Hospital, Tainan, Professor, jointly appointed, Institute of Clinical Medicine, College of Medicine, NCKU, Professor, jointly appointed, Dept. of Oncology, Clinical Medicine, NCKU, Professor, jointly appointed, Institute of Molecular Medicine, NCKU, Professor, jointly appointed, Institute of Clinical Pharmacy and Pharmaceutical Sciences, NCKU, Attending Physician, Department of gastroenterology and hematology oncology , Kaohsiung Medical University Chung-Ho Memorial Hospital
Wen-Chang Chang	**Independent Director of：** ScinoPharm Taiwan, Ltd. Taiwan Aulisa Medical Devices Technologies Inc. Pharmosa Biopharm Inc. **Director of：** Board of Trustees, of Graduate Institute of Medical Sciences, College of Medicine, Taipei Medical University, Chair Professor, Graduate Institute of of Medical Sciences, College of Medicine, Taipei Medical University Emeritus Distinguished Chair, Professor of National Cheng Kung University Academician of Academia Sinica, Remuneration Committee member of Universal Cement Corporation
Jang-Yang Chang	**Independent Director of：** ScinoPharm Taiwan, Ltd. Chair Professor, Taipei Medical University Hospital, Taiwan, Director, TMU Research Center of Cancer Translation Medicine, Taipei Medical University, Taipei, Taiwan, National Institute of Cancer Research, Executive Director of Taiwan Oncology Society
Lai-Shou Su	**Independent Director of：** ScinoPharm Taiwan, Ltd, Genovate Biotechnology Co., Ltd. **Director of:** Top Pharma Medical-wares Co. Ltd., HanTech Venture Capital Corp., Locus Cell Co., Ltd., Chuang Yi Biotech Co. Ltd.

Table I List of Major Shareholders of ScinoPharm's Institutional Shareholders As of 2024.12.31

ScinoPharm 's Institutional Shareholders	Major Shareholders of ScinoPharm 's Institutional Shareholders (Holding Percentage)
National Development Fund, Executive Yuan	—
Uni-President Enterprises Corp.	Kao Chyuan Investment Co., Ltd. (5.00%), Cathay Life Insurance Co., Ltd. (4.38%), BNP Paribas's Wealth Management HK. Branch (3.02%), Po-Ming Hou (2.60%), Po-Yu Hou (2.27%), Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF(1.88%), The Account of Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund entrusted by Bank of Taiwan Co., Ltd.(1.75%), Labor Retirement Reserve Fund (The New Fund) (1.74%), Kao Shiow-Ling(1.64%), Chunghwa Post Co. Ltd.(1.57%),
Taiwan Sugar Corporation	Ministry of Economic Affairs (86.15%), Northern Region Branch of National Property Administration under the Ministry of Finance (9.92%), First Commercial Bank (0.75%), Changhwa Commercial Bank (0.41%), Bank of Taiwan (0.36%), Taiwan Business Bank (0.30%), Hua Nan Commercial Bank (0.14%), Central Investment Holding (0.14%), Mega Bank (0.13%), Land Bank of Taiwan (0.08%), Taiwan Cooperative Bank (0.08%).
President International Development Corp.	Uni-President Enterprises Corp. (69.37%), Tainan Spinning Company (9.00%), Prince Housing & Development (6.63%), President Chain Store Corp. (3.33%), Kai Yu Investment Co., Ltd.(3.33%), Tainan Spinning Construction (3.00%), Kao Chuan Investment Corp. (1.87%), NANTEX Industry Co., Ltd. (0.67%), and Nanlien International Corp. (0.67%).
Tainan Spinning Co., Ltd.	Hou Po-Yu (7.041%), Hou Po-Yi (6.156%) , Hsin Yung Hsing Investment Co., Ltd. (5.368%), Hsin Fu Hsing Industrial Co., Ltd. (3.470%), Hou Po-Ming (3.993%), Qi Liu Investment Co. Ltd. (3.018%) , Rui xing International Investment Co., Ltd.(1.622%), Chuang Ying-chih (1.343%), Chuang Ying-nan (1.286%),Chi-Hsin Ho (1.090%)
Kao Chyuan Investment Co., Ltd	Infinity Holdings Ltd.(51.11%), Eternity Holdings Ltd.(48.89%)

Table II Key members of Main Corporate Shareholders Listed in Table I As of 2024.12.31

Names of corporate bodies	Main shareholders of corporate bodies
Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd. (100%)
Chunghwa Post Co. Ltd.	Ministry of Transportation (100%)
Ministry of Economic Affairs	Government unit
Northern Region Branch, National Property Administration, Ministry of Finance	Government unit
First Commercial Bank	First Financial Holding (100%)
Changhwa Commercial Bank	Ministry of Finance (12.19%), Chunghwa Post Co., Ltd. (7.50%), Taishin Financial Holding (5.58%), National Development Fund, Executive Yuan (5.42%), First Commercial Bank (4.99%), Excel Chemical Corp. (2.53%), Taiwan Cooperative Bank, Ltd.(2.39%) Bank of Taiwan (1.81%), Land Bank of Taiwan (1.80%), Hua Nan Commercial Bank, Ltd. (1.79%)
Bank of Taiwan	Taiwan Financial Holdings (100%)

Names of corporate bodies	Main shareholders of corporate bodies
Taiwan Business Bank	Bank of Taiwan (16.21%), National Development Fund, Executive Yuan (5.87%), Land Bank of Taiwan (2.29%), Ministry of Finance (2.08%), Taiwan Business Bank Trust Account for Employee Stock Ownership of Taiwan Business Bank(1.05%),, , JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total Stock Index Fund a series of Vanguard Star Funds (0.92%), Jixiang Investment Co., Ltd.(0.91%), Norges Bank (0.89%),Vanguard Emerging Markets Stock Index Fund A Series of Vanguard International Equity Index Funds(0.85%) New Labor Pension Fund (0.70%)
Hua Nan Commercial Bank	Hua Nan Financial Holdings (100%)
Central Investment Holding	KMT (100%)
Mega Bank	Mega Holdings (100%).
Land Bank of Taiwan	Ministry of Finance (100%)
Infinity Holdings Ltd.	Shiow-ling Kao (55.91%), Chih-Hsien Lo (20.27%), Han-Di Kao (3.29%), Chi-Yi Kao (3.29%),Hsi-Ai Lo (3.29%),Klassical Celestiality Holding LTD.(13..95%)
Eternity Holdings Ltd.	Shiow-ling Kao(70.76%), Chih-Hsien Lo (21.18%),Han-Di Kao (1.42%),Chi-Yi Kao (0.98%),Hsi-Ai Lo (1.12%),Klassical Celestiality Holding Ltd.(4.54%)
Prince Housing & Development Corp.	Uni-President Enterprises Corp. (10.025%), Tai Po Investment Co., Ltd. (7.19%), Kao Chuan Investment (4.217%), Tainan Spinning Construction (3.556%), President International Development Corp., (3.344%), Rui xing International Investment Co., Ltd. (2.931%), Tseng Chao-mei Wu (2.646%), Universal Cement Corp. (2.502%), Universal Cement Investment Corp. (2.36%), Hsin Yung Hsing Investment Co., Ltd. (1.63%),
President Chain Store Corp	Uni-President Enterprises Corp.(45.40%), Cathay Life Insurance(3.02%), Labor Pension Fund(New Scheme)(2.45%),PCSC Employee Benefits Trust account in the custody of China Trust Commercial Bank(2.45%), Chunghwa Post Co., Ltd(1.53%), Fubon Life Insurance Fund(1.44%), Labor Insurance Fund(1.44%), Government of Singapore (1.42%), Labor pension Fund Supervisory committee-Labor retirement Fund (1.20%), Yuanta Taiwan High Dividend Low Volatility ETF (1.13%)
Tainan Spinning Construction Corp.	Tainan Spinning Co. (99.99%)
Hsin Yung Hsing Investment Co., Ltd.	Po-Yu Hou(49.66%), Po-Ming Hou (49.51%),Chin-Hua Ho(0.62%), Hou Hsing Overseas Company(0.21%)
Hsin Fu Hsing Investment Co., Ltd.	Bo-yi Hou (96.37%), Chin-Chien Hou Su (3.00%), Chih-Sheng Hou (0.33%), Chih-Yuan Hou (0.30%),
Qi Liu Investment Co., Ltd.	Hou Po-ming(99.94%), Yi-Chen Chang(0.06%)
Rui xing International Investment Co., Ltd.	Yun-Ta Chuang (20.00%), Ching-Chih Chuang Lin (10.93%), Ying-Nan Chuang (5.00%), Chih-Yu Chuang Chen (5.00%), Ying-Chih Chuang (1.57%), Ming-Hsuang Chuang (10.00%), Chih-Chin Chuang(12.50%), Yu-Hsuan Chuang(10.00%), Ting-Ya Chuang(12.50%),Hsiu-Wen Wang(12.50%)

2.1.1.2 Professional qualifications and independence analysis of Directors and Independent Directors

Criteria / Name	Professional qualifications (Note 1) and Experiences	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chih-Hsien Lo	Current Position: Chairman of Uni-President Enterprises Corp. Education: MBA, U.C.L.A, U.S.A. Experience: President of Uni-President Enterprises. Corp. not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-
Chin-Yuan Cheng	Current Position: Director, Purchasing Division, Uni-President Enterprises Corp Education: Ph.D., Chemical and Biomolecular Engineering Department, The Ohio State University U.S.A. Experience: Director, Dairy Products Development Division, Uni-President Enterprises Corp. not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-
Tsung-Pin Wu	Current Position: Chief Accounting Officer of Uni-President Enterprises Corp. Education: Accounting, Chung Yuan Christian University Experience: Financial Planning DivisionManager (AccountingSupervisor), Uni-President Enterprises Corp. not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-
Jia Horng Guo	Current Position: Chairman of Taishin Securities Co., Ltd Education: Master of Finance, University of Illinois, Experience: Director of Taishin Securities Co., Ltd. not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-
Chyun-Yu Yang	Current Position: Honoring Superintendent, Kuo General Hospital and Professor, Department of Orthopedics, Kuo General University Hospital Education: Bachelor of Medicine, National Taiwan University Experience: Professor, Associate Professor, Instructor, Department of Orthopedics, College of Medicine, National Cheng Kung University, Taiwan. not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-
Fu-Jung Lai	Current Position: Vice President of the President's Office of Uni-President Enterprises Corp./Corporate Governance Officer Education: MBA, Kun Shan Univ., R.O.C. Experience: Director of Uni-President Social Welfare Charity Foundation not in contravention of Article 30 of the Company Act	As the staement of Independence of the board of directors	-
Shiow-Ling Kao	Current Position: Chairman of Kao Chyuan Inv. Co., Ltd. Education: Marymount College, University of Southern California Experience: Chairman of President Fair Development Corp. not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-
Po-Ming Hou	Current Position: Chairman of Tainan Spinning Co., Ltd Education: Chinese Culture Univ., R.O.C Experience: Chairman and President of Tainan Spinning Co., Ltd. not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-
Chiou-Ru Shih	Current Position: Vice General Manager, President International Development Corp., Education: MA in Economics, University of Hawaii Experience: Vice President of President International Development Corp. not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-
Ming-Chuan Hsieh	Current Position: Assistant Professor of Chia Nan University of Pharmacy & Science Education: Master of Health Services Administration, China Medical University Experience: Executive supervisor, Taiwan Health & Wellness Counseling Association not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	2
Ya-Po Yang	Current Position: Professor of Institute of Business and Management, College of Management, National University of Kaohsiung Education: Ph.D. in Economics, Department of Economics National Taiwan University Experience: Professor and Chairperson of Institute of International Business, College of Business, Southern Taiwan University of Science and Technology not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-
Ling Ming Sun	Current Position: CEO of Biotechnology Division, Taiwan Sugar Corporation Education: Master, Institute of Agricultural Chemistry, National Taiwan University Experience: Engineer, R&D Director, Biotechnology Factory Director, and Deputy CEO of Biotechnology Division, Taiwan Sugar Corporation not in contravention of Article 30 of the Company Act	As the statement of Independence of the board of directors	-

Criteria / Name	Professional qualifications (Note 1) and Experiences	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Li-Tzong Chen	Current Position: 1. Distinguished Investigator, National Institute of Cancer Research, National Health Research Institutes 2. President of Taiwan NeuroEndocrine Tumor Society 3..Chair Professor, Internal Medicine, Kaohsiung Medical University 4. Emeritus Chair Professor of Institute of Biomedical Sciences, National Sun Yat-sen University, 5. Adjunct Professor, Dept. Bio Science & Tech, National Yang Ming Chiao Tung University, 6. Adjunct Attending Physician, Department of Internal Medicine, National Cheng-Kung University Hospital, Tainan, 7.Professor, jointly appointed, Institute of Clinical Medicine, College of Medicine, NCKU, 8.Professor, jointly appointed, Dept. of Oncology, Clinical, Medicine, NCKU, 9. Professor, jointly appointed, Institute of Molecular Medicine, NCKU, 10. Professor, jointly appointed, Institute of Clinical Pharmacy and Pharmaceutical Sciences, NCKU, 11. Attending Physician, Department of gastroenterology and hematology oncology, Kaohsiung Medical University Chung-Ho Memorial Hospital Education: Ph.D, Kaohsiung Medical University Graduate Institute of Clinical Medicine Experience: 1. Research Vice Superintendent, Kaohsiung Medical University Chung-Ho Memorial Hospital 2. Director, Cancer Center of Kaohsiung Medical University Chung-Ho Memorial Hospital 3. Executive Director, President of Taiwan Oncology Society 4. Acting Supervisor of the Gastroenterological Society of Taiwan 5. Chair, Deputy Chair of National Institute of Cancer Research, National Health Research Institutes 6. Adjunct Professor, College of Medical Science and Technology, Taipei Medical University 7. Acting Director of Taiwan Pancreas Society 8. R&D consultant of Pharma Engine Inc.	1. Independent Director and his/her spouse or direct blood relative of second degree not director, supervisor or employee of the Company or any of its affiliates 2. Independent Director and his/her spouse or direct blood relative of second degree (or shares held under others' names) not a shareholder of the Company. 3. Independent Director is not a director, supervisor or employee of a specific company or institution with which the Company has financial or business dealings. 4. Independent Director is not a professional who provides commercial, legal, financial, accounting, or related services to the Company. 5. Independent Director is not a professional who provides auditing to the Company or its affiliates or with a total remuneration of more than NT$500,000 in commercial, legal, financial, accounting, or related services in the past two years from the Company.	-
Wen-Chang Chang	Current Position: 1. Director, Board of Trustees, of Graduate Institute of Medical Sciences, College of Medicine, Taipei Medical University, 2. Chair Professor, Graduate Institute of Medical Sciences, College of Medicine, Taipei Medical University. 3. Emeritus Distinguished Chair, Professor of National Cheng Kung University. 4. Academician of Academia Sinica. 5. Compensation Committee member of Universal Cement Corporation. 6. Independ Director of Taiwan Aulisa Medical Devices Technologies Inc., 7. Independent Director of Pharmosa Biopharm Inc. Education: Ph.D. Physiological Chemistry, University of Tokyo, Faculty of Pharmaceutical Sciences, Tokyo, Japan Experience: 1. Chairman, Board of Trustees, of Graduate Institute of Medical Sciences, College of Medicine, Taipei Medical University, 2. Vice Chairman, Institute for Biotechnology and Medicine Industry 3. Deputy Minister, National Science Council、General Director, Department of Life Sciences, National Science Council, Taiwan 4. National Cheng Kung University, Tainan, Taiwan : Professor, Department of Pharmacology, College of Medicine、Chairman, Department of Pharmacology, National Cheng Kung University、Chairman, Institute of Basic Medical Sciences, National Cheng Kung University、Associate Dean, College of Medical、University Chair Professor、Director, Center for Biosciences and Biotechnology、Dean, College of Bioscience and Biotechnology、Distinguished Chair Professor、Emeritus Distinguished Chair Professor	1. Independent Director and his/her spouse or direct blood relative of second degree not director, supervisor or employee of the Company or any of its affiliates 2. Independent Director and his/her spouse or direct blood relative of second degree (or shares held under others' names) not a shareholder of the Company. 3. Independent Director is not a director, supervisor or employee of a specific company or institution with which the Company has financial or business dealings. 4. Independent Director is not a professional who provides commercial, legal, financial, accounting, or related services to the Company. 5. Independent Director is not a professional who provides auditing to the Company or its affiliates or with a total remuneration of more than NT$500,000 in commercial, legal, financial, accounting, or related services in the past two years from the Company.	2

Criteria / Name	Professional qualifications (Note 1) and Experiences	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lewis Lee	Current Position： 1. Deputy Chairman, Zhi Cheng Co-Located CPA Firm 2. Adjunct Associate Professor, National Cheng Kung University 3. Independent director, Brogent Technologies Inc. 4. Independent director, All Ring Tech Co., Ltd. 5. Independent director, Poya International Co., Ltd. 6. Independent director, Xiamen Jinyuan President Securities Corp. Ltd. Education: Master of Commerce, Department of Accounting, National Chengchi University Experience: Deputy Chairman of PwC Taiwan	1. Independent Director and his/her spouse or direct blood relative of second degree not director, supervisor or employee of the Company or any of its affiliates 2. Independent Director and his/her spouse or direct blood relative of second degree (or shares held under others' names) not a shareholder of the Company. 3. Independent Director is not a director, supervisor or employee of a specific company or institution with which the Company has financial or business dealings. 4. Independent Director is not a professional who provides commercial, legal, financial, accounting, or related services to the Company. 5. Independent Director is not a professional who provides auditing to the Company or its affiliates or with a total remuneration of more than NT$500,000 in commercial, legal, financial, accounting, or related services in the past two years from the Company.	3
Jang-Yang Chang	Current Position: 1. Chair Professor, Taipei Medical University Hospital, Taiwan 2. Director, TMU Research Center of Cancer Translation Medicine, Taipei Medical University, Taipei, Taiwan 3. Executive Director of Taiwan Oncology Society. Education: Bachelor of Medicine, National Defense Medical Center, Taipei, Taiwan Experience: 1. President of Taipei Cancer Center 2. Distinguished Investigator and Director of Institute of Biotechnology and Pharmaceutical Research, NHRI 3. Executive Vice President, Professor Emeritus, National Cheng Kung University 4. Professor and Dean, College of Medicine, National Cheng Kung University 5. Director of National Institute of Cancer Research,NHRI 6. Secretary General, Taiwan Oncology Society 7. Chief of Medical Oncology, Tri-Service General Hospital. 8. Visiting scholar at the Department of Pharmacology, School of Medicine, Yale University of the U.S. 9. Fellow, 1st Medical oncology training program, Institute of Biomedical Sciences, Academia Sinica	1. Independent Director and his/her spouse or direct blood relative of second degree not director, supervisor or employee of the Company or any of its affiliates 2. Independent Director and his/her spouse or direct blood relative of second degree (or shares held under others' names) not a shareholder of the Company. 3. Independent Director is not a director, supervisor or employee of a specific company or institution with which the Company has financial or business dealings. 4. Independent Director is not a professional who provides commercial, legal, financial, accounting, or related services to the Company. 5. Independent Director is not a professional who provides auditing to the Company or its affiliates or with a total remuneration of more than NT$500,000 in commercial, legal, financial, accounting, or related services in the past two years from the Company.	-
Lai-Shou Su	Current Position: 1. Director of Locus Cell Co., Ltd. 2. Director of Chuang Yi Biotech Co. Ltd. 3. Director of Top Pharma Medicalward Co., Ltd. 4. Director of HanTech Venture Capital Corp. 5. Independent Director of Genovate Biotechnology Co., Ltd. Education: M.B.A. of University of North Texas, U.S.A. Experience: Executive Secretary, Deputy Executive Secretary, Director, Researcher of National Development Fund.	1. Independent Director and his/her spouse or direct blood relative of second degree not director, supervisor or employee of the Company or any of its affiliates 2. Independent Director and his/her spouse or direct blood relative of second degree (or shares held under others' names) not a shareholder of the Company. 3. Independent Director is not a director, supervisor or employee of a specific company or institution with which the Company has financial or business dealings. 4. Independent Director is not a professional who provides commercial, legal, financial, accounting or related services to the Company. 5. Independent Director is not a professional who provides auditing to the Company or its affiliates or with a total remuneration of more than NT$500,000 in commercial, legal, financial, accounting, or related services in the past two years from the Company.	1

2.1.1.3 Diversification of the membership of board of directors

(1) The company has formulated the policy and concrete management goal on the diversification of the membership of the board of directors:

The company's "corporate governance best practice principles" and "Rules of Governing election of directors" both specify that diversification should be taken into account in the composition of the board of directors, according to which in addition to the number of directors doubling as the company's managers should not exceeds one third of the total seats and the number of directors without spouse or relative within second kinship also serving as director should exceed one half of the total, the company should formulate diversification guidelines, in line with its operation, business type, and development need, covering, but not limited to, standards in the following two major aspects:

1). basic conditions and value: gender, age, etc.;

2). professional knowledge and skills.

(2) According to the diversification guideline, in addition to the goal of reserving at least two seats for females, the professional backgrounds and expertise of directors should span different fields and features, including operation and management, leadership and decision making, commerce and economy, finance and accounting, R&D, industrial experience, international market perspective, which are supplementary in nature, so as to strengthen the company's operation and attain the goal of sound corporate governance.

(3) Status in materialization of the diversification guideline:

1) Basic conditions and value:

a. The Company's board of directors consists of 17 directors, including 5 independent directors representing 29% of theb, The Company's Articles of Incorporation stipulate that the continuous tenure of independent director shall not exceed three terms. The Company has 5 independent directors, 2 of whom are serving their third term, 2 are serving their second term, and 1 is a newly elected independent director elected at the 2024 Annual General Shareholders' Meeting. Therefore, the continuous tenure of all independent directors has not exceeded three consecutive terms.

b. The current board consists of 14 male directors and 3 female directors, with male and female directors accounting for 82% and 18% respectively. Due to the difficulty in recruiting qualified professionals with expertise in the biotechnology and healthcare management field, the proportion of directors of a single gender has not reached one-third of the total number of directors. However, the Company is already aware of the relevant regulations regarding gender diversity on the Board of Directors. Therefore, to enhance gender diversity on the Board and move towards "sustainable development," the Company will expand the scope of selection during the director nomination process in the future and actively seek female director candidates with diverse backgrounds to achieve the goal gradually.

2) Professional knowledge and skills (

a. Members of the current board of directors generally possess knowledge and skills for undertaking their duties, spanning business judgment, operation and management, industrial experience, R&D, and leadership and decision making, on top of abundant international perspective.

b. They are experts, scholars, and industrial specialists with diverse backgrounds spanning business management, finance and accounting, money, commerce, economics, medicine, pharmaceutics, and chemical, with independent directors all being prominent scholars and experts in their fields, including Director of medical university and member of Academia Sinica, distinguished research fellow at Institute of Cancer Research, National Health Research Institute, Chair Professor of Medical University, Executive Director of Taiwan Oncology Society, Resident Physician of hospital and deputy director of accounting firm is also associate professor in university and directors in other Industries. It is evident that directors and independent directors have diverse and supplementary professional backgrounds, conforming to the diversification guidelines and facilitating enhancement of the company's business performance and management efficiency.

2.1.1.4. Independence of the board of directors

(1) Not in contravention of Article 30 of the Company Act, except chairman Chih-Hsien Lo and his spouse director Shiow-Ling Kao(2 directors), the other 15 directors are not in contravention of item 3 and item 3&4 of article 26-3 of the Securities and Exchange Act.

(2) All the independent directors conform to the regulations on independent directors formulated by the Financial Supervisory Commission, with the status of their independence as follows:

Name of Independent Directors	Assumption of such positions as the director, supervisor, or employee of the company or affiliates by himself/herself, spouse, and relative within second kinship	The number and percentage of shares owned by himself/herself, spouse, and relative within second kinship (on in the name of others)	Assumption or not of such positions as the director, supervisor, or employee of some company with special relationship with the company.	Obtaining of compensations for provision of such services as commerce, legal affairs, financial affairs, and accounting to the company or its affiliates in recent two years
Wen-Chang Chang	No	None	No	None
Li-Tzong Chen	No	None	No	None
Lewis Lee	No	None	No	None
Jang-Yang Chang	No	None	No	None
Lai-Shou Su	No	None	No	None

Note 1: Diversification and professional skills of the Individual member of board of directors

Name	Basic information						Professional ability											
	Nationality	Gender	Age group			The tenure of independent directors shall not exceed three terms	Professional background	Ability to make professional judgement	Ability to conduct management administration	Commerce and Economics	Ability to perform accounting and financial analysis	Knowledge of the industry	Professional R&D	An International market Prospect	Ability to lead	Ability to make policy decisions	Ability to manage risk
			51 ~60	61 ~70	71~ 80												
Chih-Hsien Lo	R.O.C.	M		✓			Business Administration	✓	✓	✓	✓	✓		✓	✓	✓	✓
Tsung-Pin Wu	R.O.C.	M		✓			Finance & accounting	✓	✓	✓	✓	✓		✓	✓	✓	✓
Jia-Horng Guo	R.O.C.	M		✓			Finance & Banking	✓	✓	✓	✓	✓		✓	✓	✓	✓
Chyun-Yu Yang	R.O.C	M			✓		Medicine	✓	✓			✓	✓		✓	✓	✓
Fu-Jung Lai	R.O.C.	M	✓				Business Administration	✓				✓			✓		✓
Chin-Yuan Cheng	R.O.C.	M		✓			Biochemical Engineering	✓	✓			✓	✓	✓	✓	✓	✓
Po-Ming Hou	R.O.C.	M		✓			Tourist management	✓	✓	✓	✓	✓		✓	✓	✓	✓
Shiow-Ling Kao	R.O.C.	F		✓			Business	✓	✓	✓		✓		✓	✓	✓	✓
Ming-Chuan Hsieh	R.O.C.	F		✓			Medical Matters Management	✓	✓	✓	✓	✓		✓	✓	✓	✓
Ya-Po Yang	R.O.C.	M		✓			Economics	✓	✓	✓				✓	✓	✓	✓
Chiou-Ru Shih	R.O.C.	F	✓				Economics	✓	✓	✓	✓	✓		✓	✓	✓	✓
Ling Ming Sun	R.O.C.	M		✓			Agro-chemical	✓	✓	✓		✓			✓	✓	✓
Wen-Chang Chang	R.O.C.	M			✓	✓	Pharmacy	✓	✓			✓	✓	✓	✓	✓	✓
Li-Tzong Chen	R.O.C.	M		✓		✓	Clinical Medicine	✓	✓			✓	✓	✓	✓	✓	✓
Lewis Lee	R.O.C.	M		✓		✓	Certified Public Accountant	✓	✓	✓	✓	✓		✓	✓	✓	✓
Jang-Yang Chang	R.O.C	M		✓		✓	Medicine	✓	✓			✓	✓		✓	✓	
Lai-Shou Su	R.O.C	M		✓		✓	Business Administration	✓	✓	✓	✓				✓		✓

2.1.2 Information of Management Team

As of 2024.12.31 Unit：Shares；%

Title	Nationality	Name	Gender	Date Effective	Shareholding (Note1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Chief Strategy Officer	R.O.C.	Chih-Hsien Lo	M	2017.08.18	-	-	-	-	-	-	Education: MBA U.C.LA, U.S.A. Experience: Executive Vice President, President of Uni-President Enterprises. Corp.	Chairman of： Uni-President Enterprises Corp. President Chain Store Corp. Ton Yi Industrial Corp, TTET Union Corp., Prince Housing & development Corp., Uni-President China Holdings Ltd.，President Enterprises (China) Investment Co., Ltd. , Presicarre Corp.,(Please refer to Page 11 for more details),	-	-	-	-
President & CEO	R.O.C.	Li-An Lu	F	2018.08.01	-	-	-	-	-	-	Education: University of Business Administration/Institute Financial Management, National Sun Yat-Sen University Work Experience: Vice President of IBT Securities Co. Ltd., Assistant Manager of Taiwan International Securities Corporation, Division Head of Treasury Division, Uni-President Enterprises Corp., Director of President Transnet Corp., and President Collect Service Corp, Supervisor of Tong Kuan Enterprise Co., Ltd., ScinoPharm Taiwan, Ltd. Vice President Administration	Director of: President Securities Corp., president Transnet Corp. Director of : SciAnda Shanghai Biochemical Technology Ltd. Scianda (Changshu) Pharmaceuticals, Ltd. ScinoPharm Singapore Pte Ltd. Supervisor of: Tong Kuan Enterprise Co., Ltd.,	-	-	-	-
Vice President Marketing & Sales and Operations	R.O.C.	Ling-Hsiao Lien	M	2011.01.03	-		-	-	-	-	Education: Bachelor & Master in Chemical Engineering, National Cheng Kung University Work Experience: Researcher, Kao (Taiwan) Corp.; quality assurance engineer at ASE Group; researcher, production procedure research manager, and senior manager, and production procedure technology senior manager, Vice President Operation at ScinoPharm,.	Director of: SciAnda(Changshu) Pharmaceuticals, Ltd.、SciAnda Shanghai Biochemical Technology, Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding (Note1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President Quality Management	R.O.C.	Katy Cheng	F	2019.03.25	-	-	-	-	-	-	Education: Kaohsiung Medical University Pharmacy, National Chiao Tung University MBA Master Work Experience: Alvogen Quality VP, Pfizer INJ Plant Manager, Pfizer QO Director, Synmorsa Plant Manager, J&J QA Manager, Norvatis Quality Manager	NA	-	-	-	-
Vice President of R&D CSO	R.O.C.	Li-Chiao Chang	F	2007.11.19	8	0.000%	-	-	-	-	Education: Ph. D in Chemistry, National Taiwan University Work Experience: Senior researcher, quality control director, senior analysis and research manager, senior director of pharmaceutical preparation & peptide products development at ScinoPharm.	Director of: SciAnda(Changshu) Pharmaceuticals, Ltd.、SciAnda Shanghai Biochemical Technology, Ltd.	-	-	-	-
Vice-President Marketing and Sales & Strategic Officer	R.O.C.	Ching-Wen Lin (Note 3)	F	2010.06.01	106,619	0.013%	33,512	0.004%	-	-	Education: Ph. D in Chemistry at The Hong Kong Polytechnic University. Work Experience: Researcher, senior marketing manager and marketing director at ScinoPharm..	President and Director of: SciAnda Shanghai Biochemical Technology, Ltd. Director of: SciAnda(Changshu) Pharmaceuticals, Ltd., ScinoPharm Singapore Pte Ltd., Medical and Pharmaceutical Industry Technology and Development Center、Taiwan Pharmaceutical Manufacturer's Association Supervisor of: Taiwan Generic Pharmaceutical Association, Taiwan Pharmaceutical Manufacturer and Development Association	Director of Procurement	Chi-Ching Lin	Spouse	-

Title	Nationality	Name	Gender	Date Effective	Shareholding (Note1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Senior Director API Business & Product Portfolio Management	R.O.C.	Yu-Fen Hung	F	2010.09.15	102,194	0.014%	-	-	-	-	Education: PhD in Chemistry, Stanford University, USA Work Experience： Research Scientist, Roche Palo Alto. Chief Researcher, Manager, Senior Manager, Senior Director of Product Portfolio, ScinoPharm	NA	-	-	-	-
Senior Director F&A and Deputy Spokesperson	R.O.C.	Chih-Hui Lin	F	2010.06.01	-	-	-	-	-	-	Education: Accounting, Chung Yuan Christian University、Executive Master of Business Administration of National Cheng Kung University Work Experience: Manager of finance and accounting at Airmate (Cayman) International Co Ltd.; Accounting manager, Senior accounting manager, Senior Director Finance at ScinoPharm.	Director of: ScinoPharm Singapore Pte Ltd. Supervisor of: Technology Co., Ltd.、 SciAnda (Changshu) Pharmaceuticals, Ltd.、 SciAnda Shanghai Biochemical Technology, Ltd	-	-	-	-
Director Audit Office	R.O.C.	Ivan Hsu	M	2021.11.05	-	-	-	-	-	-	Education: Department of AccountingTechnology ,Shih Chien University Work Experience: Auditor General of Airmate (Cayman) International Co. Limited	Supervisor of: SciAnda (Changshu) Pharmaceuticals, Ltd.	-	-	-	-
Director of Production Support	R.O.C	Yu-Wei Shen	M	2019.04.01	60,000	0.008%	35,000	0.004%	-	-	Education: National Central University Chemical Engineering Bachelor, National Taiwan University Chemical Engineering Master Work Experience: Food Industry Research and Development Institute Associate researcher, Process Technology Department Supervisor, Production Supervisor, Manager, Process Technology Department Manager, Senior Manager, Director of Production Support at ScinoPharm	NA	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding (Note1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director of Procurement	R.O.C	Chi-Ching Lin	M	2020.02.01	33,512	0.004%	106,619	0.013%	-	-	Education： Hong Kong Polytechnic University, PhD. Work Experience: RD researcher, Production & Material Management Manager	NA				-
Director of Analytical R&D	R.O.C	Shih-Hao Yan	M	2020.03.30	-	-	-	-	-	-	Education： Master of Chemistry, National Taiwan University, PhD of Chemistry, National Taiwan University Work Experience: QA & R&D Manager, Seven Star Pharmaceutical, Corporate Analytical Services Director, TWi Pharmaceutical, Quality Head, Visum Pharmaceutical Quality Unit Head/Analytical Research Director, Bright Future Pharmaceutical	NA	-	-	-	-
Director Quality Control	R.O.C.	Bin Liu	M	2021.04.01	5,922	0.001%	-	-	-	-	Education: Bachelor in Chemistry, Kaohsiung Medical College, Master in Chemistry, National Sun-Yet San University Work Experience: Analytical Research & Development researcher, supervisor and manager; Quality Control senior manager and director at ScinoPharm	NA	-	-	-	-
Director Pharmaceutical Development	R.O.C.	Chia Chen Chen	F	2021.04.01	4,326	0.001%	-	-	-	-	Education: Ph.D. (Biochemistry & Molecular Genetics) University of Illinois at Chicago Work Experience: Research Scientist in Dept. of Biotechnology, Research Scientist, Superviosr, Manager, Senior Manager and Director in Dept. of Pharmaceutical development at ScinoPharm	NA	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding (Note1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director (SA & CDMO)	R.O.C	Johnson Kuo	M	2022.04.01	-	-	-	-	-	-	Education: Simon Fraser University, Bachelor of Molecular Biology; University of Phoenix, Master of Business Administration Work Experience: Mycenax Biotech Inc. Business Development Director; Senior Manager, Director, at ScinoPharm	NA	-	-	-	-
Director Regulatory Technical Service	R.O.C	Syray Wen	M	2022.04.01	-	-	-	-	-	-	Education: Botany, National Taiwan University Master of Science, Institute of Molecular Medicine, National Taiwan University Work Experience: Supervisor, manager and senior manager of regulatory technical services at Scinopharm	NA	-	-	-	-
Director Japan Market	Japan	Yusuke Kakizawa (Note 4)	M	2022.04.01	-	-	-	-	-	-	Education: Hokkaido University, Master of Chemistry in Analytical ChemistryYale School of Forestry and Environmental Studies, Master of Environmental Sciences in Industrial Environmental Management Work Experience： Maypro Industries (US) and Maypro Japan, Account Manager (food supplement, raw material trading), Kongo Yakuhin (JP), Manager of Foreign Department (Raw material trading, in charge of communication with oversea suppliers, including APIs)	NA	-	-	-	-
Director Injectable Technical Services	R.O.C	Jing Yi Wang	F	2022.10.01	87,181	0.011%	-	-	-	-	Education: Master in Chemical Engineering, National Cheng Kung University Work Experience: Sr. Manager (Injectable POM), Sr. Manager (Sales & Marketing), Engineer (Process Technology), Researcher, Director of Injectable Technical Services at ScinoPharm	NA	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding (Note1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director Injectable Production	R.O.C	Hui-Chun Chen	F	2022.10.01	10,000	0.001%	-	-	-	-	Education: Master in Chemical Engineering, National Cheng Kung University Work Experience: Sr. Manager (Injectable POM), Manager (Injectable Engineering and Plant Support), Manager (Peptide Process Development), Researcher (Purification Process Development), Director of Injectable Production at ScinoPharm	NA	-	-	-	-
Director Legal Affairs	R.O.C	Patrick Chang	M	2023.04.01	-	-	-	-	-	-	Education: Bachelor of Chemical Engineering/Life Science, National Tsing Hua University, Master of Chemical Engineering, National Taiwan University, Master of Law and Inter-Discipline Law, National Cheng Chi University Work Experience: Manager at Oenix BioMed, Manager at YongLin Biotech., Legal Affairs Manager, Legal Affairs Senior Manager at ScinoPharm					
Director QA	R.O.C	Joyce Wang	F	2023.04.01	-	-	5,000-	0.000%-	-	-	Education: Bachelor/Master in Marine Environment and Engineering National Sun Yat-sen University (NSYSU), Taiwan Work Experience: QC Analyst, QA Specialist, Supervisor, manager, Senior manager at ScinoPharm.					

Title	Nationality	Name	Gender	Date Effective	Shareholding (Note1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director API Production	R.O.C	Shihming Chou	M	2024.05.06	-	-	-	-	-	-	Education: National Taiwan University, Dept. of Chemical Engineering Work Experience: LAXNESS Taiwan Production Manager, Production II manager at ScinoPharm					
Director Plant Support and Services	R.O.C	Chang-Hui Su	M	2024.08.05	-	-	4,000	0.000	-	-	Education: Far East University Mechanical Engineering Work Experience: Molie Quantum Energy Corp. Factory Affairs Dept. Manager, Nantong Tongfang Semiconductor Co., Ltd Vice President					

(Note 1): Holding Shares and holding percentage as of 2025.03.30

(Note 2): If the main managerial personnel of Company have held any position in the Chartered Accounting firm or its affiliates: None

(Note 3): The Director was discharged on 2024.06.15 (Note 4): The Director was discharged on 2024.06.01 and transferred to Japan Subsidiary

(Note 5): The Director was promoted on 2024.05.06 (Note 6): The Director was promoted on 2024.08.05

(Note 7): Given the company's operating need, the chairman also serves as the chief strategic officer, responsible for formulating the strategies for the business group's operation and resources integration, different from the duties of president which focus on corporate management.

2.2 Remuneration paid to Company directors, president, and senior vice presidents over the past year

2.2.1 Remuneration paid to each individual director

2024.12.31；Unit: NT$ thousands

Title	Name	Total Director Remuneration								Summation of A，B，C，and D as a % of After-Tax Income		Compensation to Directors Also 5erving as Company Employees								Summation of A，B，C，D，E，F and G as a % of After-Tax Income		Compensa-tion from Affiliates Other Than Subsidiaries
		Remuneration (A)		Pensions (B)		Director Remuneration (C) (Note 1)		Business Expenses (D)				Salary, Bonuses, and special Allowance (E)		Pensions (F)		Employee Compensation (G)						
																SPT		All consolidated companies				
		SPT	All consolidated companies	SPT	All consolidated companies	SPT	All consolidated companies	SPT	All consolidated companies	SPT	All consolidated companies	SPT	All consolidated companies	SPT	All consolidated companies	Cash Bonuses	5tock Bonuses	Cash Bonuses	5tock Bonuses	SPT	All consolidated companies	
Director	Uni-President Enterprises Corp.	2,554	2,554	-	-	5,430	5,430	6,930	6,930	14,914 4.39%	14,914 4.39%	4,171	4,171	-	-	-	-	-	-	19,085 5.62%	19,085 5.62%	354,051
Chairman	Uni-President Enterprises Corp. Representative：Chih-Hsien Lo																					
Director	Uni-President Enterprises Corp. Representative：Tsung-Ming Su																					
Director	Uni-President Enterprises Corp. Representative：Tsung-Pin Wu																					
Director	Uni-President Enterprises Corp. Representative：Jia Horng Guo																					
Director	Uni-President Enterprises Corp. Representative：Fu-Jung Lai																					
Director	Uni-President Enterprises Corp. Representative：Chin-Yuan Chengi																					
Director	Uni-President Enterprises Corp. Representative：Chyun-Yu Yang																					
Director	Tainan Spinning Co., Ltd.																					
Director	Tainan Spinning Co., Ltd. Representative: Po-Ming Hou																					
Director	President International Development Corp.																					
Director	President International Development Corp. Representative：Chiou-Ru Shih																					
Director	National Development Fund, Executive Yuan																					
Director	National Development Fund, Executive Yuan Representative：Ming-Chuan Hsieh																					
Director	National Development Fund, Executive Yuan Representative：Ya-Po Yang																					
Director	Kao Chyuan Investment Co., Ltd																					
Director	Kao Chyuan Investment Co., Ltd Representative：Shiow-Ling Kao																					
Director	Taiwan Sugar Corporation																					
Director	Taiwan Sugar Corporation Representative：Ling Ming Sun																					
Independent Director	Wen-Chang Chang	1,602	1,602	-	-	-	-	3,520	3,520	5,122 1.51%	5,122 1.51%	-	-	-	-	-	-	-	-	5,122 1.51%	5,122 1.51%	-
	Li-Tzong Chen																					
	Lewis Lee																					
	Chyun-Yu Yang																					
	Jang-Yang Chang																					
	Lai-Shou Su																					
Total		4,156	4,156	-	-	5,430	5,430	10,450	10,450	20,036 5.90%	20,036 5.90%	4,171	4,171	-	-	-	-	-	-	24,207 7.13%	24,207 7.13%	354,051

(Note 1): According to compensations payout for managers passed by the board of directors on 2025.02.26.

(Note 2): ScinoPharm Taiwan's policy, system, standards, structure for monthly compensations of independent directors is decided by the board of directors, according to the corporate charter, as well as their responsibilities, risks, and input time, plus reference to the levels of peers, without bonus payout based on corporate profits. Given the industrial nature and scale of operation/assets, as well as responsibilities, existing compensations for independent directors is reasonable.

(Note 3): Compensations other than that disclosed the table above collected by directors for services for all the companies in the financial statement: Nil

Range of remuneration for directors

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NT$ 1,000,000	Uni-President Enterprises Corp. Representative: Tsung-Ming Su、Uni-President Enterprises Corp. Representative: Tsung-Pin Wu、Uni-President Enterprises Corp. Representative: Jia Horng Guo、Uni-President Enterprises Corp. Representative: Fu-Jung Lai、Uni-President Enterprises Corp. Representative: Chin-Yuan Cheng、Uni-President Enterprises Corp. Representative: Chyun-Yu Yang、Tainan Spinning Co., Ltd.、Tainan Spinning Co., Ltd. Representative: Po-Ming Hou、President International Development Corp、President International Development Corp. Representative: Chiou-Ru Shih、Kao Chyuan Inv. Co., Kao Chyuan Inv. Co., Ltd. Representative: Shiow-Ling Kao、National Development Fund, Executive Yuan、National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh、Ya-Po Yang、Taiwan Sugar Co.,、Taiwan Sugar Co. Representative: Ling-Ming Sun、Chyun-Yu Yang、Lai-Shou Su	Uni-President Enterprises Corp. Representative: Tsung-Ming Su、Uni-President Enterprises Corp. Representative: Tsung-Pin Wu、Uni-President Enterprises Corp. Representative: Jia Horng Guo、Uni-President Enterprises Corp. Representative: Fu-Jung Lai、Uni-President Enterprises Corp. Representative: ChinYuan Cheng、Uni-President Enterprises Corp. Representative: Chyun-Yu Yang、Tainan Spinning Co., Ltd.、Tainan Spinning Co., Ltd. Representative: Po-Ming Hou、President International Development Corp、President International Development Corp. Representative: Chiou-Ru Shih、Kao Chyuan Inv. Co., Ltd. Kao Chyuan Inv. Co., Ltd. Representative: Shiow-Ling Kao、National Development Fund, Executive Yuan、National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh、Ya-Po Yang、Taiwan Sugar Co.,、Taiwan Sugar Co. Representative:Ling-Ming Sun、Chyun-Yu Yang、Lai-Shou Su	Uni-President Enterprises Corp. Representative: Tsung-Ming Su、Uni-President Enterprises Corp. Representative: Tsung-Pin Wu、Uni-President Enterprises Corp. Representative: Jia Horng Guo、Uni-President Enterprises Corp. Representative: Fu-Jung Lai、Uni-President Enterprises Corp. Representative: Chin-Yuan Cheng Uni-President Enterprises Corp. Representative: Chyun-Yu Yang、Tainan Spinning Co., Ltd.、Tainan Spinning Co., Ltd. Representative: Po-Ming Hou、President International Development Corp、President International Development Corp. Representative: Chiou-Ru Shih、Kao Chyuan Inv. Co., Ltd. Kao Chyuan Inv. Co., Ltd.Representative: Shiow-Ling Kao、National Development Fund, Executive Yuan、National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh、Ya-Po Yang、Taiwan Sugar Co.,、Taiwan Sugar Co. Representative: Ling-Ming Sun、Chyun-Yu Yang、Lai-Shou Su	Uni-President Enterprises Corp. Representative: Tsung-Ming Su、Uni-President Enterprises Corp. Representative: Jia Horng Guo、Uni-President Enterprises Corp. Representative: Chin-Yuan Cheng Uni-President Enterprises Corp. Representative: Chyun-Yu Yang、Tainan Spinning Co., Ltd.、Tainan Spinning Co., Ltd. Representative: Po-Ming Hou、President International Development Corp、President International Development Corp. Representative: Chiou-Ru Shih、Kao Chyuan Inv. Co., Ltd. Representative: Shiow-Ling Kao、National Development Fund, Executive Yuan、National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh、Ya-Po Yang、Taiwan Sugar Co.,、Taiwan Sugar Co. Representative: Ling-Ming Sun、Chyun-Yu Yang、Lai-Shou Su
NT$1,000,000 (included) ~ NT$2,000,000 (not included)	Uni-President Enterprises Corp. Representative: Chih-Hsien Lo、Taiwan Sugar Co., Wen-Chang Chang、Li-Tzong Chen、Lewis Lee、Jang-Yang Chang	Uni-President Enterprises Corp. Representative: Chih-Hsien Lo Taiwan Sugar Co., Wen-Chang Chang、Li-Tzong Chen、Lewis Lee、Jang-Yang Chang	Taiwan Sugar Co., Wen-Chang Chang、Li-Tzong Chen、Lewis Lee、Jang-Yang Chang	Taiwan Sugar Co., Wen-Chang Chang、Li-Tzong Chen、Lewis Lee、Jang-Yang Chang
NT$2,000,000 (included) ~ NT$3,500,000 (not included)	None	None	None	None
NT$3,500,000 (included) ~ NT$5,000,000 (not included)	Uni-President Enterprises Corp.	Uni-President Enterprises Corp.	Uni-President Enterprises Corp.	Uni-President Enterprises Corp.
NT$5,000,000 (included) ~ NT$10,000,000 (not included)	None	None	Uni-President Enterprises Corp. Representative: Chih-Hsien Lo	None
NT$10,000,000 (included) ~ NT$15,000,000 (not included)	None	None	None	Uni-President Enterprises Corp. Representative: Fu-Jung Lai
NT$15,000,00 (included) ~ NT$30,000,000(not included)	None	None	None	Uni-President Enterprises Corp. Representative: Tsung-Pin Wu
NT$30,000,000 (included) ~ NT$50,000,000(not included)	None	None	None	None
NT$50,000,000(included) ~ NT$100,000,000(not included)	None	None	None	None
Over NT$100,000,000	None	None	None	Kao Chyuan Inv. Co., Ltd. Uni-President Enterprises Corp. Representative: Chih-Hsien Lo
Total	25	25	25	25

2.2.2 President and senior vice president remuneration

Unit: NT$ thousand dollars

Title	Name	Salary(A)		Severance Pay (B) (Note 1)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D) (Note 2)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note 1)
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Chief Strategy Officer	Chih-Hsien Lo	25,144	25,438	555	555	4,190	4,190	1,391	-	1,391	-	31,280 9.22%	31,574 9.30%	191,182
President	Li-An Lu													
Vice President	Ling-Hsiao Lien													
Vice President	Li-Chiao Chang													
Vice President	Ching-Wen Lin (Note 3)													
Vice President	Katy Cheng													

(Note 1): 2024 retirement pension appropriate. Appropriation amount or actual payment amount.
(Note 2): According to compensations, payout for managers passed by the board of directors on 2025.02.26.
(Note 3): Discharged on 2024.6.15

Range of remuneration for president and vice presidents

Range of Remuneration	Name of President and Vice President	
	The Company	Companies in the consolidated financial statements
Under NT$ 1,000,000	None	None
NT$1,000,000 (included) ~ NT$2,000,000 (not included)	None	None
NT$2,000,000 (included) ~ NT$3,500,000 (not included)	Ching-Wen Lin	Ching-Wen Lin
NT$3,500,000 (included) ~ NT$5,000,000 (not included)	Chih-Hsien Lo	None
NT$5,000,000 (included) ~ NT$10,000,000 (not included)	Li-An Lu、Ling-Hsiao Lien、Li-Chiao Chang、Katy Cheng	Li-An Lu、Ling-Hsiao Lien、Li-Chiao Chang、Katy Cheng
NT$10,000,000 (included) ~ NT$15,000,000 (not included)	None	None
NT$15,000,00 (included) ~ NT$30,000,000(not included)	None	None
NT$30,000,000 (included) ~ NT$50,000,000(not included)	None	None
NT$50,000,000(included) ~ NT$100,000,000(not included)	None	None
Over NT$100,000,000	None	Chih-Hsien Lo
Total	6	6

2.2.3. Distribution of bonuses to Company management during

2024.12.31；Unit: NT$ thousands

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Employee Bonus - in Stock (Fair Market Value)</th><th>Employee Bonus - in Cash</th><th>Total</th><th>Ratio of Total Amount to Net Income (%)</th></tr>
<tr><td rowspan="21">Executive Officers</td><td>President & CEO</td><td>Li-An Lu</td><td rowspan="21">—</td><td rowspan="21">5,034</td><td rowspan="21">5,034</td><td rowspan="21">1.48%</td></tr>
<tr><td>Vice President Marketing & Sales and Operations</td><td>Ling-Hsiao Lien</td></tr>
<tr><td>Vice President Quality Management</td><td>Katy Cheng</td></tr>
<tr><td>Vice President of R&D Business Division & CSO</td><td>Li-Chiao Chang</td></tr>
<tr><td>Senior Director Accounting & Finance</td><td>Chih-Hui Lin</td></tr>
<tr><td>Senior Director API Business & Product Portfolio Management</td><td>Yu-Fen Hung</td></tr>
<tr><td>Director of Procurement</td><td>Chi-Ching Lin</td></tr>
<tr><td>Director of Production Support</td><td>Yu-Wei Shen</td></tr>
<tr><td>Director of Pharmaceutical Development</td><td>Chia Chen Chen</td></tr>
<tr><td>Director Quality Control</td><td>Bin Liu</td></tr>
<tr><td>Director Analytical R&D</td><td>Shi-Hao Yang</td></tr>
<tr><td>Director Regulatory Technical Service</td><td>Syray Wen</td></tr>
<tr><td>Director API Production</td><td>Shi-Ming Chou (Note 1)</td></tr>
<tr><td>Director (SA & CDMO)</td><td>Johnson Kuo</td></tr>
<tr><td>Director Injectable Production</td><td>Hui Chun Chen</td></tr>
<tr><td>Director Injectable Technical Services</td><td>Jing Yi Wang</td></tr>
<tr><td>Director QA</td><td>Joyce Wang</td></tr>
<tr><td>Director Legal Affairs</td><td>Patrick Chang</td></tr>
<tr><td>Director Audit Office</td><td>Ivan Hsu</td></tr>
<tr><td>Director Plant Support and Services</td><td>Chang-Hui Su (Note 2)</td></tr>
<tr><td>General Manager SPC</td><td>John Tsai</td></tr>
</table>

Note 1: Promoted on 2024.05.06 Note 2: Promoted on 2024.08.05

2.2.4 Comparison of Remuneration for Directors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

A. 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.

Item/Year	The Company		Companies in the consolidated financial statements	
	Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%)		Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%)	
	2023	2024	2023	2024
Total remuneration paid to directors,	7.65	7.13	7.65	7.13
Total remuneration paid to presidents and vice presidents	11.28	9.22	11.50	9.30

(a) Remunerations of directors include reward, transportation allowance, income from professional practice, and earnings distribution.

(b) Remunerations of president and vice presidents are figured out in accordance with the Company's "Personnel Rules and Regulations" and their bonuses will be adjusted based on the Company's annual business performance.

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

1. Policy, Standard and Combination of Remuneration

(a) The compensations for the company's directors for the execution of their duties are set by the board of directors, with authorization based on Article of Incorporation, according to the extent of participation in and contribution to the company's operation, in reference to the levels in Taiwan and abroad. According to the Article of Incorporation, if the company is profitable in the year and there is balance after deduction of compensations for employees and directors,' reservation for offsetting loss and addition or deduction of equity items, up to 2% of the balance would be appropriated as director compensations, to be paid out following resolution by the board of directors and report to shareholders' meeting, excluding independent directors who collect fixed monthly compensations only.

(b) According to the Article of Incorporation, the appointment, dismissal, and compensations of the company's ranking managers, including president and vice presidents, are set by the board of directors. Compensations for managerial staffers include salaries, bonus, and other fringe benefits, with salaries being set according to rankings, education and experience, expertise, and duties, in reference to peer level, and bonus being set according to the performance evaluation items suggested by Compensation Committee, and contribution to the company's overall operation. The evaluation items are listed as followings:

(1). Personal Indicator (work performance and achieving rate)

(2). Financial Indicator (e.g. revenue / net profit achieving rate)

(3) Corporate Governance aspect (e.g. legal compliance, ethical management, risk assessment)

(4). Environment sustainable aspect (e.g. abide by legal compliance to promote the goal of energy saving and carbon reduction)

(5). Social Responsibility aspect (e.g. talent cultivation, enhance employees' ability and quality)

(6). Other major contribution or substantial items.

(c) Employee compensations are set according to individuals' competence, contribution to the company, performance, market value of their positions, and the company's operating risk in the future, proportionate to the company's business performance. According to the Article of Incorporation, if the company is profitable in the year and there is balance after deduction of compensations for employees and directors and reservation for offsetting loss, up to 2% of the balance would be appropriated as employee compensations, to be paid out following resolution by the board of directors and report to shareholders' meeting. Employee compensations consist of fixed basic salary, bonus, and fringe benefits, with fixed basic salary being set according to market level for the position, bonus being linked to target attainment rate of employees and their divisions, as well as the company's business performance, and fringe benefits being based on legal requirement and employee needs.

2. Procedure for setting compensations
   (a) Evaluate the compensations of directors and managerial staff periodically, according to the company's annual operating status and performance evaluation results, based on the "measures governing performance evaluation" for managerial staff and employees.
   (b) Reasonableness for the performance evaluation and compensations for the company's directors and managerial staff is subject to the evaluation and auditing by the compensations committee and the board of directors every year, taking into account personal performance attainment rates and contribution to the company, as well as the company's overall operating performance, the industry's future risks and development trend. The company also reviews the compensations system constantly, according to operating status and change in related laws/regulations, plus corporate-governance trend, in order to balance the company's sustainable development and risk management. Payout of compensations for directors and managerial staff is first reviewed by the compensations committee before submission to the board of directors for resolution.
3. Correlation with business performance and future risks
   (a) Review of the company's compensations system and related payment levels is based mainly on the company's overall operating status, plus performance-target attainment rate and contribution to the company, in order to augment the team efficacy of the board of directors and the managerial sector. Compensations level of peers is also considered, so as to assure competitiveness of compensations for managerial staff in the industry and retain excellent managerial talent.
   (b) Performance evaluation for the managerial staff is linked to risk management, to assure adequate management and prevention of possible risks in the scope of job responsibilities. In addition, results of performance evaluation are associated with related human resources and compensations policy. The management invariably takes into account various risk factors in major decision making, whose performance is reflected in corporate profits and linked to managerial staff's compensations and risk-management performance.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

2.3.1.1 Total of 9 meetings of the Board of Directors were held of 2024 and up to the publish date of the annual report. The attendances of directors were as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Notes
Chairman	Uni-President Enterprises Corp Representative：Chih-Hsien Lo	9	0	100%	Re-elected on 2024.05.28
Director	Uni-President Enterprises Corp Representative：Tsung-Ming Su	3	0	100%	Previous term; Dismissed during the re-election on 2024.05.28 Should Attend the Board of Directors Meeting three times during 2024.01.01~2024.05.28
Director	Uni-President Enterprises Corp Representative：Chin-Yuan Cheng	9	0	100%	Re-elected on 2024.05.28
Director	Uni-President Enterprises Corp Representative：Tsung-Pin Wu	9	0	100%	Re-elected on 2024.05.28
Director	Uni-President Enterprises Corp Representative：Jia-Horng Guo	9	0	100%	Re-elected on 2024.05.28
Director	Uni-President Enterprises Corp Representative：Chyun-Yu Yang	6	0	100%	New term; Newly Elected on 2024.05.28 Should Attend the Board of Directors Meeting 6 times during 2024.05.28~2025.03.31
Director	Uni-President Enterprises Corp Representative：Fu-Jung Lai	9	0	100%	Re-elected on 2024.05.28
Director	President International Development Corp. Representative: Chiou-Ru Shih	9	0	100%	Re-elected on 2024.05.28
Director	Kao Chyuan Inv. Co., Ltd. Representative: Shiow-Ling Kao	8	1	89%	Re-elected on 2024.05.28
Director	Tainan Spinning Co., Ltd. Representative: Po-Ming Hou	9	0	100%	Re-elected on 2024.05.28

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Notes
Director	National Development Fund, Executive Yuan Representative: Ming-Chuan Hsieh	9	0	100%	Re-elected on 2024.05.28
Director	National Development Fund, Executive Yuan Representative: Ya-Po Yang	9	0	100%	Re-elected on 2024.05.28
Director	Taiwan Sugar Corporation Representative: Li-Ming Sun	8	1	89%	Re-elected on 2024.05.28
Independent Director	Wen-Chang Chang	9	0	100%	Re-elected on 2024.05.28
Independent Director	Li-Tzong Chen	9	0	100%	Re-elected on 2024.05.28
Independent Director	Lewis Lee	9	0	100%	Re-elected on 2024.05.28
Independent Director	Chyun-Yu Yang	3	0	100%	Previous term; Dismissed during the re-election on 2024.05.28 Should Attend the Board of Directors Meeting three times during 2024.01.01~2024.05.28
Independent Director	Jang-Yang Chang	8	1	89%	Re-elected on 2024.05.28
Independent Director	Lai-Shou Su	6	0	100%	New term; Newly Elected on 2024.05.28 Should Attend the Board of Directors Meeting 6 times during 2024.05.28~2025.03.31

Other issues to be noted:

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) Issues specified in Article 14-3 of the Securities and Exchange Act: The Company had set up the Audit Committee, please refer to page 44~45 Operations of the Audit Committee " for more information regarding to Article 14-5 of the Securities and Exchange Act.
   ScinoPharm held 9 board meetings of 2024 and up to the publish date of the annual report; and did not have any matters listed in Article 14-3 of the Securities and Exchange Act or other matters not passed by independent directors. Please refer to page 106~109.

   (2) Other issues opposed by independent directors or about which said directors have reservations should be recorded in writing in the meeting minutes of the Board: None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

   The company has formulated the "Board of Directors' Rules of Procedures". Article 14 of the rules stipulates that directors may state their opinions and answer questions if they have an interest in the matters of the meeting with themselves or the legal person they represent, which may harm the interests of the company. Not to participate in discussions and votes, and to avoid discussions and votes, and not to exercise their voting rights on behalf of other directors. The 2024 board of directors and as of the date of publication of the annual report, there are no relevant proposals that need to be abstained.

3. Information on cycle, period, scope, method, and contents of self-evaluation by the Board of Directors (or peer evaluation):

   The Board of Directors established and amended the "Rules for Performance Evaluation of Board of Directors" on Nov. 1, 2019 and Nov. 7, 2023 respectively. According to this procedure, the Board of Directors should conduct a performance evaluation at least once a year, covering the overall Board, individual Board members, and functional Committees. The results of the Board performance evaluation should be completed by the end of the first quarter of the following year. The performance evaluation results for the Board of Directors, Board members, Compensation Committee, and Audit Committee for the fiscal year 2024 have been submitted to the Compensation Committee on Feb. 21, 2025, and to the Board of Directors on Feb. 26, 2025.

   The content of 2024 performance evaluation for the Board of Directors is listed as following:

Evaluation Frequency	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Items
Annually	2024.01.01~ 2024.12.31	Performance of the Board of Directors, individual directors, and Functional Committees (Audit Committee, Compensation Committee)	Self-assessments by the Board of Directors' self-assessments by Directors	A. Performance assessments of the Board of Directors should cover the following indicators: 1. The degree of participation in the company's operations. 2. Improvement in the quality of the decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls. B. Performance assessments by individual director should cover the following indicators: 1. Their grasp of the company's goal and mission. 2. Their recognition of director's duties

				3. Their degree of participation in the Company's operation 4. Their management of internal relationships and communication. 5. Their professionalism and continuing professional education. 6. Internal controls. C. Functional Committee: Audit Committee and Compensation Committee Overall Performance assessments should cover the following indicators: 1. The degree of participation in the company's operations. 2. Their recognition of Audit/Compensation Committee duties. 3. Improvement in the quality of the decision making by the Audit/Compensation Committee. 4. The composition and election of the Audit/Compensation Committee members 5. Internal controls. D. Performance assessments by individual member of Audit/ Compensation Committees should cover the following indicators: 1. The degree of participation in the company's operations. 2. Their recognition of Audit/Compensation Committee duties. 3. Improvement in the quality of the decision making by the Audit/Compensation Committee. 4. The composition and election of the Audit/Compensation Committee members 5. Internal controls.

The performance evaluations of the Board of Directors and its functional committees (Audit Committee, Compensation Committee) ranged between 5 points "Outstanding" and 4 points "Above Standard." The evaluation results indicate that the Board of Directors and its functional committees are operating effectively, and the administrative units and individual members are given positive recognition. The evaluation results are as follows:

(1). Overall Performance Evaluation of the Board of Directors and its Members (self-assessment): The Board of Directors is operating effectively with high member participation and excellent professionalism. It fulfills its responsibilities in guiding and supervising the company's strategy, major business operations, and risk management. It also establishes appropriate internal control systems and actively participates in sustainable operations. Overall, the operation is comprehensive and meets the requirements of corporate governance.

(2). Overall Performance Evaluation of the Audit Committee and its Members (self-assessment): The Audit Committee is composed of independent directors, and the chairman is a senior accountant with extensive experience. The committee members fulfill their responsibilities, and the overall committee has an independent evaluation mechanism, meets corporate governance requirements, and protects shareholders' interests.

(3). Overall Performance Evaluation of the Compensation Committee and its Members (self-assessment): The members of the Compensation Committee can provide suggestions on the issues under discussion and fulfill their responsibilities in guiding and supervising the company. Overall, the operation is effective.

4. Measures taken to strengthen the functionality of the board and execution evaluation：

(1) The Board of Directors has established an Audit Committee and a Compensation Committee to assist the board in carrying out its various duties. The Company's board of directors authorizes the audit committee and the Compensation Committee, both under its direct jurisdiction, to help it exercise the authority of supervision. Both consist of five independent directors. According to regulations, related cases must be agreed by the committees before submission to the board of directions for approval and execution.

(2) To strengthen corporate governance, the company established Compensation committee on April 27, 2011, followed by setup of auditing committee on June 13, 2012, and formulated "Standard Operating Procedure for Handling Director Requests" on May 7, 2019, according to "Taiwan Stock Exchange Corporation Operation Directors for Compliance With the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," plus institution of corporate-governance chief by the board of directors on May 11, 2021. In addition, the board of directors passed "Rules for Performance Evaluation of the Board of Directors" on Nov. 1, 2019, effective Jan. 1, 2020.

(3) According to the Financial Supervisory Commission's announcement on January 11, 2024, regarding the amendments to certain articles of the "Regulations Governing Procedures for Board Meetings of Public Companies" and the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies," the Company has revised its internal control system's "Regulations Governing Procedure for Board of Directors" at the 18th meeting of the 10th Board of Directors on February 27, 2024. The Chairman may announce the postponement of the meeting within the same day, and additional provisions had been added regarding the appointment of a proxy if the chairman is unable to preside over the meeting or fails to announce the adjournment as required. In accordance with Articles 14-4 and 14-5 of the Securities and Exchange Act, amendments have been made to the "Audit Committee Charter," including the procedures for appointing representatives of the audit committee, the methods of representation, the requirement for opinions from independent directors on financial reports, and new provisions related to the convening and procedural matters of the Audit Committee.

(4) In line with the company's commitment to corporate social responsibility and the requirements set forth by the Taiwan Stock Exchange, the Company prepares its annual key performance indicators in accordance with the regulations of the competent authority, and has engaged PwC Taiwan to conduct a limited assurance procedure, with a limited assurance report issued by the accountants. To comply with the new indicator "4.24 Whether the company's sustainability report is approved by the board of directors" in the corporate governance evaluation for the year 2024, the company has obtained approval for the "2023 ScinoPharmTaiwan Sustainability Report" at the third meeting of the 11th Board of Directors on August 5, 2024, and has uploaded the public information and announced its issuance on August 15, 2024.

(5) Based on the Taiwan Stock Exchange's announcement on December 23, 2022, regarding amendments to certain articles of the "Sample Template for XXX Co., Ltd. Rules Governing Financial and Business Matters Between this Corporation and Its Related Parties" and to strengthen related party transactions in line with corporate governance evaluation indicators, the company has revised its internal control system's "Rules Governing Financial and Business Matters among Corporation, its affiliate Enterprises, Specific companies" at the fourth meeting of the 11th Board of Directors on November 4, 2024. The current "Rules Governing Financial and Business Matters among Corporation, its affiliate Enterprises, Specific companies" comply with regulations; in response to the corporate governance evaluation, the standards are stricter than legal requirements, primarily adding that transactions with related parties approved by the board of directors must be reported to the most recent shareholders' meeting after the end of the fiscal year.

(6) According to the Financial Supervisory Commission's announcement on April 22, 2024, regarding amendments to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and the "Items for Judging the Effectiveness of Internal Control Systems of Public Companies," it is stipulated that listed companies should incorporate sustainability information management into their internal control systems and include it as an audit item in their annual audit plan (effective from January 1, 2025). In response to the requirements for annual reports, sustainability reports, and future disclosures of sustainability information applicable under IFRS S1/S2, the Company has revised its internal control system's "Sustainability Information Management Procedures" at the fifth meeting of the 11th Board of Directors on December 19, 2024, incorporating it into the internal control system and adding relevant internal audit implementation details.

2. Attendance of Independent Directors at Board of Directors Meetings for 2024 and up to the Date of Printing the Annual Report:

Name/Date	2024								2025
	02/27	04/09	05/06	05/28	06/14	08/05	11/04	12/19	02/26
Wen-Chng Chang	✓	✓	✓	✓	✓	✓	✓	✓	✓
Li-Tzong Chen	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lewis Lee	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jang-Yang Chang	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chyun-Yu Yang	✓	✓	✓	-	-	-	-	-	-
Lai-Shou S	-	-	-	✓	✓	✓	✓	✓	✓
Note：Attended in person：✓；Attended by Proxy；@；Did not Attend： * ；Removed or Not Yet Elected									

2.3.2 Operations of the Audit Committee

1. Major tasks of the auditing committee in the year

(1) The Company's audit committee consists of five independent directors, in charge of supervising, in assistance to the board of the directors, the Company's flow related to accounting, auditing, and financial report, as well as the quality and credibility of financial control.

The Company's audit committee held 7 meeting in 2024 and 2025 as of the date of the publication of the annual report, with major items it reviewed including:

a. major auditing plan and report on major audited items of certified public accountants for the year.
b. plan, implementation, and efficacy evaluation of the internal control system;
c. Amendments to the procedure for acquisition and disposal of assets and revision of the Articles of incorporation.
d. Provision of guarantee for medium-term loans for subsidiaries
e. Payout of compensations for directors and employees to directors serving as managers or employees at the same time;
f. appointment of certified public accountants and compensations;
g. independence and qualification evaluation of certified public accountants;
h. quarterly financial report and annual financial report;
i. business report and proposal for distribution of earnings;
j. other major items designated by the Company or competent authority.

(2) Review of financial report:

The board of directors produced the Company's business reports, Parent Company only and consolidated financial statements, proposals for earnings distribution for 2024, of which the Parent Company only and consolidated financial statements have been audited by PwC Taiwan, with the results shown in its auditing report. The committee has also audited the business reports, Parent Company only and consolidated financial statements, proposals for earnings distribution without finding any impropriety.

(3) Evaluation of the efficacy of internal control system:

The Company evaluates the efficacy of the design and implementation of the Company's internal control system, according to the evaluation items stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies." Based on management-control process, the regulations divide internal control system into five constituents:

(1) environmental control, (2) risk assessment, (3) control operation, (4) information and communication, and 5. supervisory operation.

The evaluation confirms the efficacy of the design and implementation of the Company's internal control system (including oversight and management of subsidiaries) as of 2024.12.31, in terms of attainment of the target for business performance and efficiency, as well as the reliability, timeliness, transparency, and legal compliance of reports.

(4) Certified public accountants

To assure the independence of certified public accountants, the Audit Committee refers to the Accountant Professional Ethics Bulletin No. 10, and in accordance with the provisions of Article 29 of the company's "Corporate Governance Practice Code", regularly refers to the Audit Quality Indicators (AQIs) to determine the independence and suitability of accountant assessment. The independence and qualification of certified public accountants Fang-Ting Yeh and Tzu-Shu Lin of PwC Taiwan were reviewed and affirmed by the company's 4th term Auditing Committee at its 14th meeting on 2024.02.23 and the 10th term Board of Directors at its 18th meeting on 2024.02.27. The independence and qualification of certified public accountants Fang-Ting Yeh and Hui-Yu Hsu of PwC Taiwan were reviewed and affirmed by the company's 5th term Auditing Committee at its 5th meeting on 2025.02.21 and the 11th term Board of Directors at its 6th meeting on 2025.02.26 for year 2025

2. Audit Committee Members Qualification and Experiences：

Members	Qualification and Experiences
Independent Director Lewis Lee	Obtained Master of Commerce, Department of Accounting, National Chengchi University.Holds licenses of certified public accountant and Tax Agent, with experiences of Deputy Chairman of Pwc Taiwan, Deputy Chairman, Zhi Cheng Co-located CPA Firm, Adjunct Associate Professor, National Cheng Kung University, Independent Director of Brogent Technologies Inc., All Ring Tech Co., Ltd., Poya International Co., Ltd.,etc.
Independent Director Wen-Chang Chang	Obtained PhD. Physological Chemistry from University of Tokyo, Faculty of Pharmaceutical Sciences, Tokyo, Japan. With experiences of Director/Chairman, Board of Trustees, of Graduate Institute of Medical Sciences,College of Medicine, Taipei Medical University, Chair Professor, Graduate Institute of Medical Sciences, College of Medicine, Taipei Medical University, Emritus Distinguished Chair Professor of National Cheng Kung University, Academician of Acacemia Sinica, Compensation Committee member of Universal Cement Corporation, etc.
Independent Director Li-Tzong Chen	Obtained Ph.D, Kaohsiung Medical University Graduate Institute of Clinical Medicine, certified doctor with experiences of Adjunct Attending Physician, Department of Internal Medicine, National Cheng-Kung University Hospital ,Tainan, ,Research Vice President, Kaohsiung Medical University Chung-Ho Memorial Hospital, Distinguished Investigator and Chair of National Institute of Cancer Research National Health Research Institutes, President of Taiwan Oncology Society and R&D consultant of Pharma Engine Inc., etc.
Independent Director Chyun-Yu Yang	Obtained Bachelor of Medicine, National Taiwan University, certified doctor with experiences of Research fellow, Department of Orthopedic Surgery University of Texas Medical Branch at Galveston, TX,USA, Chief Resident, Department of Orthopedics, College of Medicine, National Taiwan University, Professor, Department of Orthopedics, College of Medicine, National Cheng Kung University, Superintendent of National Cheng Kung University Hospital, Professor, Department of Orthopedics and Honoring Superintendent of Kuo General Hospital, Professor, Department of Orthopedics, College of Medicine, National Cheng Kung University, etc
Independent Director Jang-Yang Chang	Obtained Bachelor of Medicine, National Defense Medical Center, certified doctor with experiences of Chief of Medical Oncology, Tri-Service General Hospital, National Defense Medical Center, Secretary General, Taiwan Oncology Society, Director of National Institute of Cancer Research, NHRI, Professor and Dean, College of Medicine, National Cheng Kung University, Executive Vice President, Professor Emeritus, National Cheng Kung University, Distinguished Investigator and Director of Institute of Biotechnology and Pharmaceutical Research, NHRI, Director, TMU Research Center of Cancer Translational Medicine, Taipei Medical University, Taipei, Taiwan, Chair Professor, Taipei Medical University Hospital, President of Taipei Cancer Center, Executive Director of Taiwan Oncology Society, etc
Independent Director Lai-Shou Su	Obtained M.B.A. of Unversity of North Texas, U.S.A. with experiences of Executive Secreary,Deputy Executive Secretary, Director and researcher of National Development Fund. Director of Taiwan Bio Manufacturing Corp., Director of Vanguard International Semiconductor Corp., Independent Director of Genovate Biotchnology Co,, Ltd., etc.

3. Total of 7 meetings of the Audit Committee were held of 2024 and up to the publish date of the annual report. Independent director attendance is listed below:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remark
Independent director	Wen-Chang Chang	7	0	100%	Re-elected on 2024.05.28
Independent director	Li-Tzong Chen	7	0	100%	Re-elected on 2024.05.28
Independent director	Lewis Lee	7	0	100%	Re-elected on 2024.05.28
Independent director	Chyun-Yu Yagn	2	0	100%	Previous term; Dismissed during the re-election on 2024.05.28 Should Attend the Meeting 2 times during 2024.01.01~2024.05.28
Independent director	Jang-Yang Chang	7	0	100%	Re-elected on 2024.05.28
Independent director	Lai-Shou Su	5	0	100%	New term; Newly Elected on 2024.05.28 Should Attend the of Directors Meeting 6 times during 2024.05.28~2025.03.31

Other noted items:

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) 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 2024 and up to the publish date of the annual report. The meeting resolutions are listed in Note 1. The Article 14-5 of the Securities and Exchange Act listed items: are all approved by Audit Committee.

   (2) Other matters not passed by the Audit Committee, which were then agreed upon by two-thirds of the entire membership of the Board of Directors: None.

2. 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:

   In 2024, there was no case reviewed by the audit committee from which an independent director had to abstain, due to conflict of interest.

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of the corporate finance or operations, etc)

   (1) The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. The communication channel between the Audit Committee and the internal auditor has been functioning well in 2024.

   (2) The Company's CPAs have presented the findings or the communications for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. The communication channel between the Audit Committee and the CPAs has been functioning well in 2024.

   (3) The company's independent directors meet with certified public accountant and auditing chief at least once a year (without other directors and management members present) for exchanges on auditing operation and CPA's auditing opinions, on top of direct contact of auditing chief and CPA with independent directors in other times, if necessary. In 2024, communication between independent directors, CPA, and auditing chief was good.

   (4) As of 2024 and up to the publish date of the annual report. The communication among the independent directors, internal auditors and CPAs are listed in Notes 2. All the independent directors expressed no objection opinion.

Note 1. Major resolutions or opinion during the Audit Committee Meetings

Board of Directors	Contents of Resolutions and follow-up	Circumstances listed in Article 14-5 of the Securities and Exchange Act	Circumstances not approved by the Audit Committee but were approved by two thirds or more of all directors	Contents of Independent Directors' major suggestions,contrary or reserved opinions
(1) The 18th meeting of the 10th term of Board of Directors (2024.02.27)	a. The Company's Business Report, Parent and Consolidated financial reports for fiscal 2023.	✓	none	none
	b. The Company's earning distribution plan for fiscal 2023.		none	none
	c. The Company's "Statement for Internal Control Systems" for fiscal 2023.	✓	none	none
	d. Passage of appointment of certified public account (including Audit Quality Indicators (AQIs) and evaluation results regarding the independence and suitability of the CPAS)	✓	none	none
	e. The Company plans to provide guarantee to SciAnda (Changshou) Pharmaceuticals, Ltd. for mid-term loans.	✓	none	none
	f. Amendments of the company's "Internal Control System" (Regulations Governing Procedure for Board of Directors and Audit Committee Charter)	✓	none	none
	Audit Committee resolution - The 14th meeting of the 4th term of Audit Committee (2024.02.23): approval has been obtained from all Audit Committee members			
	Company's response to the Audit Committee's opinion: Approval has been obtained from all attended Board members. .			
(2) The 20th meeting of the 10th term of Board of Directors (2024,05.06)	a. The Company's consolidated financial statement and Auditor's report for the first quarter 0f 2024	✓	none	none
	Audit Committee resolution- The 15th meeting of the 4th term of Audit Committee (2024.05.02): approval has been obtained from all Audit Committee members			
	Company's response to the Audit Committee's opinion: Approval has been obtained from all attended Board members. .			
(3) The 3rd meeting of the 11th term of Board of Directors (2024.08.05)	a. The Company's consolidated financial statement and Auditor's report for the Second quarter 0f 2024.	✓	none	none
	Audit Committee resolution - The 1st meeting of the 5th term of Audit Committee (2024.07.31) Approval has been obtained from all Audit Committee members			
	Company's response to the Audit Committee's opinion: Approval has been obtained from all attended Board members.			
(4) The 4th meeting of the 11th term of Board of Directors (2024.11.04)	a. The CPA's annual Audit plan and communication report with company's governance unit	✓	none	none
	b. The Company's consolidated financial statement and Auditor's report for the third quarter of 2024	✓	none	none
	c. Amendments of the company's "Rules Governing Financial and Business Matters among Corporation, its affiliate Enterprises, Specific companies	✓	none	none

Board of Directors	Contents of Resolutions and follow-up	Circumstances listed in Article 14-5 of the Securities and Exchange Act	Circumstances not approved by the Audit Committee but were approved by two thirds or more of all directors	Contents of Independent Directors' major suggestions,contrary or reserved opinions
	Audit Committee resolution - The 2nd meeting of the 5th term of Audit Committee (2024.10.30): approval has been obtained from all Audit Committee members			
	Company's response to the Audit Committee's opinion: Approval has been obtained from all attended Board members. .			
(5) The 5th meeting of the 11th term of Board of Directors (2024.12.19)	a. ScinoPharm audit planning for 2025.	✓	none	none
	b. Establish the "Sustainable Information Management Operational Guidelines," incorporating them into the internal control system and adding relevant implementation details for internal audits.	✓	none	none
	Audit Committee resolution - The 3rd meeting of the 5th term of Audit Committee (2024.12.11): approval has been obtained from all Audit Committee members			
	c. Securities Investment Project.	✓	none	none
	Audit Committee resolution - The 4th meeting of the 5th term of Audit Committee (2024.12.19): approval has been obtained from all Audit Committee members			
	Company's response to the Audit Committee's opinion: Approval has been obtained from all attended Board members. .			
(6) The 6th meeting of the 11th term of Board of Directors (2025.02.26)	a. The Company's Business Report, Parent and Consolidated financial reports for fiscal 2024.	✓	none	none
	b. The Company's earning distribution plan for fiscal 2024.	✓	none	none
	c. The Company's "Statement for Internal Control Systems" for fiscal 2024.	✓	none	none
	d. Passage of appointment of certified public account (including Audit Quality Indicators (AQIs) and evaluation results regarding the independence and suitability of the CPAS)	✓	none	none
	Audit Committee resolution - The 5th meeting of the 5th term of Audit Committee (2025.02.21): approval has been obtained from all Audit Committee members			
	Company's response to the Audit Committee's opinion: Approval has been obtained from all attended Board members. .			

Note 2: Summary of communications among independent directors and in-house auditing chief

(1) Communications method: Policy on communications between independent directors, in-house auditing chief, and certified public accountant
- (a) Independent directors and in-house auditing chief communicate with the board of director via audit committee, with in-house auditing chief making auditing report quarterly to independent directors at meeting of audit committee and communicate with the latter over the report's findings and status of follow-up tracking.
- (b) Independent directors communicate with certified public accountant via audit committee, with CPAs explaining findings of audit or review on financial reports to independent directors at meeting of audit committee quarterly and discussing with latter on the need of adjusting entries in financial report and the influence of legal revision on accounting, among others.
- (c) The company's independent directors meet with certified public accountant and auditing chief at least once a year (without other directors and management present) for exchanges on auditing operation and CPA's auditing opinions, on top of direct contact of auditing chief and CPA with independent directors in other times, if necessary. In 2024, communication between independent directors, CPA, and auditing chief was good.

(2) Communications results

(a) The communications key points between the independent directors and the internal auditors

Date	Attendees	Communication Key Points	result
2024.02.23 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Chyun-Yu Yang Jang-Yang Chang Audit Officer: Ivan Hsu	1. Reviewing the Internal Auditor's report for the fourth quarter of 2023. 2. Reviewing and approving 2023 Statement of Internal Control System.	No opinion
2024.05.02 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Chyun-Yu Yang Jang-Yang Chang Audit Officer: Ivan Hsu	Reviewing the Internal Auditor's report for the first quarter of 2024.	No opinion
2024.07.31 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Jang-Yang Chang Lai-Shou Su Audit Officer: Ivan Hsu	Reviewing the Internal Auditor's report for the second quarter of 2024.	No opinion
2024.10.30 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Jang-Yang Chang Lai-Shou Su Audit Officer: Ivan Hsu	Reviewing the Internal Auditor's report for the third quarter of 2023.	No opinion
2024.12.11 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Jang-Yang Chang Lai-Shou Su Audit Officer: Ivan Hsu	2025 Audit planning	No opinion
2025.2.21 Audit Committee	I Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Jang-Yang Chang Lai-Shou Su Audit Officer: Ivan Hsu	1. Reviewing the Internal Auditor's report for the fourth quarter of 2024. 2. Reviewing and approving 2024 Statement of Internal Control System.	No opinion

(b) The communications key points between the independent directors and the CPA

Date	Attendees	Communication Key Points	result
2024.02.23 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Chyun-Yu Yang Jang-Yang Chang CPA: Fang-Ting Yeh	1. The CPA's response in connection with 2023 Audit planning and problems raised by independent directors 2. Communications report with cooperative governance divisions (including Audit Quality Indicators (AQIs) and evaluation results regarding the independence and suitability of the CPAS)	No opinion
2024.05.02 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Chyun-Yu Yang Jang-Yang Chang CPA: Fang-Ting Yeh	The CPA's response in connection with financial statements audit report for first quarter of 2024 and problems raised by independent directors	No opinion
2024.07.31 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Jang-Yang Chang Lai-Shou Su CPA: Fang-Ting Yeh	The CPA's response in connection with financial statements audit report for second quarter of 2024 and problems raised by independent directors	No opinion
2024.10.30 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Jang-Yang Chang Lai-Shou Su CPA: Fang-Ting Yeh	1. The CPA's response in connection with financial statements audit report for third quarter of 2024 and problems raised by independent directors 2. The CPA's response with Communications report with cooperative governance divisions of completion of 2024 Auditing,	No opinion
2025.02.21 Audit Committee	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Jang-Yang Chang Lai-Shou Su CPA: Fang-Ting Yeh	1. The CPA's response in connection with financial statements audit report for third quarter of 2024 and problems raised by independent directors 2. The CPA's response with Communications report with cooperative governance divisions (including Audit Quality Indicators (AQIs) and evaluation results regarding the independence and suitability of the CPAS)	No opinion

(C) The communications key points between the independent directors, internal auditors and the CPA

Date	Attendees	Communication Key Points	result
2024.10.30 Forum	Independent Director: Lewis Lee Wen-Chang Chang Li-Tzong Chen Jang-Yang Chang Lai-Shou Su CPA: Fang-Ting Yeh Audit Officer: Ivan Hsu	Internal Audit yearly plan and business report	No opinion

2.3.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	✓		The Company established its own “Corporate Governance Best Practice Principles” in accordance with the “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies,” with the principles passed by the board of directors on May 8, 2014 and lately revised on Nov. 7, 2023 in line with the revisions made by competent authorities. The latest contents of the Company’s corporate governance best practice principles are revealed on the Market Observation Post System of the TWSE and on the “Investor Relationship/ Corporate Governance/Major Internal Policy” section of the Company’s own website.	None
2. Shareholding structure & shareholders’ rights (1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		The Company has established the “Rules of Procedure for Shareholders Meetings”, and convenes annual shareholders meeting to serve as a channel of communications with shareholders. In addition, in order to build a good and instant mechanism of exchanges with investors, the Company has also set up spokespersons, acting spokespersons, public affairs and stock affairs specialists to deal with shareholders’ proposals or quench their doubts. In case of any dispute or possible lawsuit, these spokespersons and specialists will seek opinions from the legal affairs unit to work out appropriate countermeasures.	None
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		In addition to the setup of a contact window for stock affairs, the Company has commissioned a stock affairs agent to deal with shareholders - related affairs. It grasps the information on major shareholders and final controllers through the name list of shareholders compiled by the agent,	None
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		1. The company has formulated measures governing related party transactions between the company and affiliates, endorsement and guarantee, and loan extension, plus risk management on subsidiaries, according "supervisory measures for subsidiaries," formulated according to "Regulations Governing Establishment of Internal Control Systems by Public Companies." 2. The company has established the "Regulations on Transactions with Related Parties, Specific Companies, and Group Enterprises," which have been approved by	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			the board of directors. These regulations govern transactions such as purchases and sales of goods, acquisition or disposal of assets, endorsement and guarantees, and financial lending between related enterprises.	
(4)Does the Company establish internal rules against insiders trading with undisclosed information?	✓		In addition to article 15 of "procedures for ethical management and guidelines for conduct," forbidding use of unpublicized information by employees for insider trading, the company has formulated "procedure for handling major internal information," in order to help employees have correct concept on corporate governance and avoid insider trading. Also article 3.2 of the "code of conduct for employees" specifies ban on use of inside information by employees for obtaining benefits for themselves or others. In addition, the board of directors approved addition of article 10 to "corporate governance best practice principles" on Feb. 25, 2022 requiring insiders to comply with stock-trading control measures after learning the contents of the company's financial statement or business performance report, including, but not limited to, ban on stock trading by directors during the lock-up period of 30 days before publication of annual financial statement and 15 days before publication of quarterly financial report, for which insiders (including directors and managers) will receive reminder beforehand. The aforementioned regulations have been posted in the "investor relationship/corporate governance" section of the company's website. The company passes promotional materials from competent authority to relevant employees regularly and conducts education/training program on insider trading irregularly, to augment employees' knowledge on the issue. Pass on promotional information of competent authority to insiders regularly and hold education and training on ban on insider trading irregularly, so as to enhance knowledge of all the directors and employees on insider trading-related regulations. Prior to the publication of the company's financial statement on Feb. 28, 2025, the company reminded insiders (including directors and managers) not to engage in stock trading during the 30-day lock-up period and 15 days before publication of	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			quarterly financial report On November 8th, 2024, a "2024 Insider Trading Prevention Education and Promotion" course was conducted for all colleagues. The course content included Management of Internal Material Information and promotion of measures against insider trading. The course was posted on the company's digital learning platform for access by employees anytime. As of Dec. 31,2024, the number of employees having completed the one-hour online course had topped 172 person/times.	
3.Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		1. The Company has called for, in "practical guidelines for corporate governance" and "Rules Governing Election of Director", pluralized membership for the board of directors, specifying that directors with a managerial position at the same time should account for not more than one third of the seats on the board of directors and the number of directors whose spouses or relatives within second-degree kinship also sit on the board of directors should not exceed a half of the total seats. In addition, the Company has also formulated the policy of pluralization for its operation, business types, and development need, in terms of, but not limited to, criteria in the following two aspects: (1) Fundamental conditions and values: gender, age, etc. (2) Professional knowledge and skill: professional background, professional skill, and industrial experience. 2. In line with the policy of pluralistic membership, the company's board of directors, in addition to at least two female seats, consists of members with diverse and supplementary backgrounds, including expertise in operation and management, decision making, commerce and economy, finance and accounting, R&D, which encompass industrial experience and international-market perspective, facilitating attainment of sound corporate operation and corporate governance. 3. Status for materialization of the pluralistic policy for the membership of the board of directors: (1) Basic conditions and values: ①The company's board of directors consists of 17 members,, including 5 independent directors, making	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			the proportion of Independent Directors 29%. The Company’s Articles of Incorporation explicitly state that the continuous term of Independent Directors shall not exceed three consecutive terms. There are total of 5 Independent Directors in the company, of which 2 have served 3terms, 2 have served 2 terms, and 1 is a new Independent director elected at the 2024 annual Shareholders’ Meeting. Therefore, the entire group of Independent Directors has not exceeded three consecutive terms in the office. ②The current board of directors consists of 14 male directors and 3 female directors, accounting for 82% and 18%, respectively, averaging 66 in age, with average age of independent directors reaching 70. (2) Professional knowledge and skills: ①Members of the current board of directors mostly have knowledge, skills, and upbringing in operational judgment, business management, industrial experience, R&D, leadership and decision making, plus rich global perspective. ②Members of the board of directors include experts, scholars, and industrial figures with diverse backgrounds, including business management, finance and accounting, monetary affairs, commerce, economics, medicine, pharmaceutics, and chemistry. Independent directors include Director of medical university and member of the Academia Senica, director of the National Institute of Cancer Research, under National Health Research Institutes, and multi college professors, Deputy Chair of CPA Firm, and associate professor of university, and President of Taipei Cancer Center and Director of other industry and Directors for other industries. They have plural and supplementary backgrounds, in line with the pluralistic policy for the membership of the board of directors. (3) Related information is listed in Information on Directors and	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Management Team, 3. Diversification of the membership of board of directors and note (1)	
(2)Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?		✓	The Company hasn't establish any other functional committee besides the Remuneration and Audit committees.	As illustration
(3) Does the Company establish a standard to measure the performance of the Board, and implement it annually? Submit results of performance evaluation to the board of directors as reference in determining the compensation of individual directors and nomination for successive term?	✓		The "evaluation measure for performance of the board of directors," was approved by the board of directors on Nov. 11th 2019. Stipulate that there should be performance evaluation for the board of directors, individual directors, and functional committees at least once a year, with the results reported to be completed before the end of first quarter of the following year. and as reference for nomination of directors in the future. The company already completed 2024 performance evaluation for the board of directors, functional committees (including evaluations for compensations committee and auditing committee), and individual directors submission to the Compensations Committee on Feb. 21,2025 and meeting of the board of directors on Feb. 26, 2025 and filed the report on the results to the regulator by March 31, 2025. Results of the performance evaluation for functional committee (including the auditing committee and the compensations committee) range from five points (excellent) and four points (better than standard), underscoring the good operation of the two committees, which, along with their members, are acknowledged with positive evaluation. The evaluation results follow: (1) The board of directors: The board of directors has well fulfilled its responsibilities of directing and supervising corporate strategy, major business development, and risk management, plus setup of proper internal control system, active participation in sustainable development, and upholding of smooth corporate operation, meeting corporate-governance requirement. (2) Auditing committee: The committee consists of all independent directors	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			and they are objective and independent, able to communicate fully and effectively with company executives, and capable of reasonably executing their duties. Meeting schedules allow ample time for discussion, and communication with CPAs is excellent. (3) Compensations committee: The committee consists of all independent directors, possessing an independent evaluation mechanism and maintaining effective communication with the management team, ensuring smooth operation. For status of 2024 performance evaluation for directors and results, please refer to the annual report, D. corporate governance, (a) information on the operation of the board of directors.	
(4)Does the Company regularly evaluate the independence of CPAs?	✓		The company commissions certified public accountant to evaluate the independence and competence of its contracted CPA every year, according to article 29 of the company's "corporate governance best practice principles,", the Company should evaluate the independence and qualification of hired CPAs to ascertain their suitability. according to Audit Quality Indicators (AQIs) provided by Pwc. The results of the latest evaluation were reported to the auditing committee on Feb. 21 2025 and approved by the board of directors on Feb. 26, 2025. It has been confirmed that CPAs Yeh Fang Ting and Hui-Yu Hsu, both of PwC Taiwan, don't hold the positions of directors or managerial staffers at the Company and are not stakeholders of the Company. Nor do they receive pays from or have the relationship of investments or financial-interest sharing with the Company. Evaluation confirms their conformance to the Company's criteria for the independence and qualification of CPAs, ascertaining their suitability to become the Company's CPAs (Note 1).	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Whether or not public companies have designated sufficient number of qualified corporate-governance staffers and corporate-governance chief, in charge of corporate governance-related affairs (including, but not limited to, preparation of data needed by directors in the execution of their duties, assistance for directors in legal compliance, handling of affairs related to meetings of the board of directors and shareholders' meeting and production of minutes for the meetings)?	✓		According to the schedule and normative elements stipulated in "Taiwan Stock Exchange Corporation Operation Directions for Companies with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," the company's board of directors passed the institution of corporate-governance chief at its meeting on May 11th 2021, in charge of the company's corporate governance-related affairs. In addition, in line with article 3-1 of "Corporate Governance Best Principles for TWSE/TPEx Listed Companies" and article 5 of "Sample Template for Company Rules of Procedure for Board of Directors Meetings," the company has designated the two units of administrative affairs and finance/accounting to handle corporate governance- and meeting-related affairs, according to their respective responsibilities, with the scope including: 1. handling of affairs related to the meetings of the board of directors and shareholders' meeting; 2. production of minutes for the meetings of the board of directors and shareholders' meeting; 3. assistance for directors in assumption of offices and continuing study; 4. provision of data needed by directors in the execution of their duties; 5. assistance for directors in legal compliance; 6. Report to the board of directors on review result concerning conformance of independent directors' qualifications to legal requirements during the times of nomination, appointment, and tenure. 7. Handling affairs concerning the change of directors. 8. other items specified in company by-Articles of Incorporation or contracts. In executing their duties, corporate-governance chief and staffers must abide by legal requirements, in conformance to the spirit and requirements of corporate governance. Related information is listed in 2024 Executive Offices’ training records.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
5. Does the Company establish communication channels with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website and does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	✓		Establish an open, transparent, and effective communications channel with stakeholders, whose opinions will be used as reference in the formulation, review, and execution of sustainable development policy. The company has established a "stakeholder section" on its website, with the scope of stakeholders including shareholders/investors, employees, customers, government agencies, suppliers/contractors, communal residents academic organization. offering such information as communications windows, issues of concern, and communications channels/frequency. In addition, there has been "reporting system for breach of moral behaviors," offering a channel for stakeholders to report unethical behaviors, which will be handled by persons in charge, as references for improvement in the company's corporate governance and ethical management. The company did not receive any such report in 2024. The Company’s “report on fulfillment of sustainable development (including stakeholder communications information and actual performance)” was submitted to the Board of Directors on Nov. 4, 2024 with contents covering topics concerned by stakeholders, communications channels, and communications frequency. Summary of the company's communications with stakeholders in 2024 follows:	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			1. Shareholders/investors: compliance with anti-epidemic regulations in the holding of shareholders' meeting, attendance of five investors' conference, held by the company or others, publication of 30 pieces of material information; 2. Employees: including holding of two Employees' Meeting, five labor-management meetings, publication of six issues of e-bulletin ScinoPharm News, publication of daily-life service programs for employees nonscheduled, The health office regularly issues emails promoting maternal health protection in the workplace. Also dissemination of information on anti-epidemic measures and hygiene via e-mails nonscheduled. 3. Communal residents: With a history of over 10 years, "ScinoPharm art forum" was held physically and online broadcasting, over 8000 people attending physically and virtually 2024. Held "support for living event," donating materials packages and second hand goods to disadvantaged minority group nationwide. 4. Customers and suppliers/contractors: Keep close contacts with customers and suppliers/contractors via phone calls, e-mails, periodic questionnaire, field inspection, and online meeting. 5. Government agencies: cooperate with the competent authorities to conduct inspections, formulate relevant regulations in accordance with legal provisions, and issue aperiodicity legal announcements.	
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has commissioned the Shareholder Services Department of President Securities Corp. as a dedicated shareholder service agent, which also assists the Company in organizing shareholder's meetings. The agent is not an "affiliated enterprise" of the Company, as defined in Article 369-2 of the Company Law.	None
7.Information Disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		The Company has launched a corporate website featuring dedicated sections for both investor relationship and interested parties, and a specific unit is assigned to manage and maintain the website, so as to timely update detailed information on the Company's finance, operation, corporate governance and sustainable development. The website address is: www.scinopharm.com.tw	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		1. The Company has set up an English-language website to release its financial information in English for reference by investors. The website address is: www.scinopharm.com 2. In order to boost the transparency of its information revelation, the Company has assigned a specific unit to handle information collection and revelation. 3. The Company has appointed spokespersons and acting spokespersons to handle external speeches and information relation affairs, so as to make shareholders and interested persons better understand the Company's financial operations and corporate governance implementation. 4. Briefings and video information of the Company's institutional investor conferences held quarterly and attend irregularly investor conferences held by domestic or foreign investment institutions, with related briefing and audio-visual materials, in both Chinese and English, are also revealed on the Market Observation Post System of the TWSE and the Company's own website.	None
(3) Whether or not the company publicizes and declares annual financial report within two months after the end of fiscal year and publicizes and declares financial reports for the first, second, and third quarter, as well as report on monthly business status, ahead of set deadline?	✓		Based on the principle of information transparency, the company publicizes and files quarterly financial reports and monthly business report ahead of deadline in principle. the company filed report on 2024 financial statement(approved by the board) on Feb. 26, 2025 and plans to publicize and file report on Q1, Q2, Q3 financial reports and monthly business reports ahead of schedule.	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and	✓		1. Welfare of and Care for Employees: The Company shows high regard for harmonious labor-management relationship, and has constantly upgraded the interests and welfare of employees, such as offering employee dormitory, small welfare stations, employee restaurant, breastfeeding room, visually impaired massage service, employee travels, compensation for employee association, physical examination, performance bonus, employee stock subscription, and dividend sharing etc., all designed to make employees enjoy a sound welfare system and work hard to contribute well to the Company.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
purchasing insurance for directors)?			2. Investor Relationship: The Company makes it the greatest goal to safeguard the interests of shareholders and grant equal treatment to all the shareholders. Accordingly, the Company has not only timely revealed major information on financial and business operations and changes in insiders' shareholdings on the Market Observation Post System in accordance with related regulations, but has also set up an "Investor Relationship" section on its website to allow timely release of the Company's financial, corporate governance information and shareholders' related information. 3 Supplier Relationship: The Company has worked out a set of rules governing the management of exchanges with suppliers, aiming to build long-term close relationship with suppliers under the win-win principle to jointly pursue sustainable development and growth. 4. Interests of Interested Parties: The Company thinks highly of maintaining good relationship with interested parties including shareholders/investors, employees, customers, government agencies, suppliers/contractors, academic organization, communal residents, etc. Besides fulfilling each other's rights and obligations in accordance with relevant laws and regulations, contracts and operating rules, the Company also endeavors to maintain good communication channels to safeguard legal interests of both parties, based on an integrity principle. 5. Study Courses for Directors (including Independent Directors): The Company's directors (including independent directors) take study courses in accordance with related legal regulations, with number of the study hours meeting or even exceeding the required level. The Company will continue to arrange irregular study courses for its directors (including independent directors). Please see the annual report to learn more in this regard from the "Table of Study Courses for Directors and Independent Directors in 2024. 6. Risk Management Policy and Implementation of Risk Assessment Criteria:	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Risk Management Policy approved by the Board of Directors on Nov 8, 2022. This policy incorporate risk management to company operation activities and daily management routine. The Company's major business operation policies, investment projects, guarantee endorsements, lending to others and loans from banks all undergo intensive analysis and evaluation by internal competent units and then are put into practice based on resolutions passed by the board of directors. 7. Implementation of Customer Policy: The Company follows the cGMP regulations governing pharmaceutical production to provide clients with high-quality and safe products, and its dedicated customer service staffers are assigned to deal with opinions presented by customers. 8. Liability Insurance for Directors and Independent Directors: The Company has implemented liability insurance for its directors and managerial staff in accordance with the law. The insurance is renewed every year after reporting the insured amount, coverage, and premium to the board of directors and receiving its approval. The latest insurance, spanning the period from July 2024 to July 2025, was reported to and approved by the board of directors on June 14, 2024. 9. Planning for succession to directors and key managerial posts and status of execution The company's Articles of Incorporation specifies candidates for seats the board of directors are nominated, for a three-year term, according to the principle of membership diversification, with the diversification standards to be set via consideration of the company's operation, business type, and development need, in line with stipulations of "corporate governance best practice principles" and "measures governing election of directors." The company conducts planning for succession to seats on the board of directors according to the following methods: 1. recommendation by incumbent directors; 2. recommendation by shareholders. The board of directors now comprise 17 members (including five independent directors), featuring diversified and supplementary	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			experience and expertise in industry, commerce, finance, and accounting. To augment performance of directors in fulfilling their duties, the company arranges study courses for them to boost their professional skills, covering corporate governance-related subjects, such as finance, accounting, business, commerce, legal affairs, information, risk management, internal control system, and corporate social responsibilities, for detailed of which please refer to table on study by directors and independent directors in 2024" in the annual report. To build up managerial talent pool, the company has established professional management training (PMT) program, helping unit chiefs on various levels hone their competence in management and leadership and excellent employees, selected from annual key talent inventory, augment their expertise and management skills, via related education and training, with arrangement of course taking into account the company's core values and direction of organizational development strategy. Talent cultivation is carried out, in conjunction with individual development plan, as well as on-the-job training, mentor program, interactive learning, and plural career development program. The company's management courses were attended by 973 person-time, totaling 2,173 hours, in 2024. Up to Dec 31,2024, more than 90% managerial position were promoted through inward employees.	

9. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center:

According to the final result of the eleventh corporate-governance evaluation, the Company explains the status of improvement and priority items for further improvement as follows:

Contents of Evaluation Item	Status of Improvement and Priority Items
1.2 Does the company establish written regulations regarding financial transactions with related parties? The content should include management procedures for transactions such as purchases and sales of goods, acquisition or disposal of assets, etc. Significant transactions should be approved by the board of directors and reported to or agreed by shareholders' meeting.	The company has already established procedures for "Acquisition or Disposal of Assets" and "Management Measures for Transactions with Related Parties, Specific Companies, and Group Enterprises." The regulations cover management procedures for transactions such as purchases and sales of goods, acquisition, or disposal of assets. On Nov. 4. 2024 the board of directors revised the "Management Measures for Transactions with Related Parties, Specific Companies, and Group Enterprises," adding that transactions involving the acquisition or disposal of assets between the company and related parties that have been approved by the board must be reported at the most recent shareholders' meeting at the end of the fiscal year.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4.24 Has the sustainability report prepared by the company been approved by the board of directors?			The company has obtained approval from the board of directors for the 2023 Sustainability Report on August 5, 2024, in accordance with regulations, completed the announcement on August 15, 2024, and uploaded the report to the Market Observation Post System and the company's website.	
4.25 Has the company disclosed its annual greenhouse gas emissions over the past two years?			In cooperation with the regulatory authorities to promote greenhouse gas reduction management, our company has disclosed the examination of greenhouse gas emissions over the past two years in both the annual report and the sustainability report, including the disclosure of our company's greenhouse gas reduction management policy. In addition, in the years 2023 and 2024, we obtained assurance reports from third-party verification organizations regarding the company's annual greenhouse gas emissions, meeting the criteria for additional points.	
4.26 Has the company established a greenhouse gas reduction management policy, including reduction targets, implementation measures, and progress?				

Note 1: Criteria for assessing the independence and competence of accountants

Item	Evaluation content	evaluation result	meets independence
01	The accountants themselves, their spouses, and minor children have no investment or financial interest sharing relationship with the company.	V	Yes
02	The accountant himself, his spouse, and minor children have no capital loans from the company.	V	Yes
03	The accounting firm did not issue an assurance service report on the design or assistance in the effective operation of the financial information system.	V	Yes
04	Accountants or members of the audit service team have not served as directors or managers of the company or held positions that have a significant impact on audit cases at present or in the past two years.	V	Yes
05	There are no important items that directly affect the audit case for the non-audit services provided by the company.	V	Yes
06	Accountants or members of the audit services team are not promoting or intermediary stock or other securities issued by the company.	V	Yes
07	Accountants or members of the audit service team do not represent the company in defense of legal cases or other disputes between the company and third parties, except for business permitted by law.	V	Yes
08	Accountants or members of the audit service team have no relationship with spouses, lineal blood relatives, lineal relatives by marriage, or collateral blood relatives within the second degree of relationship with the company's directors, managers, or personnel with positions that have a significant impact on audit cases.	V	Yes
09	The joint certified public accountant who has retired within one year has not served as a director or manager of the company or has a position that has a significant impact on the audit case.	V	Yes
10	The accountants or members of the audit service team have not received gifts or special favors of great value from the Company or directors, managers or major shareholders.	V	Yes
11	Accountants are not employed by clients or inspectees to perform regular duties, receive fixed salaries, or act as directors.	V	Yes
12	Accountants have not provided audit services to the Company for seven consecutive years.	V	Yes
13	Accountants provide and report to the Audit Committee of the Company Audit Quality Indicators (AQIs), and the Company refers to the indicators to assess the competence of accountants.	V	Yes

2.3.4 Composition, Responsibilities and Operations of the Compensation Committee

1. Based on the Article of Incorporation, the Company has established Compensation Committee, whose members are appointed by the board of directors, according to the organization regulations of the committee. The current Compensation Committee, the sixth Session, comprises five independent directors and one director who fulfill the following authorities faithfully, as a prudent administrator, and submit suggestions to the board of directors for discussion:

(1) Formulating and periodically reviewing the policy, system, criteria and structure associated with the remunerations of directors and managerial staff, and assessing their performances.

(2) Periodically assessing and determining the remunerations of directors and managerial staff.

2. The company's Compensation Committee adheres to the following principles in exercising the aforementioned authorities:

(1) In performance evaluation and determination of salaries and compensations of directors and managerial staff, take into account the payment levels of peers, individual performance, the company's business performance, and future risks.

(2) Discourage directors and managers from taking risk beyond reasonable scope for the company, in their quest for high salaries and compensations.

(3) Take into account industry features and the company's business nature, in determining the share for the payout of bonus for directors and ranking managers and modification of the payment time for salaries and compensations.

The aforementioned salaries and compensations include cash compensations, stock options, stock bonus for employees, retirement benefits and termination benefits, various subsidies, and other substantial incentives.

3. Information Regarding Compensation Committee

Position \ Criteria	Name	Work Experience and Professional Qualification Requirements	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Compensation Committee Member
Independent Director (Convener)	Wen-Chang Chang	Please refer to page 16~18 for related contents	In line with legal requirement, the company has secured written statement of independent directors assuring that they, their spouses, and any of their relatives within second kinship don't hold such posts as the director, supervisor, or employee of the company and its affiliates, there is no holding of the company's shares by these people, they are not directors, supervisors, or employees of companies with special relationship with the company, and they didn't provide such services as commerce, legal affairs, finance, and accounting to the company and affiliates in recent two years.	3
Independent Director	Li-Tzong Chen		In line with legal requirement, the company has secured written statement of independent directors assuring that they, their spouses, and any of their relatives within second kinship don't hold such posts as the director, supervisor, or employee of the company and its affiliates, there is no holding of the company's shares by these people, they are not directors, supervisors, or employees of companies with special relationship with the company, and they didn't provide such services as commerce, legal affairs, finance, and accounting to the company and affiliates in recent two years.	0
Independent Director	Lewis Lee		In line with legal requirement, the company has secured written statement of independent directors assuring that they, their spouses, and any of their relatives within second kinship don't hold such posts as the director, supervisor, or employee of the company and its affiliates, there is no holding of the company's shares by these people, they are not directors, supervisors, or employees of companies with special relationship with the company, and they didn't provide such services as commerce, legal affairs, finance, and accounting to the company and affiliates in recent two years.	3

Position \ Name \ Criteria		Work Experience and Professional Qualification Requirements	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Compensation Committee Member
Independent Director	Jang-Yang Chang		In line with legal requirement, the company has secured written statement of independent directors assuring that they, their spouses, and any of their relatives within second kinship don't hold such posts as the director, supervisor, or employee of the company and its affiliates, there is no holding of the company's shares by these people, they are not directors, supervisors, or employees of companies with special relationship with the company, and they didn't provide such services as commerce, legal affairs, finance, and accounting to the company and affiliates in recent two years.	0
Director	Chyun-Yu Yang		In line with legal requirement, the company has secured written statement of independent directors assuring that they, their spouses, and any of their relatives within second kinship don't hold such posts as the director, supervisor, or employee of the company and its affiliates, there is no holding of the company's shares by these people, they are not directors, supervisors, or employees of companies with special relationship with the company, and they didn't provide such services as commerce, legal affairs, finance, and accounting to the company and affiliates in recent two years.	0
Independent Director	Lai-Shou Su		In line with legal requirement, the company has secured written statement of independent directors assuring that they, their spouses, and any of their relatives within second kinship don't hold such posts as the director, supervisor, or employee of the company and its affiliates, there is no holding of the company's shares by these people, they are not directors, supervisors, or employees of companies with special relationship with the company, and they didn't provide such services as commerce, legal affairs, finance, and accounting to the company and affiliates in recent two years.	1

4. Attendance of Members at Compensation Committee Meetings

(1). There are 6 members in the Compensation Committee

(2). The sixth term of the Compensation Committee is from July 31 2024 to May 27 2027. Total of 5 Compensation Committee meetings were held in 2024 and up to the print date. The attendance record of the Compensation Committee members was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Wen-Chang Chang	5	0	100%	Re-elected on June 14,2024
Committee Member	Li-Tzong Chen	5	0	100%	Re-elected on June 14,2024
Committee Member	Lewis Lee	5	0	100%	Re-elected on June 14,2024
Committee Member	Chyun-Yu Yang	4	1	80%	Re-elected on June 14,2024
Committee Member	Jang-Yang Chang	5	0	100%	Re-elected on June 14,2024
Committee Member	Lai-Shou Su	3	0	100%	Newly elected on June 14,2024, should attend the Compensation Committee meetings 3 times 2024.06.14~2025.03.31

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the Compensation Committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the Compensation Committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the Compensation Committee, the circumstances and cause for the difference shall be specified): None.

2.Resolutions of the Compensation Committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(3) Major resolutions or opinion during the Compensation Committee Meetings As of 2024 and up to the publish date

Compensation Committee Meeting dates and Terms	Proposals contents	Resolutions	The company's responses to proposals from Compensation Committee
2024.02.23 The 11th meeting of the Fifth Term	1. The Company's remuneration distribution plans for directors and employees for fiscal 2023. 2.The Company's performance bonus for Managing Directors and above for fiscal 2023 3. Compensation planning for hiring managerial positions. (Report item: Performance Evaluation Report of the Board of Directors in 2022)	Approved by all attended Compensation Committee Members	Submitted to the Board of Directors Meetings for approval
2024.05.02 The 12th meeting of the Fifth Term	Compensation planning for hiring managerial positions.	Approved by all attended Compensation Committee Members	Submitted to the Board of Directors Meetings for approval
2024.07.31 The 1st meeting of the sixth Term	1. The Company's current remuneration standards and structure for Directors. 2. Salary and compensation for President of the Company 3. Compensation planning for hiring managerial positions. 4. Salary and compensation for subsidiary's managerial positions	Approved by all attended Compensation Committee Members	Submitted to the Board of Directors Meetings for approval
2024.12.11 The 2nd meeting of the sixth Term	1. Employees (including managers) salary raise plan for fiscal 2025. 2. Compensation planning for hiring managerial positions.	Approved by all attended Compensation Committee Members	Submitted to the Board of Directors Meetings for approval
2025.02.21 The 3rd meeting of the sixth Term	1. The Company's remuneration distribution plans for directors and employees for fiscal 2024. 2.The Company's performance bonus for Managing Directors above and employees for fiscal 2024 3. Compensation planning for hiring managerial positions. (Report item: Performance Evaluation Report of the Board of Directors in 2024)	Approved by all attended Compensation Committee Members	Submitted to the Board of Directors Meetings for approval

2.3.5 Promoting Sustainable Development Implementation and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Has the company established a governance structure to promote sustainable development, set up dedicated (or concurrent) units to promote sustainable development, authorized senior management to handle related matters, and is the board oversight all above?	✓		The company's corporate sustainability-related decision making and operation is a cross-division mission-oriented task force. The company put forth a overall ESG (environment, social, and governance) planning and execution program on May 30, 2022, changing "sustainability management committee" into "sustainable development committee," chaired by the president, overseeing "sustainability office and risk management task force" and "vocational safety and hygiene management commission," headed by vice president of production center and chief of vocational safety, hygiene, and environmental protection department, respectively. "Sustainability office and risk management task force" oversees a number of working sections in charge of environmental sustainability, social inclusiveness, and corporate governance, responsible for the pushing and implementation of sustainability-related tasks, on top of compilation of annual corporate sustainability report and risk management and evaluation. "Vocational safety and hygiene management commission" aims to establish the company's vocational safety and hygiene management system, materializing safety and hygiene management goal via planning, implementation, evaluation, and improvement, so as to materialize safety and hygiene management goal and raise safety and hygiene management level. "Sustainable development committee" reports every year to the board of directors the execution status of the sustainable development and vocational safety and hygiene plan, so that members of the board can review the progress in attaining corporate sustainability target. The "2023 Sustainability Report" was approved for release by the Board of Directors on August 5, 2024. On Nov. 4, 2024, the committee reported to the board of directors on sustainability-related execution status, with contents including (1) stakeholders-related issues (such as communications information and performance), (2) corporate governance, (3) management ethics, (4) corporate sustainability performance and business operation strategy, (5)risk management	None
2. Does the company follow the principle of materiality in evaluating risks related to the issues of environment, society, and corporate governance related	✓		The disclosed data include sustainability performance of major business sites during Jan. through Dec. 2024, with risk-evaluation boundary being based business sites in Taiwan. In line with the Company's "Sustainable Development Best Practice Principles," which is based on the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies," and given connection between sustainable development trend, both in Taiwan	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
to the company's operation and formulate related risk-management policy or strategy?			and abroad, and corporate core businesses, and the influence of business activities of the company and group on stakeholders, the company has formulated sustainable development policy, system or related management guidelines, and concrete implementation plan. The Board of Directors approved the company's "Sustainable Information Management Operating Procedures," on Dec. 19, 2024, which incorporates the management of sustainable information into the internal control system and lists it as an item for the annual audit plan. While pursuing sustainable operations and profitability, the company also values the rights and interests of stakeholders. An internal meeting to identify stakeholders was held on November 28, 2024, to assess the positive and negative impacts of ScinoPharm on various stakeholders concerning corporate governance (economic), environmental, social, and other factors. Through company management policies and operational activities, the potential risks and the effectiveness of management strategies are reviewed and assessed continuously.	

Major Subjects	Risk assessment item Explanation	Explanation
Corporate Governance	Regulatory Compliance	Establish a corporate governance structure and implement internal management regulations to ensure that all personnel and operations comply with relevant laws and regulations.
	Economic Performance	Pursue continuous growth in economic performance while maintaining robust operations to achieve sustainable business goals. 1. Prepare an annual budget each year and hold regular internal management meetings and board meetings to track and review the achievement of objectives and take necessary management measures. 2. Control operational risks in accordance with the company's internal control system and risk management policies, ensuring the attainment of operational goals. 3. Produce quarterly financial reports reviewed or audited by accountants, and present them to the audit committee and board of directors. 4. Based on the annual operational results, the board of directors will draft a profit distribution proposal to be submitted for resolution at the shareholders' meeting for distribution.

Evaluation Item	Implementation Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation			
				Risk Management	The Sustainable Development Office and Risk Management Team draft risk management policies, procedures, and frameworks, establishing qualitative and quantitative measurement standards. An annual risk management meeting was held on April 16, 2024, to consolidate and present the company's risk management execution report, completing the review and updating of information to ensure applicability.	
				Technology innovation and patents	Invest in R&D to achieve technological innovation, plan for patent applications, and conduct market positioning. Ensure that the product development process does not infringe on competitors' patents while also establishing "Patent Affairs Management Regulations." This framework will create an internal system for patent proposal, application, maintenance, and freedom-to-operate analysis, ensuring the quality and strength of patents.	
			Environment	Energy and Green House Gas Emission	The Company is counted as chemical pharmaceutical industry and values the importance of environmental protection. It established an energy management team within the organization to achieve energy conservation and carbon reduction, contributing to environmental sustainability. In 2024, an investment of NT$820,000 was made to replace the explosion-proof LED lights in the factory area and upgrade the wind turbine motors to enhance efficiency, thereby saving electricity.	
			Environment	Waste Management	To ensure a clean and aesthetically pleasing work environment, prevent environmental pollution (both internal and external) caused by industrial waste, control waste disposal routes, protect employee health, and fulfill our corporate social responsibility, we have established a "Industrial Waste Management Procedure" as a guideline.	
			Society	Customer Health and Safety	To ensure "drug quality" and "employee safety," all active pharmaceutical ingredients, related intermediates, and injectable products are manufactured in accordance with international CGMP guidelines, including PIC/S and ICH production standards. All products are required to be carried out under the supervision of the quality assurance unit. Our products are 100% compliant with the audits of government health authorities, U.S. FDA regulations, and current international CGMP requirements. In 2024, the total number of customer factory inspections was 28 times, with regulatory authorities conducting 5 times. The result of each audit was in compliance with regulatory requirements.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
				Marketing and labelling	Regularly initiate and arrange for factory inspections by customers and regulatory authorities in various countries to ensure that products comply with the regulations of these authorities; to protect customer interests, our company has established various communication channels, such as an email response system that guarantees replies within 24 hours, ensuring product safety and service quality.
	Occupational Safety and Health	Our company conducts annual evaluations of the effectiveness of our occupational safety and health management system and related procedures, based on the established PDCA cycle. The Company did not experienced any major workplace safety incidents that resulted in a loss of safety days for 3 consecutive years.
	Quality employees recruitment and retain in post	We strive to create a high-quality working environment, guided by the principles of DEI (Diversity, Equity, Inclusion), to build a strong employer brand. We systematically nurture and attract external quality talent through campus recruitment and corporate internship collaborations.
	Training and education	The Company ensures compliance with legal and regulatory requirements in our production processes, product quality, and external audits through education and training, as well as internal audits. The Company use ERP system to track training needs and address any training gaps in a timely manner
	Suppliers Management	ScinoPharm has established an "Audit Procedures for Suppliers" within its internal framework. The Company established "Supplier Social Responsibility Commitment Letter" in 2024 to promote sustainable environmental development in collaboration with suppliers, uphold fundamental human rights, and fulfill corporate social responsibility.		
3.Environmental Topic (1) Does the Company establish proper environmental management systems based on the characteristics of their industries?	✓		The company formulates environment, safety, and health management regulations in accordance with environmental protection laws and regulations stipulated by the Ministry of Environment (such as the Air Pollution Control Act, the Water Pollution Control Act, the Waste Disposal Act, and the Toxic and Concerned Chemical Substances Control Act, etc.). The Company's environment management system is established in accordance with the chemical industry's strictest "Responsible Care" system. The Responsible Care system is initiated by the global chemical engineering community to help enterprises set up a sound industrial safety, health and environmental protection system, through concrete commitments to improving the EHS (environment, health and safety) aspects by signing the Statement of Commitment (a prerequisite for membership), formulating the Codes of Management Practices, implementing a Self-Evaluation	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			system, promoting the Management System Verification (MSV), delivering the SHE Performance Indicators report, and sharing responsible care systems with other companies. Constituting of renowned international pharmaceutical firms, the Pharmaceutical Supply Chain Initiative (PSCI) has formulated the PSCI principles, widely regarded as the social and ethic standards for supply-chain management, in the fields of ethics, working conditions, health and safety, environmental protection, and management system. The company embraced PSCI principles in evaluating collaborative pharmaceutical firms, underlining the company's conformance to international standards in industrial-safety, hygienic, and environmental-management systems. Concrete practices are as follows: 1. During its research and development (R&D) of production procedures for pharmaceuticals, the Company manages to skip the use of substances or materials subject to restrictions under domestic and international regulations, such as toxic chemicals, precursor chemicals for narcotic drugs, controlled substances for chemical weapons, and ozone depleting substances, and instead, uses less-toxic or-hazardous substances and materials as substitutes. 2. During its R&D of production procedures for pharmaceuticals, the Company manages to assess the possibility of reducing the usage amount of chemical solvents and hazardous substances to mitigate relevant impact on environment and decrease the exposure to hazardous chemicals or active substances on the part of operating staff. 3. Before putting a new production procedure into practice, the Company should organize a meeting to analyze the possible hazard of the production procedure, focusing discussions on the likely hazard to safety, health and environment and then seeking proper preventive solutions. 4. The Company disposes of all the wastes generated by production plants, including biodegradable waste water, waste solvents, solid wastes, and air pollutants, totally in accordance with related regulations. 5. The biodegradable waste water is usually treated via an activated sludge process and an ultrafiltration system, and the resultant organic sludge is separately filtered and then incinerated by the Resource Recycling Center of the Southern Taiwan Science Park, or other qualified incineration vendors with the disposed waste water and waste living water piped into the waste water disposal plant in the science park. The organic sludge generated at the Company's affiliated enterprise undergoes a separate filtration	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			process before being delivered to the Jiangsu Kangbo Industrial Solid Rejectamenta Treatment Co., Ltd. for incineration. And the disposed waste water and the waste living water are piped into Binjiang Waste Water Disposal Plant. 6. Hazardous or general solid wastes are delivered to the Resource Recycling Center of the science park or other qualified companies for incineration. The air pollutants generated by production plants, such as particulate pollutants, acid gas, alkaline pollutants and organic steam, all undergo two-step treatment by condenser and scrubbing tower for disposal. The recyclable solvents generated by the Company's affiliated enterprise are sent to the Kunshan Deyuan Environmental Protection Development Co., Ltd. for purification and recycling. Although the Company hasn't undergo ISO14001 certification, in addition to the aforementioned environment management system now in smooth operation and compliant with the features of biotech and pharmaceutical industry, the Company has experienced more than 10 times of factory inspections by regulators of the U.S., Europe, and Japan (FDA, EMA), EDQM, and PMDA) and auditing of safety, hygiene, and environmental protection by international pharmaceutical firms (such as Pfizer, GSK, and Aventis), all of affirm the soundness and completeness of company's environment management system. ISO14001 certification is meant to offer a standard environment management system for abidance by enterprises. The Company has put in place a complete industrial safety, hygiene, and environment protection system, which has gained international acceptance and certified by international firms, making ISO14001 certification dispensable for the Company. In compliance with the highest standards and the spirit of sustainable management, the Company will continue strengthen environment management system and concern for the issues of industrial safety, hygiene, and environmental protection, meeting the requirements of international standards and fulfilling corporate social responsibility.	
(2)Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		The Company actively promotes various energy reduction measures to lower energy consumption across the enterprise and for our products. Current practices include: maximizing the use of renewable materials with a low environmental impact; recovering waste water from reverse osmosis water purifiers and air conditioning condensate to cooling towers; adopting water-saving faucets; conserving domestic water use; incorporating eco-friendly green energy concepts in processes and equipment; promoting green environmental protection and emphasizing ecological	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			balance. Furthermore, to gradually improve the efficiency of renewable energy use, the Company has installed solar panels on the roof of the administrative building and the Injectable production building, providing green electricity for sale and self-consumption. The total power generation in 2024 was 199,418 kWh. The Company complies with the "Regulations Governing Energy Users in Setting Energy Conservation Targets and Implementation Plans" stipulated by the Bureau of Energy, Ministry of Economic Affairs, and achieves the target of an average annual electricity saving of 1% from year 2005~2014.	
(3)Whether or not the company has evaluated the potential risks and opportunities of climate change for the company, now and future, and adopted countermeasures for related issues?	✓		In managing climate-change risks, with the framework of TCFD (Task Force on Climate-related Financial Disclosures of the Financial Stability Board (FSB) as reference, the company's convener of "sustainability office and risk management task force) joined hands with representatives of various units evaluating climate change-related risks and discerning transformation risks and physical risks in operating process, thereby evaluating possible financial influence. A response plan was formulated accordingly. Six major risk items have been determined via the TCFD method, namely change in customer behaviors, government collection of carbon fee, renewable-energy law/regulation, carbon tariffs of foreign countries, drought-caused water restriction, tropical weather (typhoon, flood), along with two opportunities: possibility of recycling and employment of higher-efficiency production. The company will review extreme weather's influence, in short-, medium- and long-term, annually and formulate climate-change management response plans accordingly. In addition, the company has put in place business continuity plan, evaluating and analyzing various possible operation-disruption risks and formulating corresponding countermeasures. The company will disclose climate change-related potential risks and opportunities on the "corporate sustainability" section of the company's sustainability report (1.9 climate-change risks and opportunities). Also the Company's evaluation and response actions regarding climate change and opportunities is revealed in Section(6) of annual year book Climate Related Information of TWSE/TPEx List Company	None
(4) Whether or not the company has calculated its total volumes of greenhouse-gas emission, water consumption, and Total weight of	✓		Following is the greenhouse gas emission, water-consumption volume, and total wastes volume for ScinoPharm individual Information: 【Greenhouse Gas Emission】 1.The Company's Volumes of greenhouse gas emission for the past two years:	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>wastes and formulated policies on energy conservation, carbon abatement, green-house gas emission reduction, water-consumption reduction, and other waste management measures?</td><td></td><td></td><td>
<table>
<tr><th>Items</th><th>2023</th><th>2024</th></tr>
<tr><td>scope 1</td><td>6,843 tons CO2e</td><td>4,968 tons CO2e</td></tr>
<tr><td>scope 2</td><td>17,068 tons CO2e</td><td>17,582 tons CO2e</td></tr>
<tr><td>Total volums for Scope 1 and Scope 2</td><td>23,911 tons CO2e</td><td>22,550 tons CO2e</td></tr>
<tr><td>Scope 3</td><td>10,598 tons CO2e</td><td>The inventory check is expected to be completed by the end of June and be verified on November 2025</td></tr>
</table>
Note 1: Scope 1 and 2 only coverage only includes ScinoPharm's individual entity information (2024 date has not been externally verified)
Note 2: Greenhouse-gas emission includes electricity consumption from the Taipei office in the calculation
Note 3: In 2023, a partial scope 3 inventory was conducted based on materiality criteria.
2. To meet international and customer demands for environmental protection, ScinoPharm referencing the Science-Based Target Initiative (SBTi), completed the 2023 Scope 1 to partial Scope 3 inventory and verification according to the GHG Protocol standard in 2024. The inventory boundary covers ScinoPharm’s Tainan Plant, Taipei Office, SciAnda(Changshu) Pharmaceuticals, Ltd., and SciAnda Shanghai Biochemical Technology ,Ltd. It is expected that the 2024 Scope 1 to comprehensive Scope 3 inventory and verification will be completed in 2025. After comprehensive verification, complete information will be used as the basis for reviewing and optimizing energy conservation and carbon reduction efforts.
3. The Sustainable Development Committee unanimously agreed to use 2023 as the base year for Scope 1 and Scope 2 greenhouse gas emissions (consolidated financial statements). The target is to reduce the combined emissions of Scope 1 and Scope 2 by at least 4.2% annually, striving for a total reduction of 42% by 2030.
4. Concrete action plans for energy conservation and carbon reduction include:
(1). Solvent recycling and reuse program in the manufacturing process.
(2). Collaborating with consulting firms to conduct carbon footprint assessments for the company's major product projects, identify key carbon emission sources,
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
and evaluate potential energy-saving improvement measures to reduce energy consumption.
(3). The company completed the 2023 greenhouse gas inventory and verification (Scope 1 to Scope 3) in 2024 and continues to promote annual greenhouse gas inventory and verification to monitor carbon emissions and energy-saving improvements.
(4). Continuing to promote electricity-saving measures, system replacement/energy-saving improvements, and green energy procurement planning to achieve electricity-saving and greenhouse gas reduction targets.
5. The total greenhouse gas emissions for Scope 1 and Scope 2 in 2024 decreased by approximately 5.69% compared to the total greenhouse gas emissions for Scope 1 and Scope 2 in 2023, according to the inventory results.
【Water Resource Management】
1. Water Consumption volumes for the past two years:
<table>
<tr><th>Items</th><th>2023</th><th>2024</th></tr>
<tr><td>water consumption volume</td><td>149,839 cube meters</td><td>158,716 cube meters</td></tr>
</table>
2. In terms of the company's water conservation plan, we start with implementing water-saving practices in daily life. To reduce water consumption and effectively utilize water resources, improvement measures include recovering air conditioning condensate and RO concentrate wastewater to the cooling tower for heat dissipation and reuse, and installing water-saving faucets in all restrooms and pantries to achieve water conservation.

【Waste Management】
1.Total waste volumes for the past two years
<table>
<tr><th>Items</th><th>2023</th><th>2024</th></tr>
<tr><td>Total hazardous waste</td><td>2,582 tons</td><td>2,540 tons</td></tr>
<tr><td>Total nonhazardous waste</td><td>416 tons</td><td>380 tons</td></tr>
</table>
Note: Total volume of hazardous and nonhazardous wastes excludes reused wastes
2. In line with the resetting of the greenhouse gas emission baseline year, the waste reduction baseline year is also adjusted to 2023. The reduction target is a 1-2% annual decrease in waste generation (excluding waste that is recycled) compared to the baseline year.
3. To achieve sustainable resource reuse, we reduce waste generation and increase utilization rates through process technology improvements. Internal waste reduction strategies include:
(1) Evaluating the feasibility of solvent recovery for reuse in the manufacturing process.
(2) Controlling waste disposal costs to not exceed
</td><td></td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			NT$33.63 million through process solvent recovery, reduction of cleaning solvent usage, wastewater toxicity monitoring, and collaboration with recycling companies to treat reusable waste liquids. Actual waste disposal costs in 2024 were NT$33.25 million.	
4. Social Topic (1)Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		1. The company formulates various management policies based on criteria even better than the stipulations of the "Labor Standards Act", agree and abide by the spirit of the "International Covenant on Civil and Political Rights", the "International Covenant on Economic, Social, and Cultural Rights." , The spirit of internationally recognized human rights standards such as the" Universal Declaration of Human Rights", the "UN Guiding Principles on Business" and "Human rights, and the International Labor Organization. In addition to stressing respect and equal rights, the corporate culture calls for protection of basic gender equality human rights in work, which is incorporated into systems and regulations. The company also bans, in specific regulations, child labor, forced labour and human trafficking and any form of discrimination or differentiated treatment in employment, performance evaluation, and promotion, due to gender, race, marital status, religion, party affiliation, sex orientation, job grade, nationality, or age. For a harmonious workplace, the company has formulated plan preventing illegal encroachment in execution of duties or workplace violence, on top of measures preventing and tackling sex harassment. Any employee complaint will be investigation and treatment according to a set procedure and informants are protection against any revenge or unfavorable treatment. Newly hired employees need to attend the human rights and code of conduct training. The goal is to get the newly hired employees trained 100%. The actual training rate for 2024 is 100%. 2. With high regard for employees' continuous growth in work, ScinoPharm offers employees opportunities to develop multiple skills and experiences, via not only on-the-job training but also cross-division job rotation. Job transfer is carried out after consulting employees and according to the five principles of the Labor Standards Act and related labor regulations, without coercion of threat. 3. The company has formulated complete standard operating procedure for strict abidance by employees, on top of installation of complete emergency relief equipment, which is subject to regular inspection and renovation. The company arranges annual physical examination for employees, with extra check items for those engaged in special operations, to prevent potential health risks. 4. In line with the requirement of the Occupational	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			Safety and Health Act, drafted by the Ministry of Labor, the company has offered comprehensive care for female employees, avoiding late-night shift (10:00 p.m.-6:00 a.m.) for pregnant ones and having in-house health specialists to conduct preliminary risk assessment for them, to safeguard their and children's health and safety and uphold their work right. 5. High regard for human rights also reflects in the supplier management, as suppliers are required to comply with conventions and regulations upholding human rights, both in Taiwan and abroad. Under the management mechanism, there has yet to be human-rights cases which influence the company's operation. Meanwhile, a corporate culture stressing mutual respect, human-based management, and multiple communications channels have combined to minimize discriminatory incidents or labor-management disputes, leading to a harmonious workplace.	
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	✓		1. Employee Compensation: The Company has established a reasonable salary and compensation, performance evaluation system, and management regulations. Appropriate salaries are determined based on employees' academic backgrounds, professional knowledge and skills, and years of experience. In addition to year-end bonuses and employee dividends, performance bonuses are awarded based on employee performance evaluations and the Company's operating performance to encourage long-term employee contributions and shared growth with the Company. 2. Workplace Diversity and Equality: Employee compensation is not differentiated based on gender, race, religion, marital status, political stance, or other similar factors, thus implementing workplace diversity and equality. In 2024, the average percentage of female employees was 32.16%, and the average percentage of female supervisors was 35.05%. 3. Operating Performance Reflected in Compensation: The Company's "Articles of Incorporation" stipulate that no less than 2% of the current year's profits, if any, shall be allocated as employee compensation. Regarding the distribution of employee compensation in the past two years, the Board of Directors resolved on 2025.02.26, to distribute NT$41,293,370 as employee compensation for 2024. A resolution by the Board of Directors on 2024.02.27, authorized the distribution of NT$34,878,864 as employee compensation for 2023. Distribution is based on employee performance evaluation results, and salary increases are appropriately given to certain outstanding employees to motivate them. Furthermore, in accordance with the amended "Securities and Exchange Act, Article 14, Paragraph 6" promulgated by the competent authority,	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			the Company will amend its "Articles of Incorporation" to include a provision that no less than 1% of employee compensation shall be allocated to grassroots employees. This amendment will be discussed at the 2025 Annual General Meeting of Shareholders as required. 4. Employee Welfare Measures: The Company has established an Employee Welfare Committee to plan and provide employees with excellent welfare benefits, such as festival bonuses, travel subsidies, marriage congratulations, childbirth gifts, children's education subsidies, employee meal subsidies, and funeral allowances. Regarding leave policies, employees with less than two years of service are granted leaves more favorable than legal requirements. Full-pay sick leave, which is more favorable than legal requirements, is also provided to allow sick employees to balance rest and financial needs. Employees who need extended leave for childcare, serious illness, or major events can also apply for unpaid leave to balance personal and family care needs. 5. Employee Retirement System: The Company has established employee retirementregulations in accordance with the Labor Standards Act and the Labor Pension Act. Employee retirement qualifications and the calculation standards for employee retirement pensions are handled in accordance with relevant regulations. A Labor Retirement Reserve Fund Supervisory Committee has been legally established to supervise and ensure that the appropriation and payment of employees' stable retirement pensions comply with regulations. Please refer to "V. Labor Relations" in this annual report for details.	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		1. With high regard for labor-management relationship, the company and affiliates have endeavored to create a comfortable, safe, and healthy workplace with complete hardware and software, including proper access control, periodic employee security education and training, indoor smoking ban, institution of breastfeeding room and employee restaurant, and free laundry service for workers. 2. For employee and plant safety, the company holds unalerted evacuation drills and at least two emergency response drills a year and mandatory firefighting and first-aid training for employees, 4 AED are installed in the company site plus security promotion and training at various units' monthly security meeting, to augment employees' security awareness and enable them to meet the minimum three-hour requirement for on-the-job security and hygiene training a year.	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			● Monthly fire safety maintenance is conducted ● Four "Fire Extinguishing Training" sessions were held in 2024, and all employees are required to complete fire safety training annually. ● In 2024, the total number of employee safety, health, and environmental protection training sessions was 1,418 person/times, totaling 3,295 hours. 3.In addition to at least three-hour security and hygiene training, new employees have to three hours of extra security and hygiene training specifically associated with their jobs, so that they can blend in with the company's security culture rapidly. 4. The monitoring and response center (central control room) was inaugurated in January 2022, in charge of monitoring factory premises and coordination of various units in emergency response and provision of first aid, as well as assistance for emergency response taskforce (ERT). The center has three major functions, namely handling of emergency, execution of safety affairs, and monitoring of safety system, upholding a safe workplace for employees. 5. The company has an Occupational Safety and Health Committee and a Fire Prevention Management Committee, which hold quarterly meetings to report work progress to the President. 6. Regarding employee health, the company provides pre-employment physical examinations and annual employee health checkups. It also has a medical room with one Health Manager (with nursing qualifications) and visiting physicians for on-site consultation services. * The 2024 employee health checkups were conducted in batches from November 26th to November 29th (four consecutive days), with a total of 605 employees completing health checkups. On 2025.02.13, a lecture on common abnormal health checkup categories for employees in 2024 was held, with a duration of approximately 0.5 hours. 7. The company and affiliates strive to forge a good career-development environment for employees, including an effective career-capability cultivation program, along with good employee welfare and optimal working environment, via such measures parent-children events and periodic "employee welfare" series activities, thereby caring for employees' spiritual and familial needs. 8. In 2024, there were 19 traffic accidents for the company's employees, mostly during the time on their way to the company. Therefore, the company has put in place flexible office time, allowing them to come to work during 8-9:30 a.m., so that they can avoid heavy traffic during rush hours. In addition, the company had the police squad in the Southern Taiwan Science Park	

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>hold traffic safety promotion and training in 2024, so as to enhance employees' traffic-safety awareness.
9. The company spent NT$416,000 and NT$380,000, respectively, in 2023 and 2024 on the installation of personal protective gear to minimize employees' health risk exposure in operation.
10. Given its importance to all the employees, the company the company stepped up inputs into factory safety in 2024, as follows:
<table>
<tr><th>Item</th><th>Investment cost</th><th>Purpose and expected benefits</th></tr>
<tr><td>3F Process Area: Replacement of Old Solvent Piping</td><td>600</td><td>Improvement of pipelines to avoid leakage and prevent fire and explosion</td></tr>
<tr><td>BAY2 Process Area: Replacement of Old Utility Piping</td><td>500</td><td>Mitigate pipe leakage risks and prevent fire/explosion</td></tr>
<tr><td>New ON-LINE O2 Monitoring System for Process Scrubber (Pilot)</td><td>450</td><td>Improve gas collection duct safety monitoring and prevent fire/explosion.</td></tr>
<tr><td>New ON-LINE O2 Monitoring System for Process Scrubber (SMU)</td><td>450</td><td>Improve gas collection duct safety monitoring and prevent fire/explosion.</td></tr>
<tr><td>Purchase of Fire-Resistant Storage Cabinets</td><td>186</td><td>Mitigate chemical leak risks and prevent fire/explosion.</td></tr>
<tr><td>Addition of Monitoring Points in Central Control Room SCADA System</td><td>100</td><td>Improve safety monitoring and prevent fire/explosion.</td></tr>
<tr><td>Total</td><td>2,286</td><td></td></tr>
</table>
11. The company did not have any fire incident in 2024. In addition, there have been no major industrial safety incidents resulting in a reset of safety days for the past 5 consecutive years.</td><td></td></tr>
<tr><td>(4) Has the Company established effective career development training plans?</td><td>✓</td><td></td><td>At Scinopharm, every employee has opportunity to exercise his/her talent. The company has a corporate culture conducive to innovation, inspiring employees to demonstrate their potential to the fullest in meeting various challenges. Alongside global deployment, the company offers plural development opportunities and job rotation for various works, which, along with effective performance evaluation system and career development review, plus personal development plan and corresponding training courses, enables employees</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			to exercise their talent at proper positions, enjoying ample room for performance. Under the system, the company has embraced a policy stressing internal promotion, for which employees can develop cross-field expertise via job rotation, including R&D, manufacturing, quality control, marketing, and logistics. Over 90% of the company's incumbent managers and higher-ranking chiefs are appointed via internal promotion. As for talent cultivation, the company has paid much attention to cultivation of international talent. To meet the demand for talent development and management/operation, the company has arranged professional management courses from start, helping chiefs at various ranks develop management and leadership skills. Meanwhile, based on a specific vocational skill system, the company has developed learning roadmaps for core vocational skills, helping employees develop job-related skills, perform their duties, and expand job scope, plus availability of plural career development opportunities. During annual performance reviews, managers also discuss and establish individual development plans with employees, and regularly review and provide feedback on the implementation progress to support employee growth. At ScinoPharm Taiwan, every employee take part in training activities, according to their job demand, personal ability, development need, and learning interest. Competency training is planned for supervisors and colleagues at all levels, including new employee training, professional training, and supervisor training, to help colleagues continue to learn and grow through diversified learning methods. In 2024, the company's training activities lasted 43,317 hours, attended by 6,698 persons/times.	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures?	✓		1. To assure "medicine quality" and "employee safety," the company has embraced the manufacturing standards of CGMP guidelines, including PIC/S (Pharmaceutical Inspection Co-operation Scheme) and ICH (International Council for Harmonisation) in the production of all the active pharmaceutical ingredients, related intermediates, and injection medicines, all under the supervision of quality-control unit. 2. All the company's products pass the regulator's inspection and meet U.S. FDA regulations and existing CGMP requirements. 3. Arrange on its own regular plant inspection by customers and the pharmaceutical regulators of various counties. To uphold customer interest, the company has established various communications channels, Establish “Customer complaint Handling procedures”, including a dedicated e-mail address with a 24-hour response time, to ensure product safety and service quality. 4. To ensure product integrity and customer rights, ScinoPharm has established "Product Shipment	None

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Procedures" and regulations for "Preventing Product Diversion, Falsification, and Adulteration." Detailed operational steps are carried out using standardized processes for shipment. All products have a unique barcode, and the outer packaging is affixed with a dedicated padlock and seal. The product contents can be verified by the barcode number, ensuring strict control over the product during transportation.
5. Regarding the management of client privacy, confidentiality clauses or agreements are signed as necessary, depending on the nature of the collaboration. The Company also has established "Regulations for Trade Secret Management" to prevent the leakage of company trade secrets and to avoid inadvertently infringing upon the trade secrets of others, which could cause losses to the company. When receiving confidential information or trade secrets from others due to business execution needs, we are required to protect such information according to the management measures outlined in our company's "Management Regulations for Accepting Confidential Information Cases" to prevent leakage and improper use. Our legal department conducts an annual trade secret inventory. For 2024, the announcement of the completion of the 2024 trade secret inventory was issued in October.</td><td></td></tr>
<tr><td>(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?</td><td>✓</td><td></td><td>1. In order to select suppliers meeting the company's product requirement and assuring supply safety, ScinoPharm Taiwan has formulated "consultant and contractor management" operating flow. At present, the company's suppliers are divided mainly into key raw material suppliers and common-raw material suppliers, for which the company has formulated "supplier auditing procedure." According to the procedure, the company carries out written-statement auditing and on-site auditing for suppliers, for both of which auditing report covering major defects, secondary defects, and suggestions should be presented within 30 days. For continuing suppliers, auditors should track these problems and assure improvement, as reference for future business dealings.
21 supplier quality audits were completed in 2024. (Note: Supplier quality audit key items include warehouse, release for shipment, quality system, production process, inspection records, etc.)
<table><tr><th>Audit Type</th><th>times</th></tr><tr><td>On-Site Audit</td><td>13</td></tr><tr><td>Remote Audit</td><td>2</td></tr><tr><td>Third party Audit Report</td><td>6</td></tr><tr><td>Documents audit</td><td>0</td></tr></table>2. In the management of API (active pharmaceutical ingredient) suppliers, in addition to the evaluation of their product quality, production management, and process, the company checks irregularly whether</td><td>None</td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>there are audited defects from the regulator, so as to assure their products conforming to the company's requirements and standards. The company also looks into suppliers' social-responsibility performance via questionnaire survey, covering the contribution to and influence on employees, community, and environment.
3. In 2024, ScinoPharm established the "Supplier Social Responsibility Commitment" additionally to work with suppliers to promote environmental sustainability, uphold fundamental human rights, and fulfill corporate social responsibility.
4. For collaborative firms, the company evaluates and selects contract manufacturers capable of meeting its management requirements, to assure their capability in handling product and process hazards safely. The company also screens and selected waste treatment firms capable of meeting the company's management requirements, to assure wastes can be treated correctly and safety.
5. The company has compiled "safety, hygiene, and environmental protection management handbook," as behavioral criteria and working principles for works governing environment, vocational safety, and hygiene. Based on the handbook, there is a contractor evaluation system, in order to safeguard labor life and properties.
6. The company has publicized "manual on contractor safety, hygiene, and environmental protection management plan," specifying ScinoPharm's safety, hygiene, and environmental-protection policy, which includes contractor liabilities and obligations, safety work rules, safety and hygiene punishment rules, and environmental-protection commitment, to assure public safety and avoid environmental pollution.
7. Abstracts of Supplier Evaluation, audit and trainings are listed as following:<table><tr><td>Suppliers' Evaluation</td><td>The company has established operational procedures such as "Supplier Management," "Supplier Audit," "Material Development and Procurement," and "Management of Consultants and Contractors" to regulate related matters. Currently, suppliers are mainly classified as critical material suppliers and non-critical material suppliers. All suppliers are required to provide quality questionnaires and quality-related certificates (such as certificates issued by international standards organizations) and pass the company's supplier verification process. In addition, at the end of</td></tr></table></td><td></td></tr>
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<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td>2024, a "Supplier Social Responsibility Commitment" was formulated to work with suppliers to promote environmental sustainability, uphold basic human rights, and fulfill corporate social responsibility. By the end of 2024, commitment letters were received from 101 suppliers.</td></tr>
<tr><td>Suppliers’ Audit</td><td>For critical material suppliers, on-site audits are required in accordance with the internal "Supplier Audit Procedure." In 2024, 21 supplier quality audits were completed</td></tr>
<tr><td>Suppliers’ Training</td><td>All contractor personnel entering the factory area are required to watch the company's factory entry safety, health, and environmental protection video and obtain a training certificate in accordance with the internal "Contractor Safety and Health Management Procedure Manual" to achieve the purpose of accident prevention.</td></tr>
</table></td><td></td></tr>
<tr><td>5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?</td><td>✓</td><td></td><td>1.The company compiles the sustainability report, on the basis of the GRI (Global Reporting Initiatives) universal standards, industrial standards (yet to be publicized), and major topic standards, disclosing major economic, environmental, throng of people(including human rights), and social topics discerned by the company and their influences, and disclosure items and reporting requirements. Referre to the guidelines from Sutainability Accounting Standards Board,(SASB) to disclose industry indicators information. A reference table is available in the appendix, facilitating rapid retrieval and query search. The report also meets the requirements of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."
2. Figures and statistics in the sustainability report derive from the company's own reckoning and survey, including NT dollar-denominated financial figures in the annual financial statement certified by PwC Taiwan, which also conducted limited assurance for some information in the report, according TWSAE 3000 standards on "assurance cases involving auditing or perusal of non-historic financial information," with the assurance report included in the appendix.</td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td colspan="5">6. If the Company has established the Sustainable Development Best Practice Principles based on “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the Principles and their implementation:
The Company passed the formulation of its “Sustainable Development Best Practice Principles” based on “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” at its board of directors held on June 18, 2014, and revised the principles on March 25, 2015, December 20, 2016, May 30, 2022. and May 10 2023. There is no major discrepancy between the Company’s Sustainable Development Best Practices and the implementations.</td></tr>
<tr><td colspan="5">7. For details about the operating situation and concrete practices associated with the Company’s promoting sustainable development implementation, please see the instructions on the “Promoting Sustainable Development Implementation” as seen in this annual report, Company’s annual Sustainability Report, and access the Company’s website at http://www.scinopharm.com.tw) for disclosed relating information.</td></tr>
</table>

2.3.6 Climate Related Information of TWSE/TPEx List Company

Climate Related Information Implementations：

Item	Implementation
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities。	To drive sustainable development, the Company's Board of Directors established the Sustainable Development Committee to be an exclusively (or concurrently) dedicated unit in charge of promoting sustainable development in May 2022. The Committee is chaired by the President of ScinoPharm and has two sub-units working under it: the Sustainable Development Office and Risk Management Team and Occupational Health and Safety Management Committee. The Sustainable Development Committee is responsible for proposing and enforcing sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and for reporting to the Board of Directors on a yearly basis. As the Company's highest governing body of risk management, the Board of Directors is charged with developing risk management policies and framework, and ensuring that the developed policies are aligned with the direction of the company's business strategy so as to facilitate the effective operation of risk management. The Sustainable Development Committee, which reports to the Board of Directors, is tasked with supervising the mechanisms of operation in relation to risk management, while the Sustainable Development Office and Risk Management Team works on managing and assessing risks associated with company operations (e.g., strategy, operations, finance, IT, compliance, product quality, safety, health, and environmental protection, as well as climate change impact/opportunities/risks, etc.) and reports on the same to the Board of Directors on an annual basis.

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business(short, medium, and long term)	The company references Taiwan's phased Greenhouse Gas Control Target as a framework for discussing and planning timelines. We will assess the operational and financial impacts brought about by climate change, including potential operational and financial impacts of climate risks and opportunities, over the short term (2024-2025), medium term (2026-2030), and long term (2031-2050).

Risk	Aspect	Risk Topics	Occurrence Frequency	Financial Impact	Impact Score	Duration of Impact	Strategy Description
Transition risk	Market	Changes in customer behavior	10	3	30	Medium term	● Our company plans to conduct an annual product carbon footprint inventory for mass-produced products. In 2023, the assessment and verification of the carbon footprint for the SPT1025 product were completed. It is expected that the inventory for the SPT1091 and SPT1217 products will be carried out in 2025. ● We have set 2023 as the base year for energy conservation and carbon reduction, with a carbon reduction target of a 4.2% annual decrease in the total combined emissions of Scope 1 and Scope 2.
	Regulations	Renewable energy regulation	10	1	10	Medium term	Solar panels have been installed on-site, and a greenhouse gas reduction plan will be implemented in the future. This includes progressively reviewing and replacing equipment with declining efficiency, such as air conditioning chillers, to reduce carbon emissions (carbon levy payments are projected to account for 0.1% of 2024 revenue).
		Government levy on carbon emissions	10	1	10	Long term	* Establish a comprehensive energy management system to optimize energy use through data collection, monitoring, and analysis, thereby reducing carbon emissions. * Actively promote energy-saving measures and plan to replace outdated, energy-intensive devices to reduce carbon emissions (estimated EU carbon tax expenses will account for 0.24% of 2024 revenue). * Implement a voluntary reduction plan to meet government reduction targets, enjoy preferential rates, and reduce carbon fee expenditures (estimated domestic carbon fee expenses will account for 0.22% of 2024 revenue).
		Foreign carbon tariffs	10	1	10	Medium term	
Physical risk	Immediately	Drought, water restrictions	8	3	24	Long term	* Strengthen water conservation management on weekdays and cooperate with the Southern Taiwan Science Park in implementing water restrictions to ensure internal water conservation measures are executed effectively. * The company has a 1,600-ton general water storage tank, while the Southern Taiwan Science Park has a 30,000-ton reservoir and a 3,000-ton water tower. * To strengthen water resource management and avoid the risk of operational disruptions due to droughts, a supplier list has been established. Suppliers will be contacted for water supply if the need arises.
		Tropical wind (typhoon, flood)	8	3	24	Medium term	The Company has purchased insurance for risk transfer. The insurance covers risks associated with fire, explosion-induced fire, lightning strikes, explosion, earthquake, typhoon, and flooding. Business Continuity Plan (BCP) has been established with relevant contingency measures.
	Long-term	Rising sea level	6	1	6	Long-term	Based on the Coastal Risk Screening Tool, sea level rise caused by a global temperature increase of approximately 1.5°C will not impact the company's location.

※Impact Score over 24 is categorized as Major Risk

Opportunities for ScinoPharm:

Opportunity Topic	Occurrence Frequency	Financial Impact	Opportunity Score	Duration of Impact	Strategy Description
The possibility of recycling and reuse	8	6	48	Short term	To improve production process efficiency, we are implementing a phased plan for production line equipment modification and expansion. By increasing production capacity and reducing batch sizes, we can effectively save time and costs, manufacture more products, fulfill large orders, and boost revenue growth.
Use more efficient production	10	3	30	Short term	1. Process solvent recovery: Solvents used in the manufacturing process are recovered through distillation to separate and recycle solvents that meet specification requirements. If the recovered solvent meets Filing or GMP requirements, it can be reused in the process or for equipment cleaning. Other solvents are recycled through waste liquid reuse by vendors to avoid direct incineration, reducing carbon emissions (estimated annual reduction in disposal costs of NT$4.2 million). 2. In the short to medium term, apply to the competent authority for air pollution permits for waste liquid reuse processes, purifying process waste liquid not covered above using a stripping tower, and selling it to other industries for reuse as a secondary product (estimated annual reduction in disposal costs of NT$3.8 million).
Use of low carbon energy	10	1	10	Short term	The company already uses solar power generation and has generated actual benefits (sale and self-generation for self-use), which can reduce electricity expenses.
Participation in carbon trading market	10	1	10	Short term	Our company participates in the trading of carbon credit certificates due to self-generation and self-use of solar power.

※Impact Score over 24 is categorized as Major Opportunities

<table>
<tr>
<td>3. Describe the financial impact of extreme weather events and transformative actions.</td>
<td>
Risk Topics and Financial Impact
<table>
<tr><th>Risk</th><th>Aspect</th><th>Risk Topics</th><th>Potential Financial Impact</th></tr>
<tr><td rowspan="4">Transition risk</td><td>Market</td><td>Changes in customer behavior</td><td>∗ Increase in cost of operation
∗ Customer satisfaction results in increased operating revenue</td></tr>
<tr><td rowspan="3">Laws and Regulations</td><td>Government levy on carbon emissions</td><td>∗ Setting up carbon-reducing equipment increases operating costs
∗ Expense increased due to carbon fee</td></tr>
<tr><td>Renewable energy regulation</td><td>∗ Setting up carbon-reducing equipment increases operating costs</td></tr>
<tr><td>Foreign carbon tariffs</td><td>∗ Setting up carbon-reducing equipment increases operating costs</td></tr>
<tr><td rowspan="3">Physical risk</td><td rowspan="2">Immediately</td><td>Drought, water restrictions</td><td>∗ Water restrictions hinder production lines, resulting in reduced revenue</td></tr>
<tr><td>Typhoon, flooding</td><td>∗ Continued insurance enrollment increases costs</td></tr>
<tr><td>Long-term</td><td>Rising sea level</td><td>∗ The Company’s business Locations will not affected by it yet.</td></tr>
</table>
Opportunity Category and Financial Impact
<table>
<tr><th>Opportunity Category</th><th>Opportunity Topic</th><th>Financial Impact</th></tr>
<tr><td rowspan="2">Resources Efficiency</td><td>The possibility of recycling and reuse</td><td>∗Expense increasing
∗Revenue increasing</td></tr>
<tr><td>Use more efficient production</td><td>∗Expense reduction
∗Revenue increasing</td></tr>
<tr><td rowspan="2">Energy resource</td><td>Use of low carbon energy</td><td>∗Cost reduction</td></tr>
<tr><td>Participation in carbon trading market</td><td>∗Cost reduction</td></tr>
</table>
</td>
</tr>
</table>

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	ScinoPharm is committed to tackling climate change risks. Based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), released by the Financial Stability Board (FSB), as well as the framework of International Financial Reporting Standards (IFRS) S2 "Climate-Related Disclosures," our company's convener of "Office of Sustainable Development and Risk Management Team" and representatives from various departments conducted a climate change risk assessment. This assessment aimed to identify transitional risks and physical risks in operational processes and evaluate potential financial impacts. Based on the identification results, response plans were established. Through the TCFD methodology, three major risk items and two opportunities were identified. Additionally, an internal Business Continuity Plan is in place to assess and analyze various operational risks that may cause interruptions, including climate risks and opportunities, reviewing them annually and establishing corresponding climate change management response plans. Risk identification procedures:
5.If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Scenario planning cannot predict the future, but it can help companies understand how climate change might affect them and inform strategic planning. Our company began conducting qualitative and quantitative analyses of climate change in 2023 to assess potential financial impacts and develop corresponding responses.

Risk	Aspect	Risk Topics	Scenario setting:	Potential Financial Impact
Transition risk	Market	Changes in customer behavior	Customers will expect to require proof of net-zero carbon reduction.	* Increase in cost of operation * Customer satisfaction results in increased operating revenue
	Laws and Regulations	Government levy on carbon emissions	The government will expect to charge GHG emissions tariff on the business sector NT$300/10000co2e start from year 2031	* Setting up carbon-reducing equipment increases operating costs * Carbon fee expenditure, increased expenses (estimated domestic carbon fee expenditure accounts for 0.22% of 2024 revenue)
		Foreign carbon tariffs	The European Union is expected to impose carbon tariffs on products	* Setting up carbon-reducing equipment increases operating costs
		Renewable energy regulation	According to the Renewable Energy Development Act, monetary substitution must be paid annually if a user fails to install renewable energy in accordance with the Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity.	* Setting up carbon-reducing equipment increases operating costs * Offset expenditure, increased expenses (estimated offset expenditure accounts for 0.1% of 2024 revenue if offset payments are made)
Physical risk	Immediately	Drought, water restrictions	As the number of consecutive dry days increases, after 2030, water restrictions will be imposed for an average of five days a year.	* Water restrictions hinder production lines, resulting in reduced revenue
		Typhoon, flooding	Severe typhoons in Taiwan will increase in the future, leading to wind and flood disasters, which cause financial losses.	* Continued insurance enrollment increases costs
	Long term	Rising sea level	The future impact of sea level rise according to the IPCC Sixth Assessment Report	* No impact currently According to the Coastal Risk Screening Tool assessment, the sea leve rise caused by a global temperature increase of approximately 2.0℃ will not impact the company's location

6. If there is a transition plan for managing climate-related risks, describe the contents of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	In 2022, the Financial Supervisory Commission (FSC) announced the "Sustainable Development Roadmap for Listed Companies.", ScinoPharm complied with regulations by disclosing information on "Greenhouse Gas Inventory and Verification." It completed the inventory and verification ahead of the prescribed timeline and reports on its progress to the Board of Directors quarterly. In response to national climate change policies and customer requirements, the company has strengthened its internal planning and promotion of energy conservation and carbon reduction efforts. From 2015 to 2024, for a total of 10 years, ScinoPharm has adhered to the "Energy User Setting Energy Conservation Targets and Implementation Plans" of the Bureau of Energy, Ministry of Economic Affairs, and has achieved the goal of reducing electricity consumption by an average of 1% annually. Implementation measures include evaluating the feasibility of replacing inefficient equipment with high-efficiency alternatives, thereby reducing the various environmental impacts caused by operations. ScinoPharm actively supports the government's circular economy promotion plan by aiming to increase the recycling rate of waste solvents to reduce waste. In 2022, the company formulated a plan for the reuse of waste solvents from manufacturing processes. In 2023, Scinopharm invested NT$15 million to construct a distillation stripping tower for energy conservation and carbon reduction. From 2023 to 2025, it conducts evaluations, construction, and submit related document changes and applications to the competent authorities to achieve resource recycling and energy conservation and carbon reduction. In 2024, approximately NT$2.7 million was invested in the maintenance of energy-saving equipment, including adjusting the operating parameters of the API HVAC chiller, increasing the chilled water set temperature by 1°C from 22:00 to 05:00 at night, invested 862k in replacing factory lighting with explosion-proof LED lamps, and implementing related electricity-saving measures to improve motor efficiency. The indicators and targets for physical and transition risks are as follows: Transition Risk: Our company plans to conduct product carbon footprint assessments for mass-produced products to comply with the requirement of submitting carbon footprint certifications upon delivery in the future. The carbon footprint assessment and verification for the SPT1025 were completed in 2023. The carbon footprint assessments for SPT1217 and SPT1091 are expected to be completed in 2025. Physical Risk: ScinoPharm Taiwan has established a Business Continuity Plan (BCP) which includes relevant response measures and incorporates climate change risk and opportunity policies. To address climate change risks, the frequency of reviewing and revising the BCP, originally set at every two years, was revised to an annual review and adjustment in 2023.
7. If internal carbon pricing is used as a planning tool, the basis for setting price should be stated.	The Company do not utilize an internal carbon pricing mechanism as a planning tool currently. However, we will continuously monitor the development of domestic and international carbon issues, their potential impact on us, and evaluate the feasibility of implementing an internal carbon pricing system

<table>
<tr>
<td>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates(RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</td>
<td>
<table>
<tr><td rowspan="3">2022</td><td>■Establish the Sustainable Development Committee to be an exclusively (or concurrently) dedicated unit in charge of promoting sustainable development</td></tr>
<tr><td>■Complete individual the ISO 14064-1 Greenhouse Gas Inventory</td></tr>
<tr><td>■Developed a plan for "Recycling of Waste Solvents from Manufacturing Processes"</td></tr>
<tr><td rowspan="2">2023</td><td>■Complete individual the ISO 14064-1 third-party verification of greenhouse gas emission, obtaining a reasonable assurance report for Scope 1~2.</td></tr>
<tr><td>■Completed third-party verification of the ISO 14067 carbon footprint inventory for the main core product SPT1217.</td></tr>
<tr><td rowspan="3">2024</td><td>■Conducted hardware construction and application for "Recycling of Waste Solvents from Manufacturing Processes"</td></tr>
<tr><td>■Completed Scope 1, 2, and part of Scope 3 inventory and verification for 2023, based on the GHG Protocol standard</td></tr>
<tr><td>■Completed the carbon footprint inventory for SPT1217 product</td></tr>
<tr><td rowspan="3">2025</td><td>■Completed carbon footprint inventory for SPT1217 and conducted carbon footprint inventory for SPT1091.</td></tr>
<tr><td>■Completed Scope 1~3 inventory and verification for 2024, based on the GHG Protocol standard</td></tr>
<tr><td>■Initiated the "Recycling of Waste Solvents from Manufacturing Processes" plan</td></tr>
<tr><td rowspan="2">2026</td><td>■Consolidated subsidiaries’ financial statement to completed greenhouse gas inventory</td></tr>
<tr><td>■Completed registration on the greenhouse gas emissions information platform</td></tr>
<tr><td>2027</td><td>■Continuously promoted carbon reduction projects</td></tr>
<tr><td>2028</td><td>■Consolidated f subsidiaries’ inancial statement to completed third-party verification of greenhouse gases</td></tr>
<tr><td>2030</td><td>■Continuously promoted carbon reduction projects</td></tr>
</table>
ScinoPharm Taiwan is promoting green energy development and has installed solar panels internally. In 2024, the total electricity generated by the solar panels installed on the rooftop of the company's administration building was 33,980 kWh, with revenue from the sale of green electricity amounting to NT$218,118. This is equivalent to a reduction of 14,407.52 kg CO2e in greenhouse gas emissions. In 2020, an investment of NT$5,985,000 was made to install solar panels for self-use at the injectable drug manufacturing plant. In 2024, the total electricity generated reached 165,438 kWh, reducing greenhouse gas emissions by 70,145.71 kg CO2e. The total electricity generated from solar energy in 2024 was 199,418 kWh. (Based on the Bureau of Energy's 2024 electricity emission factor of 0.424 kg CO2e/kWh).
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</table>

9.Greenhouse gas inventory and assurance status, reduction plan, strategy and concrete actions

Greenhouse gas inventory and assurance status for the past two years:

(1). Greenhouse gas inventory information:

Greenhouse gas total emission (Metric tons Co2e), intensity (Metric tons Co2e/million) and information scope for the past two years

Parent Company	2023 Total Emission	2023 Intensity Note 1	2024 Total Emission	2024 Intensity Note 1
Scope 1	6,843	2.276	4,968	1,583
Scope 2	17,068	5.678	17,582	5,601
Scope 3	10,598-	3.526	Inventory check will be completed in June	
Total	34,509	11.48	-	-

Note1: The greenhouse gas emission intensity for 2023 is calculated as per unit product/revenue in 2023-NT$3,006 million. The greenhouse gas N2 : emission intensity for 2024 is calculated as per unit product/revenue in 2024-NT$3,139 million

Note2 : Emission data was revised based on the opinion statement from the 2023 greenhouse gas verification report issued by AFNOR on Januray 16, 2025. Additionally only selected scope 3 was assessed in 2023 based on a materiality criterion.

Note3: The Scope 1 and Scope 2 emissions for 2024 are preliminary assessment results. The Scope 3 emissions assessment will not be completed until the end of June 2025. The Scope 1 to Scope 3 emissions data will be finalized and updated after verification is completed in November.

(2)Greenhouse gas assurance status

Description of assurance status summarize the assurance scope, assurance institute, assurance principles and assurance Comments for the past two years：

Item	2023	2024
Assurance Scope-Parent	Scope 1-Scope 3	Scope 1-Scop 3
Assurance Institute	ANFOR Asia Ltd.	ANFOR Asia Ltd.
Assurance Principles	GHG Protocol	GHG Protocol
Assurance Comments	In December 2024, the 2023 annual greenhouse gas inventory was completed and passed GHG Protocol third-party verification. A Scope 1 to 2 reasonable assurance level report was obtained.	The Company plans to complete the 2024 greenhouse gas inventory and verification in accordance with GHG Protocol standards in June 2025. It will complete assurances before end of November 2025

Greenhouse-gas emission reduction target, strategy, and concrete action plan

In response to the global and customer demand for environmental protection, ScinoPharm referencing the international Science-Based Target Initiative, SBTi) completed the scope 1, 2, and 3 GHG protocol-based inventory and verification for 2023 in 2024. The inventory boundary covers ScinoPharm’s Tainan Plant, Taipei Office, its subsidiaries SciAnda(Changshu) Pharmaceuticals,Ltd., and AciAndaShanghai Biochemical Technology, Ltd. It is expected that the scope 1 to comprehensive scope 3 greenhouse gas inventory and verification for 2024 will be completed in 2025. After comprehensive verification, complete information will be available as a basis for reviewing and optimizing energy conservation and carbon reduction efforts. The Sustainable Development Committee unanimously agreed to use 2023 as the base year for greenhouse gas emissions (consolidated financial statements) for scope 1 and scope 2, with a target of reducing the combined scope 1 and scope 2 emissions by at least 4.2% annually,

	striving for a total reduction of 42% by 2030. Specific action plans include: (1).Solvent recovery in manufacturing processes involves separating conforming recycled solvents from the original process through distillation. If the recovered solvents meet regulatory registration or GMP requirements, they can be recycled for use in manufacturing processes or equipment cleaning. If not included in regulatory registration or if there are GMP concerns, they will be handled by vendors for recycling as waste liquid, avoiding direct incineration to reduce carbon emissions. (2).Conduct carbon footprint assessments for the company's main products to identify major sources of carbon emissions and evaluate possible energy-saving improvement measures to reduce energy consumption (3).The company completed the 2023 greenhouse gas inventory and verification (scope 1 to scope 3) in 2024 and will continue to promote annual greenhouse gas inventory and verification to monitor carbon emissions and energy-savints. (4).Continue to implement energy-saving measures, system upgrades/energy-saving improvements, and green energy procurement planning to achieve energy conservation and greenhouse gas reduction targets.

er carbon emissions.

2.3.7 Ethical Corporate Management

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practices Principles for TWSE listed companies and reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Whether or not the company has formulated ethical-management policy, which has been approved by the board of directors and has specified explicitly in corporate regulations and publicized documents ethical-management policy and practices, as well as commitment of the board of directors and executives on implementation of ethical-management policy?	✓		In order to deepen integrity-based management culture and to further strengthen business development, the board of directors formulated a set of “Code of Business Integrity” on December 9, 2010, which was further amended on March 26, 2012 and August 4, 2015, respectively, and consequently posted on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange, as well as on the Company’s website. The Company also sets up relevant internal operating standards and control systems to examine all aspects of business operations on a fixed-time basis, and then deliver the inspection results to the Board for approval. This practice not only serves as the basis for the implementation of the integrity management, but also highlights the Company’s policy and tactics as well as the commitment of its Board and management to realize integrity policy. Related information on the integrity management has also been disclosed in other outgoing documents, including the corporate social responsibility report.	None
(2) Whether or not the company has established assessment mechanism for unethical-conduct risks for periodic analysis and assessment of business activities with higher unethical-conduct risks, as basis for formulating program preventing unethical conducts, which contains preventive measures for various conducts listed in item of article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" at least.	✓		Based on "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and "Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct," the company has asked directors, managers, employees, fiduciaries, and people with actual control power to prevent bribery and illegal political donations during the process of business activities, on top of banning giving or taking any improper gifts, treatment, or other improper interests, so as to ward off sacrificing corporate interests for the sake of personal interests. The company has installed "stakeholder" section, as communications channel between the company and stakeholders, and "reporting system for unethical conducts" on corporate website, to highlight the company's core ethical value and determination in legal compliance.	None
(3) Whether or not the company has specified in program preventing unethical conducts operating procedure, guidelines for conduct, punishments for violation, and appeal system, which have been implemented faithfully and subject to periodic review	✓		The company has formulated "ethical corporate management best practice principles," "procedures for ethnical management and guidelines for conduct," "guidelines for ethical conduct," and "guidelines for employee conduct," offering detailed regulations on employee conducts. In addition, based on "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," the	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practices Principles for TWSE listed companies and reasons
	Yes	No	Abstract Illustration	
and revision?			company has been preventing possible unethical conducts, on top of highlighting the importance of ethical conduct via e-mails, posts on corporate website, and orientation for new employees, so as to give employees clear guidelines in dealing with colleagues, customers, suppliers, and social public and avoid conflict of interests and improper gains. Such requirements have been incorporated into evaluation system for employee performance, to assure implementation of ethical management. Reporting system for suspected breach of the requirements, as well as punishment rules, a have been available.	
2. Fulfill operations integrity policy (1)Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		The Company has set up a filing system to manage the relationships with its contractors and has also been evaluating the integrity of its clients and suppliers through their credit lines and other appraisal systems in order to prevent untrustworthy activities from happening. The Company also stipulates integrity provisions in the contracts it signs with corresponding contractors. Should the contents violate the article of "integrity-oriented management," the Company can terminate or revoke the contract.	None
(2) Does the Company establish an exclusively dedicated unit supervised by the Board and report periodically (at least once a year) to be in charge of Ethical management, prevention of unethical conduct and supervise execution result?	✓		1. The company has designated legal affairs, human resources, procurement, and financial units as units for pushing ethical management, responsible for publicizing ethical management-related laws/regulations and operating procedure and ethical-management policy, supervision of prevention of unethical conducts, operation of reporting system. Those units formulate and execute annual plans for operations under their charge, integrate and review the execution, explanation, and consulting of programs on ethical management and unethical-conduct prevention of the company and various units. Those practices and results in 2024 were summarized was presented in the meeting of the board of directors on November 4th 2024. 2. The following is brief description of ethical management-related practices in 2024: (1) Education and training In addition to arrangement for directors attending related external training courses and lectures, the company has also been holding internal and external education and training on ethical management, including legal compliance for ethical management, GMP, accounting system, and internal control system, some of whose attendees had to take test afterward, to augment their extent of understanding. The internal and	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practices Principles for TWSE listed companies and reasons
	Yes	No	Abstract Illustration	
			external training courses related with ethical management (including legal compliance for ethical management, GMP, accounting system and internal control system) for 2024, attendance for those courses are 2,985person/times, totaling 29,584 hours. (2) Periodic review: In addition to constant evaluation and review of business activities with higher risks of unethical conducts by various units themselves, the company's auditing office inspects compliance of related systems periodically, to assure effective operation of the entire mechanism. In 2024, no cases involving breach of ethical management were found. (3) Reporting system: To facilitate reporting of suspected breach of laws and regulations, the company has instituted employee communication mail box and protective measures for informants, as specified in "guidelines for employee conducts," on top of "stakeholder" section on corporate website and a "reporting system for unethical conducts," as contact window and reporting channel for stakeholders. There was no such report in 2024.	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		The company has formulated policy avoiding conflict of interests, so as to identify, supervise, and manage risk of dishonest behaviors associated with conflict of interests, while offering proper channel for directors, managerial staffers, and other interested parties present at the meeting of the board of directors to explain on their own the existence of conflict of interests between them and the company. For cases with related interests for themselves or juridical persons they represent, the company's directors, managerial staffers, and other interested parties present at the meeting of the board of directors should explain the major contents of the related interests and abstain, should there exist possible harm to the company's interests, from discussion and voting or represent other directors in the exercise of their voting right. Directors should also avoid rendering mutual support, in exhibition of self-discipline. Directors, managers, employees, appointees, and those in substantial control of the company shall not, by virtue of their position or influence in the company, obtain improper benefits for themselves, their spouses, parents, children, or any other person	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practices Principles for TWSE listed companies and reasons
	Yes	No	Abstract Illustration	
(4) Has the company implemented integrity management by establishing effective accounting and internal control systems? Does the internal audit unit, based on the risk assessment results of dishonest conduct, formulate relevant audit plans and use them to audit the compliance with the measures for preventing dishonest conduct, or engage a CPA to perform the audit?	✓		The company has instituted effective accounting system and internal control system, on top of constant evaluation and review of business activities with higher risks of unethical conduct and periodic inspection of compliance of related systems by auditing office for compilation of report submitted to the board of directors. To assure their continuing effectiveness in the design and execution, related systems are reviewed and revised annually, to ensure a good corporate governance and risk control mechanism, as basis for evaluating the effectiveness of overall internal control system and compiling statement on internal control system, to be audited by certified public accountant, when necessary, or other related professional.	None
(5)Does the Company regularly hold internal and external educational trainings on operational integrity?	✓		The company arranges job-related mentoring and education and training, as well as opportunities for practices, to facilitate career development of employees, plus provision of multiple learning channels and resources, including on-the-job training, classroom training, GMP and laws/regulations, and online learning courses on the company's related measures. The company also provides new employee onboarding training on regulations and ethics in accordance with requirements. It promotes legal and regulatory compliance through the intranet, email, and ad hoc training sessions to strengthen employees' understanding and implementation of regulations such as the "Code of Integrity," "Operating Procedures and Guidelines for Integrity Management," "Code of Ethical Conduct," and "Employee Code of Conduct." In 2024, attendance for internal and external ethical management-related education and training (including courses on compliance with related laws/regulations, GMP, accounting system, and internal control) hit 2,985 person/times, totaling 29,584 hours.	None
3. Operation of the integrity channel (1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		The Company has established adequate channels to encourage the reporting of suspected illegal conducts or violations of related stipulations set forth in the “Code of Business Integrity,” “Operating Procedures and Guidelines for Integrity Management,” “Code of Ethics” and “Code of Conduct” as a means to safeguard the spirit of integrity management. While all employees are able to submit their opinions through “Employee Communication Box,” the Company has also set aside special columns “Stakeholders” and “Unethical Behavior Reporting System" on its	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practices Principles for TWSE listed companies and reasons
	Yes	No	Abstract Illustration	
			website, enabling employees and relevant personnel to report suspected illegal and unethical conducts, with which the Company will assign appropriate staff from the administration, human resources, legal and related departments to jointly address alleged issues.	
(2) Does the Company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		The Company approaches all of reported cases and follow-up investigations with extremely confidential and stringent attitude based on standard procedures and secrecy mechanism conforming to internal rules and regulations.	None
(3) Does the Company provide proper whistleblower protection?	✓		Personal data provided by informants, unless otherwise stipulated by law, the Company keeps the data confidentially and take appropriate protective measures in accordance with laws to safeguard personal information and privacy of informants so as to prevent these persons from receiving retaliation and unfair treatment.	None
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS	✓		The Company's "Code of Business Integrity" has been uploaded to "Market Observation Post System (MOPS), as well as on the "Investors" column of corporate website, allowing all employees and general public to make inquiries at any time. Additionally, related information pertaining to business integrity has also been disclosed in the annual reports and Sustainability report (was called corporate social responsibility reports) posted on the MOPS and corporate website.	None
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. In accordance with the rules set on the "Rules for Business Integrity by Listed Companies," the Company has set up and promulgated "Code for Business Integrity," "Operating Procedures and Guidelines for Integrity Management," "Administrative Rules on Transaction with Stakeholders, Designated and Associated Companies," "Operating Procedures for Major Internal Information," "Code of Self-Discipline for Disclosing Acquisition Information," "Code of Ethics," and "Code of Conduct." In addition to requiring relevant departments and all of employees to follow these rules, the Company has also asked its subsidiaries to abide the spirit of integrity policy set forth by the parent company and to implement related regulations. Overall, the practice of business integrity and the law-abiding requirement for subsidiaries are identical to the parent company.				

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practices Principles for TWSE listed companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td colspan="5">6. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies.
While operating the Company in accordance with related laws and regulations, the Company also periodically holds courses pertaining to corporate governance, insider trading management and code of conducts for employees, as well as irregularly dispatches relevant units to participate in related courses including taxation, legal risk and corporate governance to promote business integrity and morality.
The Company has also been upholding the highest standards to promote the use of principles of honest, trustworthy and transparency to engage in business activities so as to protect the interest of stakeholders and deepen the spirit of business integrity into corporate ethics and culture for ramping up reputation and sustainable growth. Coping with changing management environment, the Company also reviews and amends related rules, operating procedures and guidelines for integrity management in order to meet legal requirements and expectations of stakeholders.</td></tr>
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2.3.8 Other Important Information Regarding Corporate Governance

2.3.8.1. While integrity is the fundamental of the Company, the establishment of a working environment based on pluralism, equality, mutual trust and respectfulness has also been the Company's business philosophy. Thus, the formulation of “Code for Business Integrity,” “Operating Procedures and Guidelines for Integrity Management,” “Code of Ethics,” and “Code of Conduct for Employees” will enable high-level management and all of employees to understand related laws and rules they have to abide and the ethics they have to put into practice during their work, and to realize the Company’s expectations on behavior of its employees, cooperation partners and suppliers. These are not only the bases for senior management and all of colleagues to conduct their behavior, but will also help lift up the quality of behavior and professional ethics, which will be instrumental to sustainable growth and future development of the Company.

2.3.8.2. To enable employees to reveal suspected violated conducts through appropriate channels, the Company has set a communication box and related protection measures. More information can be found at the Company’s website: www.scinopharm.com.tw, to see related regulations from the special column Investors/Corporate Governance/Code of Ethical Conduct/Code of Conducts.

Additionally, in order to establish an open, transparency and effective communication channel with stakeholders to understand the demand of each side, and to be used as reference to formulate the policy and activities for carrying out corporate social responsibility, the Company sets up a special “Stakeholders” column on its website, attached with a “Reporting System for Violating Code of Ethics” providing stakeholders with an adequate communication and reporting channel. For more information, please see the “Stakeholders’ section at www.scinopharm.com.tw.

2.3.8.3. To continue enriching related information on corporate governance for advanced study, the Company also takes the initiation to inform all members of its directors and independent directors to arrange courses. In 2024, 17 directors and independent directors attended such courses, whose curricular are listed below. The training complies with the ruling of “Key Points for Promoting Advanced Studies by Directors, Supervisors of Listed Companies.”

2024 Directors and Independent Directors' training records

As of 12/31/2024

Title	Name	Study period		Sponsoring Organization	Course	Training hours	2024 Training total hours	Is training record fulfill the requirement (Note)
		From	To					
Institutional Shareholder Representative	Chih-Hsien Lo	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	6	Yes
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Institutional Shareholder Representative	Chyun-Yu Yang	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	6	Yes
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Institutional Shareholder Representative	Tsung-Pin Wu	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	6	Yes
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Institutional Shareholder Representative	Fu-Jung Lai	2024.03.12	2024.03.12	Taiwan Corporate Governance Association	International trends and experience sharing on corporate integrity management and executive accountability systems.	3	21	Yes
		2024.03.26	2024.03.26	Taiwan Corporate Governance Association	Code of Integrity Management and How to Avoid Crossing the Line of Director and Supervisor Responsibilities	3		
		2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3		
		2024.05.17	2024.05.17	Taiwan Corporate Governance Association	Board of Directors' Cybersecurity Governance Oversight Strategy	3		
		2024.08.02	2024.08.02	Taiwan Corporate Governance Association	Corporate Governance Compliance Practices for Corporate Governance Officers	3		
		2024.09.06	2024.09.06	Securities & Futures Institute	2024 Sessions on legal abidance by insiders of listed companies for trading in equity	3		
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Institutional Shareholder Representative	Chin-Yuan Cheng	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	6	Yes
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		

Title	Name	Study period		Sponsoring Organization	Course	Training hours	2024 Training total hours	Is training record fulfill the requirement (Note)
		From	To					
Institutional Shareholder Representative	Jia-Horng Guo	2024.09.05	2024.09.05	Chinese National Association of Industry and Commerce	Pursuing Long-Term Value Growth and Understanding the Low-Carbon Transition Trend	3	12	Yes
		2024.09.05	2024.09.05	Chinese National Association of Industry and Commerce	The development trends of the generative AI industry.	3		
		2024.09.30	2024.09.30	TWSE	Strengthen Taiwan Capital Market Summit	3		
		2024.10.17	2024.10.17	Chinese National Association of Industry and Commerce	Fair Treatment Principles and the Financial Consumer Protection Act	2		
		2024.10.17	2024.10.17	Chinese National Association of Industry and Commerce	Financial Inclusion and services to general Public Fair Treatment Principles and the Financial Consumer Protection Act	1		
Institutional Shareholder Representative	Ming-Chuan Hsieh	2024.06.27	2024.06.27	Taiwan Corporate Governance Association	The Roles and Responsibilities of the Board of Directors / Senior Management in ESG Governance	3	18	Yes
		2024.06.27	2024.06.27	Taiwan Corporate Governance Association	Starting with TIPS: How Enterprises Can Build Intellectual Property Risk Prevention and Control Strategies	3		
		2024.10.17	2024.10.17	Taiwan Institute of Directors	Observing Cross-Strait Political and Economic Risks Amidst U.S.-China Great Power Rivalry	3		
		2024.10.17	2024.10.17	Taiwan Institute of Directors	Corporate Strategies in Times of Global Transformation	3		
		2024.11.14	2024.11.14	Taiwan Institute of Directors	Insights from Century-Old Enterprises on Rapidly Growing Companies	3		
		2024.11.14	2024.11.14	Taiwan Institute of Directors	Global Management Strategies and Multinational Operations	3		
Institutional Shareholder Representative	Ya-Po Yang	2024.05.10	2024.05.10	Digital Governance Association	Corporate governance trend and outlooks	3	15	Yes
		2024.06.27	2024.06.27	Taiwan Corporate Governance Association	Starting with TIPS: How Enterprises Can Build Intellectual Property Risk Prevention and Control Strategies	3		
		2024.06.27	2024.06.27	Taiwan Corporate Governance Association	The Roles and Responsibilities of the Board of Directors / Senior Management in ESG Governance	3		
		2024.10.21	2024.10.21	Digital Governance Association	AI-Driven Multigenerational Transformation: Talent, Information Security, and Corporate Governance in the Age of AI	3		
		2024.11.06	2024.11.06	Securities & Futures Institute	Innovation Strategies for Business Growth in the AI Era	3		

Title	Name	Study period		Sponsoring Organization	Course	Training hours	2024 Training total hours	Is training record fulfill the requirement (Note)
		From	To					
Institutional Shareholder Representative	Shiow-Ling Kao	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	6	Yes
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Institutional Shareholder Representative	Chiou-Ru Shih	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	9	Yes
		2024.06.14	2024.06.14	Taiwan Academy of Banking and Finance	Knowing ESG and sustainable extend credit E Course	3		
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Institutional Shareholder Representative	Po-Ming Hou	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	15	Yes
		2024.05.07	2024.05.07	Taiwan Institute of Directors	Management and Outlook of the Retail Industry	3		
		2024.05.08	2024.05.08	Taiwan Corporate Governance Association	ESG-Related Legal Issues for Board Consideration	3		
		2024.08.07	2024.08.07	Taiwan Institute of Directors	Global Economic Outlook	3		
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Institutional Shareholder Representative	Ling Ming Sun	2024.09.06	2024.09.06	Securities and Futures Institute	2024 Sessions on legal abidance by insiders of listed companies for trading in equity	3	6	Yes
		2024.09.13	2024.09.13	Taiwan Corporate Governance Association	Net-Zero Carbon Emission Advocacy Conference-Tainan session	3		
Independent Director	Lewis Lee	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	6	Yes
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Independent Director	Wen-Chang Chang	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	6	Yes
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Independent Director	Li-Tzong Chen	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	6	Yes
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		

Title	Name	Study period		Sponsoring Organization	Course	Training hours	2024 Training total hours	Is training record fulfill the requirement (Note)
		From	To					
Independent Director	Jang-Yang Chang	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	6	Yes
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Independent Director	Lai-So Su	2024.02.23	2024.02.23	Securities and Futures Institute	How the Board Can Ensure Corporate Sustainability: Starting with Talent Acquisition and Development	3	12	Yes
		2024.04.16	2024.04.16	Securities and Futures Institute	How Directors and Supervisors Should Oversee Corporate Risk Management and Crisis Handling	3		
		2024.05.10	2024.05.10	Digital Governance Association	Corporate governance trend and outlook	3		
		2024.05.31	2024.05.31	Securities and Futures Institute	Corporate Management and Risk Response Strategies	3		

Note: If the training complies with the request of training hours, training scope, training system, training arrangement and information disclosures of “Key Points for Promoting Advanced Studies by Directors, Supervisors of Listed Companies.”.

2.3.8.4. In order to instill correct concept about corporate governance in managerial staffers, the Company has been continuously arranging attendance of courses, held by external units, on corporate governance by managerial staffers, in order to attain the materialization of sound corporate governance. List of such courses attended by the Company's managerial staffers follows:

2024 Executive Offices' training records

As of 2024.12.31

Title	Name	Study period		Sponsoring Organization	Course	Training hours	2024Training total hours	Is training record fulfill the requirement (Note)
		From	To					
C.E.O.	Li-An Lu	2024.08.28	2024.08.28	Taiwan Institute of Directors	Exploring Sustainable Economic Activities, Biodiversity, and TNFD Insights	3	6	Yes
		2024.11.06	2024.11.06	Taiwan Institute of Directors	Board Compliance and Regulatory Response under Corporate Governance 3.0	3		
Senior Director F&A / Corporate Governance Officer	Chih-Hui Lin	2024.04.25	2024.04.25	Taiwan Institute of Directors	The global economic outlook (inflation, interest rate policies, and the green initiative trade war)	3	37	Yes
		2024.06.06	2024.06.06	TWSE	Advocacy Conference on Building a New Carbon Era with Sustainable Knowledge: GHG Protocol Corporate Standard and Scope 3 Standards Training	7		
		2024.07.18	2024.07.18	The Allied Association for Science Park Industries	Continuing training courses for accounting executives	12		
		2024.09.20	2024.09.20	Securities and Futures Institute	2024 Sessions on legal abidance by insiders of listed companies for trading in equity	3		
		2024.09.12	2024.09.13	Taiwan Corporate Governance Association	Climate Risk Identification Workshop and Net-Zero Carbon Emission Advocacy Conference-Tainan session	9		
		2024.10.24	2024.10.24	Taiwan Institute of Directors	The development trends of the generative AI industry.	3		
Director Audit Office	Ivan Hsu	2024.05.14	2024.05.14	The Institute of Internal Auditors-Chinese Taiwan	Prevention of Workplace Sexual Harassment and Unlawful Infringement (Bullying)	6	36	Yes
		2024.08.06	2024.08.06	The Institute of Internal Auditors-Chinese Taiwan	Analysis of Board of Directors and Functional Committees (Audit, Remuneration) Regulations and Key Audit Focuses	6		
		2024.09.02	2024.09.02	The Institute of Internal Auditors-Chinese Taiwan	Focus of Operational System Audits and Integration Across Cycles and Operations	6		
		2024.10.04	2024.10.04	The Institute of Internal Auditors-Chinese Taiwan	Advanced Excel Techniques for Finance and Auditing: 'Hidden' Features and Data Editing Hands-On Workshop	6		
		2024.10.17	2024.10.17	The Institute of Internal Auditors-Chinese Taiwan	Implementation of 'ESG' and 'Internal Audit and Internal Control Integration' in Enterprises: Applications and Examples	6		
		2024.12.03	2024.12.03	The Institute of Internal Auditors-Chinese Taiwan	Corporate Governance Perspectives on the Salary-Work Cycle and Labor Dispute Laws	6		

Note: if the training complies with the request of trainging hours, traing scope, training system,training arrangement and information disclosures of “Key Points for Promoting Advanced Studies by Directors, Supervisors of Listed Companies.”, “Regulations Governing the Review of Professional Development Institutions for Principal Accounting Officers of issuers, Securities Firms, and Securities Exchanges” and “Establishement of Board of Directors by TWSE Listed Companies and the Board’s Exercise of Powers”.

2.3.9 Implementation Status of Internal Control System

2.3.9.1 Internal Control Declaration (Chinese version)

Please check MOPS website for Internal Control Declaration in Chinese

2.3.9.2 If the Company has commissioned external auditors to review the Company's internal control system, the external auditor's report should be disclosed: Not applicable.

2.3.10 Major Resolutions of Shareholders' Meeting and Board Meetings

2..10.1 Major Resolutions and implementation status of 2024 Annual General Shareholders' Meeting

One general shareholders meeting was convened in the fiscal year 2024 and up to the publish date of the annual report. The resolutions were summarized as follows.

(I) shareholders' meeting: 2024/05/28.

a. Adoption of Business Report and Financial Statements for 2023.

Implementation status: Accepted the business reports and financial statements of year 2023: In accordance with the Company Law, all related financial information has been submitted to the government agency for review.

b. Adoption of Proposed earnings distribution plan for fiscal year 2023.

Implementation status: The Company was to distribute：Cash dividend：NT$0.3 per share. Originally, the Earning Distribution Record Date was set on 2024 07.12, and the Distribution Date was set on 2024.07.25. Due to the impact of Typhoon Cemi, the company announced on the Market Observation Post System (MOPS) on July 24, 2024, that the payout date changed to July 26, 2024. The announcement further stated that if the suspension of work was extended in some areas, the cash dividend distribution date would be postponed to the next business day. Therefore, the cash dividend distribution was completed on July 29, 2024, based on the actual working days in each location.

c. Approved the nomination of directors(including independent directors) for the Eleventh Session of Board of Directors at 2024 Annual General Shareholders' Meeting.

Implementation status: List of elected directors, based on a nomination system, was already posted on the corporate website and Market Observation Post System on May 28, 2024.

The Shareholders' Meeting elected 12 directors and 5 independent directors with the list as following:

Directors: Chih-Hsien Lo, Shiow-Ling Kao, Po-Ming Hu, Ya-Po Yang, Ming-Chuan Hsieh, Jia-Horng Guo, Chyun-Yu Yang, Tsung-Pin Wu, Ling-Ming Sun, Fu Jung Lai, Chiou-Ru Shih, Chin-Yuan Cheng

Independent Directors: Wen-Chang Chang, Jang-Yang Chang, Lewis Lee, Lai-Shou Su, Li-Tzong Chen

Report already filed with competent authority and change of registration made within 15days, according to legal requirement, approved by the Southern Taiwan Science Park Administration (approval letter No. 11300017473, June 7,2024)

d. Approved the proposal submitted at the 2024 annual general shareholders meeting to abolish the restrictions of non-compete clause for representative directors of the eleventh session of Board of Directors.

Implementation status: Put into force after resolution by the shareholders' meeting on 2024.05.28 and reported the competent authority for publication on the same day

(II) Major Resolutions during the Board of Directors Meetings in 2024 and to the Publish Date of the Annual Report

Nine board meetings were convened in fiscal year 2024 and up to the publish date of the annual report. The major resolutions are summarized below.

(1) The eighteenth meeting of the Tenth Term of Board of Directors (February 27,2024)

a. Greenhouse gas inventory and verification planning report (first quarter of 2024).
b. Performance evaluation report of the Board of Directors,
c. Approved the Company's remuneration distribution plans for directors and employees for fiscal 2023.
d. Approved the Company's performance bonus for vice president and above for fiscal 2023.
e. Approved business report and financial reports for fiscal 2023.
f. Approved earning distribution proposal for fiscal 2023.The cash dividend to be distributed is NT$0.3 per share.
g. Approved "Statement for Internal Control Systems" for fiscal 2023.
h. Approved hiring for managerial positions.
i. Passage of appointment of certified public account (including evaluation of the auditing quality of the accounting firm and the independence and competence of CPAs according to auditing quality indicators (AQIs).
j. Approved the renewal contracts signed with financial institutions for long- and short-term credit lines and the transaction amount for derivative financial products, and authorized the Company's chairman to sign the deal.
k. Approved to offer Letter of Comfort and guarantee for SciAnda (Changshu) Pharmaceuticals, Ltd. medium-term credit loan.
l. Approved amendments to the "Internal Control System"
m. Approved the 11th Election of Board of Directors (including independent directors).
n. Approved the announcement to acceptance of Independent Directors candidates nominated by shareholders with 1% or higher stake.
o. Approved the proposed releases of Director's (including Independent Directors) elected and their representatives from Non-Competition Restrictions in Shareholders' Meeting 2024.
p. Approved the date, location and agenda for holding of the 2024 annual general shareholders meeting and relevant operating procedures for acceptance of proposals submitted by shareholders who holds over 1% of outstanding shares.

(2) The nineteenth meeting of the Tenth Term of Board of Directors (April 9, 2024)

a. Approved the reviewing of the candidacy of directors (include independent Directors).

(3) The twentieth meeting of the Tenth Term of Board of Directors (May 6, 2024)

a. Greenhouse gas inventory and verification planning report (second quarter of 2024).
b. Approved the Company's consolidated financial statement for the first quarter of 2024.
c. Approved hiring for managerial positions..
d. Approved the hiring for consultants..

(4) The first meeting of the Eleventh Term of Board of Director May 28, 2024)

a. Approved the election of Chairman of the Company's Eleventh Term of Board of Directors.

(5) The Second meeting of the Eleventh Term of Board of Directors (June 14, 2024)

a. approved the Chairman to resume General Chief Strategy Officer
b. Approved the selection of members for the functional committees under the Board of Directors.
c. Approved the appointment of President of the Company.
d. Approved the Organizational Changes and Amendment to Organizational Regulations.
e. Approved hiring for managerial positions.
f. Approval of Appointment of Directors and Managers to affiliates.
g. Approved the abolishment of restrictions of non-compete clause for the Company’s managers.
h. Approved Overdue accounts receivable are not considered loans.
i. Approved the continuation of liability insurance policy for directors and key employees.
j. Approved the proposal of 2023 cash dividend ex-dividend date and dividend payment date according to income distribution plan.

(6) The Third meeting of the Eleventh Term of Board of Directors (August 5, 2024)

a. Greenhouse gas inventory and verification planning report (3rd quarter of 2024).
b. Approved the consolidated financial reports for the second quarter of 2024.
c. Approved the Company’s current remuneration standard and structure for directors.
d. Approved the salary and compensation for President of the company
e. Approved hiring for managerial positions.
f. Approved hiring for subsidiary’s managerial positions.
g. Approved the “ScinoPharm Sustainability Report for 2023”.

(7) The Forth meeting of the Eleventh Term of Board of Directors (November 4, 2024)

a. Sustainable development execution report (including information on communications with stakeholders and performance, corporate governance, ethical management, ESG responsibility and risk management).
b. Greenhouse gas inventory and verification planning report (fourth quarter of 2024).
c. Approved the Company’s consolidated financial statement for the third quarter of 2024.
d. Approved the case involving scrapping of inventories.
e. Approved the amendments of the company’s “Rules Governing Financial and Business Matters among Corporation, its affiliate Enterprises, Specific companies”.

(8) The Fifth meeting of the Eleventh Term of Board of Directors (December 19, 2024)

a. Review report on the qualification examinations results during the tenure of independent directors.
b. Approved Securities investment project.
c. Approved employees’ salary adjustment program for 2025 (including managers).
d. Approved the 2025 business plan of ScinoPharm Taiwan, Ltd.
e. Approved the Company’s audit planning of ScinoPharm Taiwan, Ltd. for 2025.
f. Approved hiring for managerial positions.
g. Approved amendment of “Work Regulation”.
h. Approved the establishment of the "Sustainable Information Management Operational Guidelines," and incorporate them into the internal control system and adding relevant implementation details for internal audits.

(9) The sixth meeting of the Eleventh Term of Board of Directors (February 26, 2025)

a. Greenhouse gas inventory and verification planning report (first quarter of 2025).
b. Approved the Company's remuneration distribution plans for directors and employees for fiscal 2024.
c. Approved the Company's performance bonus for vice president and above for fiscal 2024.
d. Approved business report and financial reports for fiscal 2024.
e. Approved earning distribution proposal for fiscal 2024.The cash dividend to be distributed is NT$0.35 per share.
f. Approved "Statement for Internal Control Systems" for fiscal 2024.
g. Approved the Organizational Changes and Amendment to Organizational Regulations.
h. Approved hiring for managerial positions.
i. Passage of appointment of certified public account (including evaluation of the auditing quality of the accounting firm and the independence and competence of CPAs according to auditing quality indicators (AQIs).
j. Approved the renewal contracts signed with financial institutions for long- and short-term credit lines and the transaction amount for derivative financial products, and authorized the Company's chairman to sign the deal.
k. Approved to offer Letter of Comfort and guarantee for SciAnda (Changshu) Pharmaceuticals, Ltd. medium-term credit loan.
l. Approved the proposed releases of Director's (including Independent Directors) elected and their representatives from Non-Competition Restrictions in Shareholders' Meeting 2025.
m. Approved the date, location and agenda for holding of the 2025 annual general shareholders meeting and relevant operating procedures for acceptance of proposals submitted by shareholders who holds over 1% of outstanding shares.

2.3.11 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None

2.4 Information Regarding the Company's Audit Fee and Independence

2.4.1 Audit Fee

Audit Fee Range Statement

Units: NT$ thousands

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remarks
PricewaterhouseCoopers Taiwan	Fang-Ting Yeh	Tzu-Shu Lin	January 1st,2024 ~ December 31st,2024	4,130	1,340	5,470	Non-audit fees primarily consist of fees for tax services. assurance services for sustainability report metrics, and the like.

2.4.2 If there is any change in the appointed independent auditors and the Company's annual auditing expenses decreased simultaneously, information regarding the amount, percentage and reasons for the decrease in auditing expenses shall be disclosed: The Company did not replace the appointed independent auditors.

2.4.3 Auditing expenses decreased by 10% in comparison to the previous year, information regarding the amount, percentage and reason for the decrease in auditing expenses shall be disclosed: Not Applicable.

2.5 Replacement of CPA

The Company did not replace the appointed independent auditors in 2024. In line with the adjustment of the administrative organization of the contracted accounting firm PwC Taiwan, the company changed CPAs to Fang-Ting Yeh and Hui-Yu Hsu from Fang-Ting Yeh and Tzu-Shu Lin Since beginning of 2025.

2.6 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.

2.7 Net Change in shareholdings and in shares pledged by directors, management, and shareholders holding more than a 10% share in the Company.

2.7.1 Changes in Shareholding of Directors, Managers and Major Shareholders

Title	Name	2024		As of March 31,2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
		Net increase (decrease) in shares held	Net increase (decrease) in shares held	Net increase (decrease) in shares held	Net increase (decrease) in shares held
Director (Institutional Shareholder)	Uni-President Enterprises Corp	0	0	0	0
Chairman and General Chief Strategy Officer (representative)	Chih-Hsien Lo	0	0	0	0
Director (representative)	Tsung-Ming Su (Note 1)	0	0	0	0
Director (representative)	Chyun-Yu Yang (Note 2)	0	0	0	0
Director (representative)	Chin-Yuan Cheng	0	0	0	0
Director (representative)	Tsung-Pin Wu	0	0	0	0
Director (representative)	Jia Horng Guo	0	0	0	0
Director (representative)	Fu-Jung Lai	0	0	0	0
Big Shareholder	Uni-President Enterprises Corp	0	0	0	0
Director (Institutional Shareholder)	National Development Fund, Executive Yuan	0	0	0	0
Director (representative)	Ming-Chuan Hsieh	0	0	0	0
Director (representative)	Ya-Po Yang	0	0	0	0
Big Shareholder	National Development Fund, Executive Yuan	0	0	0	0
Director (Institutional Shareholder)	Tainan Spinning Co., Ltd.	0	0	0	0

Title	Name	2024		As of March 31,2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
		Net increase (decrease) in shares held	Net increase (decrease) in shares held	Net increase (decrease) in shares held	Net increase (decrease) in shares held
Director (representative)	Po-Ming Hou	0	0	0	0
Director (Institutional Shareholder)	Kao Chyuan Investment Co., Ltd.	0	0	0	0
Director (representative)	Shiow-Ling Kao	0	0	0	0
Director (Institutional Shareholder)	President International Development Corp.	0	0	0	0
Director (representative)	Chiou-Ru Shih	0	0	0	0
Director (Institutional Shareholder)	Taiwan Sugar Corporation	0	0	0	0
Director (representative)	Ling-Ming Su	0	0	0	0
Independent Director	Lewis Lee	0	0	0	0
Independent Director	Wen-Chang Chang	0	0	0	0
Independent Director	Li-Tzong Chen	0	0	0	0
Independent Director	Jang-Yang Chang	0	0	0	0
Independent Director	Chyun-Yu Yang (Note 3)	0	0	0	0
Independent Director	Lai-Shou Su (Note 4)	0	0	0	0
President & CEO	Li-An Lu	0	0	0	0
Vice President	Katy Cheng	0	0	0	0
Vice President	Li-Chiao Chang	0	0	0	0
Vice President	Ling-Hsiao Lien	0	0	0	0
Vice President	Ching-Wen Lin (Note 5)	0	0	0	0
Director	CC Lin	0	0	0	0
Director	Yu-Fen Hung	0	0	0	0
Director and F&A Officer	Chih-Hui Lin	0	0	0	0
Director	Yu-Wei Shen	0	0	0	0
Director	Shih-Hao Yang	0	0	0	0
Director	Bin Liu	0	0	0	0
Director	Chia-Chen Chen	0	0	0	0
Director	Ivan Hsu	0	0	0	0
Director	John Tsai	0	0	0	0
Director	Syray Wen	0	0	0	0
Director	Yusuke Kakizawa (Note 6)	0	0	0	0
Director	Johnson Kuo	0	0	0	0
Director	Hui-Chun Chen	0	0	0	0
Director	JingYi Wang	(43,000)	0	0	0

Title	Name	2024		As of March 31,2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
		Net increase (decrease) in shares held	Net increase (decrease) in shares held	Net increase (decrease) in shares held	Net increase (decrease) in shares held
Director	Patrick Chang	0	0	0	0
Director	Joyce Wang	0	0	0	0
Director	Shihming Chou (Note 7)	0	0	0	0
Director	Chang-Hui Su (Note 8)	0	0	0	0

Note 1: The Director was discharged on 2024.05.28
Note 2: The Director was newly appointed on 2024.05.28
Note 3: The independent directors was discharged on 2024.05.28
Note 4: The independent directors was elected on 2024.05.28
Note 5: The Vice President was discharged on 2024.06.15
Note 6: The Director was discharged on 2024.06.01
Note 7: The Director was promoted on 2024.05.06
Note 8: The Director was promoted on 2024.08.05

2.7.2 Shares Trading with Related Parties: None

2.7.3 Shares Pledge with Related Parties: None

2.8 Information Disclosing the Relationship between any of the Company's Top Ten Shareholders

As of 2024.12.31；Unit：Share；%

Name (Note 1)	Current Shareholding (Note 4)		Spouse & Minor		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Uni-President Enterprises Corp.	299,968,639	37.94%	—	—	—	—	President International Development Corp.	1.Referring to the parent company of President International Development Corp.(PIDC) 2. Company's Chairman is also Chairman of PIDC. 3. Director also referring to as Director of PIDC. 4. Senior Vice President also referring to as Director of PIDC. 5. Vice President also referring to as Supervisor of PIDC. 6. Chairman is the spouse of Director of PIDC.	—
							Tainan Spinning Co., Ltd.	1. Company's director is also Chairman of Tainan Spinning Co., Ltd. 2. Company's director is also Director of Tainan Spinning Co., Ltd. 3. Company's Director is also brother of Director of Tainan Spinning Co., Ltd.	—
							Prince Housing & Development Corp.	1. Company's chairman is also Chairman of Prince Housing & Development. 2. Company's Director is also Director of Prince Housing & Development. 3. Company's Senior Vice President is also Director of Prince Housing & Development. 4. Chairman is the spouse of Director of Prince Housing & Development.	—
							Tong Yu Investment Corp.	Referring to the final parent company of Tong Yu Investment Corp.	—
							Kao Chyuan Investment Co., Ltd.	1. Company's Chairman and part of Directors are also the representatives of Kao Chyuan Investment Co., Ltd. 2. Company's Chairman is the spouse of Chairman of Kao Chyuan Investment Co., Ltd. 3. Company's Chairman is also Director of Kao Chyuan Investment Co., Ltd.	—

Name (Note 1)	Current Shareholding (Note 4)		Spouse & Minor		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Uni-President Enterprises Corp.	299,968,639	37.94%	–	–	–	–	Kai Yu Investment Co.	1. Referring to the parent company of Kai Yu Investment Co. 2. Senior Vice President also referring to as Chairman of Kai Yu Investment Co.	–
							Kai Nan Investment Co.	1. Referring to the parent company of Kai Nan Investment Co. 2. Senior Vice President also referring to as Chairman of Kai Nan Investment Co.	–
Uni-President Enterprises Corp Representative：Chih-Hsien Lo	-	-	-	-	-	-	1. President International Development Corp. 2. Prince Housing & Development Corp. 3.Kao Chyuan Investment Co., Ltd	1. Chairman of President International Development Corp. 2. Chairman of Prince Housing & Development 3. Director of and spouse of chairman of Kao Chyuan Investment Co., Ltd.	–
Uni-President Enterprises Corp Representative：Tsung-Pin Wu	–	–	–	–	–	–	1. President International Development Corp. 2. Prince Housing & Development 3. Kai Nan Investment Co.	1. Directorof President International Development Corp. 2. Director of Prince Housing & Development 3. Chairman of Kai Nan Investment Co.	–
Uni-President Enterprises Corp Representative：Jia Horng Guo	–	–	–	–	–	–	–	–	
Uni-President Enterprises Corp Representative：Chyun-Yu Yang	–	–	–	–	–	–	–	–	–

Name (Note 1)	Current Shareholding (Note 4)		Spouse & Minor		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Uni-President Enterprises Corp Representative： Chin-Yuan Cheng	–	–	–	–	–	–	–	–	–
Uni-President Enterprises Corp Representative： Fu-Jung Lai	–	–	–	–	–	–	–	–	–
National Development Fund, Executive Yuan Institutional Shareholder	109,539,014	13.85%	–	–	–	–	–	–	–
National Development Fund, Executive Yuan Institutional Shareholder Representative： Ming-Chuan Hsieh	–	–	–	–	–	–	–	–	–
National Development Fund, Executive Yuan Institutional Shareholder Representative： Ya-Po Yang	–	–	–	–	–	–	–	–	–
Taiwan Sugar Corporation	32,581,963	4.12%	–	–	–	–	–	–	–

<table>
<tr><th rowspan="2">Name
(Note 1)</th><th colspan="2">Current Shareholding (Note 4)</th><th colspan="2">Spouse & Minor</th><th colspan="2">Shareholding by Nominee Arrangement</th><th colspan="2">Name and Relationship Between the Company’s Top Ten Shareholders, or Spouses or Relatives Within Two Degrees Note 3)</th><th rowspan="2">Remark</th></tr>
<tr><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Name</th><th>Relationship</th></tr>
<tr><td>Taiwan Sugar Corporation Shareholder Representative：Ling-Ming Sun</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td rowspan="5">President International Development Corp.</td><td rowspan="5">28,673,421</td><td rowspan="5">3.63%</td><td rowspan="5">—</td><td rowspan="5">—</td><td rowspan="5">—</td><td rowspan="5">—</td><td>Uni-President Enterprises Corp.</td><td>1. An enterprise invested by Uni-President Enterprises on the basis of equity-method evaluation
2. Chairman is the Chairman and General Chief Strategy Officer of Uni-President Enterprises Corp.
3. Company Director is Director of Uni-President Enterprises Corp.
4. Company Director is Vice President of Uni-President Enterprises Corp.
5. Company Supervisor is Vice President of Uni-President Enterprises Corp.
6. Company’s Chairman、Director</td><td>—</td></tr>
<tr><td>Tainan Spinning Co., Ltd.</td><td>1. Director is also referring to as Chairman of Tainan Spinning Co., Ltd.
2. Director of President International Development Corp.</td><td>—</td></tr>
<tr><td>Kao Chyuan Inv. Co., Ltd.</td><td>1. Chairman is the spouse of Chairman of Kao Chyuan Inv. Co., Ltd.
2. Director also referring to as Chairman of Kao Chyuan Inv. Co., Ltd.
3 Director of President International Development Corp.</td><td>—</td></tr>
<tr><td>Prince Housing &Development Corp.</td><td>1. Company’s Chairman is also chairman of Prince Housing &Development Corp.
2. Director is also Director of Prince Housing & Development Corp.
3. Supervisor is also Director of Prince Housing & Development Corp.
4. Director of President International Development Corp.</td><td>—</td></tr>
<tr><td>Kai Yu Investment Co.</td><td>1. Director is Chairman of Kai Yu Investment Co.
2. Supervisor of President International Development Corp.</td><td>—</td></tr>
</table>

<table>
<tr><th rowspan="2">Name
(Note 1)</th><th colspan="2">Current Shareholding (Note 4)</th><th colspan="2">Spouse & Minor</th><th colspan="2">Shareholding by Nominee Arrangement</th><th colspan="2">Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees Note 3)</th><th rowspan="2">Remark</th></tr>
<tr><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Name</th><th>Relationship</th></tr>
<tr><td rowspan="2">President International Development Corp</td><td rowspan="2">28,673,421</td><td rowspan="2">3.63%</td><td rowspan="2">—</td><td rowspan="2">—</td><td rowspan="2">—</td><td rowspan="2">—</td><td>Kai Nan Investment Co.</td><td>1. Director is also referring to as Chairman of Kai Nan Investment Co.</td><td>—</td></tr>
<tr><td>Tong Yu Investment Corp.</td><td>1. An enterprise invested by Tong Yu Investment Corp. on the basis of equity-method evaluation
2. President is also Chairman of Tong Yu Investment Corp.
3. President International Development Corp is Chairman of Tong Yu Investment Corp.</td><td>—</td></tr>
<tr><td>President International Development Corp. Representative：Chiou-Ru Shih</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td rowspan="3">Tainan Spinning Co., Ltd.</td><td rowspan="3">23,605,921</td><td rowspan="3">2.99%</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td rowspan="3">—</td><td>Uni-President Enterprises Corp.</td><td>1. Chairman is also referring to as Director of Uni-President Enterprises Corp.
2. Chairman is a brother of Director of Uni-President Enterprises Corp.</td><td>—</td></tr>
<tr><td>President International Development Corp.</td><td>1. Company is Director of President International Development Corp.</td><td>—</td></tr>
<tr><td>Prince Housing &Development Corp.</td><td>1. Chairman is also referring to as Director of Prince Housing &Development Corp.
2. Chairman is brother of Director of Prince Housing &Development Corp.</td><td>—</td></tr>
<tr><td>Tainan Spinning Co., Ltd. Representative：Po-Ming Ho</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>—</td><td>1. Uni-President Enterprises Corp.
2. President International Development Corp.
3. Prince Housing & Development Corp.</td><td>1. As Representative of institutional Director of Uni-President Enterprises Corp.
2. As Representative of institutional Director of President International Development Corp.
3. As Representative of institutional Director of Prince Housing & Development Corp.</td><td>—</td></tr>
</table>

Name (Note 1)	Current Shareholding (Note 4)		Spouse & Minor		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Prince Housing & Development Corp	23,605,921	2.99%	—	—	—	—	Uni-President Enterprises Corp.	1. Uni-President Enterprises Corp. is Company's Chairman and biggest Shareholder. 2. Chairman is also referring to as Chairman of Uni-President Enterprises Corp. 3. Partial Directors are also Directors of Uni-President Enterprises Corp.	—
							Kao Chyuan Inv. Co., Ltd.	1. Kao Chyuan Inv. Co., Ltd. is Company's Director 2. Chairman is the spouse of Chairman of Kao Chyuan Inv. Co., Ltd. 3. Director is Director of Kao Chyuan Inv. Co., Ltd.	—
Kao Chyuan Investment Co., Ltd.	14,832,733	1.88%	—	—	—	—	Uni-President Enterprises Corp.	1. Chairman is also referring to as the Director and of Uni-President Enterprises Corp. 2. Director is Chairman of Uni-President Enterprises Corp. 3. Chairman is the spouse of Chairman of Uni-President Enterprises Corp. 4. Chairman and Director of Uni-President Enterprises Corp.	—
							President International Development Corp.	1. Chairman is also referring to as the Director of President International Development Corp. 2. Director is also referring to as the Chairman of President International Development Corp. 3. Chairman is the spouse of Chairman of President International Development Corp. 4. Referring to President International Development Corp.'s Director	—
							Prince Housing &Development Corp.	1. Chairman is also referring to as the Director of Prince Housing &Development Corp. 2. Director is the Chairman of Prince Housing &Development Corp. 3. Chairman is the spouse of Chairman of Prince Housing & Development Corp. 4. Referring to Prince Housing &Development Corp.'s Director	—

Name (Note 1)	Current Shareholding (Note 4)		Spouse & Minor		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Kao Chyuan Inv. Co., Ltd. Representative：Shiow-Ling Kao	—	—	—	—	—	—	1. Uni-President Enterprises Corp. 2. President International Development Corp 3. Prince Housing & Development Corp.	1. Director of and spouse of Chairman of Uni-President Enterprises Corp. 2. Director of and spouse of Chairman of President International Development Corp. 3. Director of and spouse of Chairman of Prince Housing & Development Corp.	—
Kai Yu Investment Co.	14,763,165	1.87%	—	—	—	—	Uni-President Enterprises Corp.	1. Referring to the Subsidiary of Uni-President Enterprises Corp. 2. Uni-President Enterprises Corp.'s representative is Chairman 3. Chairman is also referring to as the Senior Vice President of Uni-President Enterprises Corp.	—
							President International Development Corp.	1. Same Parent Company with President International Development Corp. 2. Chairman is also referring to as the Director of President International Development Corp.	—
							Tong Yu Investment Corp.	Same Parent Company with Tong Yu Investment Corp.	—
							Kai Nan Investment Co.	Same Parent Company with Kai Nan Investment Co.	—

Name (Note 1)	Current Shareholding (Note 4)		Spouse & Minor		Shareholding by Nominee Arrangement		Name and Relationship Between the Company’s Top Ten Shareholders, or Spouses or Relatives Within Two Degrees Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Kai Nan Investment Co.	13,950,061	1.76%	—	—	—	—	Uni-President Enterprises Corp.	1. Referring to the Subsidiary of Uni-President Enterprises Corp. 2. Uni-President Enterprises Corp.’s representative is the Chairman 3. Chairman is also referring to as the Senior Vice President of Uni-President Enterprises Corp.	—
							President International Development Corp.	1. Same Parent Company with President International Development Corp. 2. Chairman is also referring to as the Director of President International Development Corp.	—
							Prince Housing & Development Corp.	Chairman is also referring to as the Director of Prince Housing & Development Corp.	—
							Tong Yu Investment Corp.	Same final Parent Company with Tong Yu Investment Corp.	—
							Kai Yu Investment Co.	Same Parent Company with Kai Yu Investment Co	—
Tong Yu Investment Corp.	10,587,166	1.34%	—	—	—	—	Uni-President Enterprises Corp.	A company invested by Uni-President Enterprises on the basis of equity-method evaluation: President International Development Corp.’s subsidiary	—
							President International Development Corp.	1. An enterprise invested by President International Development Corp. on the basis of equity-method evaluation 2. Chairman is also referring to as the Director and President of President International Development Corp. 3. Company’s Chairman and Director	—

Note: Holding Shares and Holding Percentage as of 2025.03.31.

2.9 Ownership of Shares in Affiliated Enterprises

2024.12.31；Unit: shares: %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
SPT International, Ltd.	118,524,644	100%	-	-	118,524,644	100%
ScinoPharm Singapore Pte Ltd.	2	100%	-	-	2	100%

Note: Company’s Long Term Investment on the basis of equity-method evaluation

IV. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

3.1.1.1 Issued Shares

2025.03.31

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands	Sources of Capital (NT$ thousands)	Capital Increased by Assets Other than Cash	Other
11/1997	10	270,000,000	2,700,000	67,500,000	675,000	Registered capital	Technical shares account for 15% of total capital 101,250	Note1
12/1998	10	270,000,000	2,700,000	189,000,000	1,890,000	Cash Capital Increase 1,032,750	Technical shares account for 15% of total capital 182,250	Note 2
10/1999	10	270,000,000	2,700,000	270,000,000	2,700,000	Cash Capital Increase 688,500	Technical shares account for 15% of total capital 121,500	Note 3
02/2002	10	370,000,000	3,700,000	370,000,000	3,700,000	Cash Capital Increase 1,000,000	-	Note 4
07/2003	10	530,000,000	5,300,000	420,000,000	4,200,000	Cash Capital Increase 500,000	-	Note 5
04/2004	10	530,000,000	5,300,000	470,000,000	4,700,000	Cash Capital Increase 500,000	-	Note 6
10/2004	10	530,000,000	5,300,000	486,000,000	4,860,000	Cash Capital Increase 160,000	-	Note 7
12/2005	10	610,000,000	6,100,000	551,000,000	5,510,000	Cash Capital Increase 650,000	-	Note 8
06/2008	10	610,000,000	6,100,000	551,373,392	5,513,734	Merge Capital Increase 3,734	New shares were issued to merge with subsidiary ScinoPharm Biotech Ltd.	Note 9
08/2010	20	610,000,000	6,100,000	610,000,000	6,100,000	Cash Capital Increase 586,266	-	Note 10
12/2010	10	1,000,000,000	10,000,000	610,000,000	6,100,000	To increase authorized capital	-	Note 11
10/2011	46	1,000,000,000	10,000,000	631,000,000	6,310,000	Cash Capital Increase 210,000	-	Note 12
08/2012	10	1,000,000,000	10,000,000	649,930,000	6,499,300	capital increase on retained earnings 189,300	-	Note 13
08/2013	10	1,000,000,000	10,000,000	675,927,200	6,759,272	capital increase on retained earnings 259,972	-	Note 14
08/2014	10	1,000,000,000	10,000,000	702,964,288	7,029,643	capital increase on retained earnings 270,371	-	Note 15
08/2015	10	1,000,000,000	10,000,000	731,082,860	7,310,829	capital increase on retained earnings 281,186	-	Note 16
08/2016	10	1,000,000,000	10,000,000	760,326,175	7,603,262	capital increase on retained earnings 292,433	-	Note 17
08/2017	10	1,000,000,000	10,000,000	790,739,222	7,907,392	capital increase on retained earnings 304,130		Note 18

Note 1: Approved No.: (86) Yuan Shang No. 23483
Note 2: Approved No.: (88) Yuan Shang No. 003454
Note 3: Approved No.: (88) Yuan Shang No. 027020
Note 4: Approved No.: Nan Erh No. 0910005896
Note 5: Approved No.: Nan Shang No.0920014152
Note 6: Approved No.: Nan Shang No.0930009753
Note 7: Approved No.: Nan Shang No.0930031092
Note 8: Approved No.: Nan Shang No.0950001220

Note 9: Approved No.: Nan Shang No.0970014601
Note 10: Approved No.: Nan Shang No.0990018156
Note 11: Approved No.: Nan Shang No.09900129213
Note 12: Approved No.: Nan Shang No.1000025207
Note 13: Approved No.: Nan Shang No.1010021098
Note 14: Approved No.: Nan Shang No.1020021135
Note 15: Approved No.: Nan Shang No.1030021574
Note 16: Approved No.: Nan Shang No.1040021085
Note 17: Approved No.: Nan Shang No.1050021651
Note 18: Approved No.: Nan Shang No.1060021942

3.1.1.2 Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares (Note)	Un-issued Shares (Share)	Total Shares	
Common Stock	790,739,222	209,260,778	1,000,000,000	Listed Company Stock

3.1.1.3 Information for Shelf Registration: None

3.1.2 List of Major Shareholders

As of 2025.03.31

Shares / Shareholder's Name	Shares	Percentage
Uni-President Enterprises Corp	299,968,639	37.94%
National Development Fund, Executive Yuan	109,539,014	13.85%
Taiwan Sugar Corporation	32,581,963	4.12%
President International Development Corp.	28,673,421	3.63%
Tainan Spinning Co., Ltd.	23,605,921	2.99%
Prince Housing & Development Corp.	23,605,921	2.99%
Kao Chyuan Inv. Co., Ltd.	14,832,733	1.88%
Kai Yu Investment Co.	14,763,165	1.87%
Kai Nan Investment Co.	13,950,061	1.76%
Tong Yu Investment Corp.	10,587,166	1.34%

Note: The Name、Holding Shares and Holding Percentage of the Top Ten Shareholders.

3.1.3 Dividend Policy and Implementation Status

3.1.3.1 Dividend Policy:

Since the business environment has been changing enormously, ScinoPharm is experiencing the steadily growth, the annual earnings distribution and should be considered in terms of future capital budget, long-term investment, and business funding needs, etc. in order to determine the amount to be retained and amount of distributed cash dividend.

If there are earnings for distribution at the end of each fiscal year, after offsetting any loss of prior year(s) and paying all taxes and dues, 10% of the remaining net earnings shall be set aside as legal reserve, but not limited if the legal reserve reach the company's actual capital received. And then would be appropriated as special reserve in accordance with Securities Exchange Law. The remaining net earnings can be distributed together with prion accumulated unappropriated retained earnings. The Board of Directors will consider the factors that were mentioned above to make the dividend distribution proposal. The dividend should be set in the range from 50% to 100% of the accumulated unappropriated retained earnings and the amount of cash dividend shall exceed 30% of the total amount of dividends distribution. The dividends could be distributed in accordance with the resolution that is approved by the Board of Directors and the Annual Shareholders' Meeting.

3.1.3.2. Proposed Distribution of Dividend

The proposal for distribution of 2024 profits is not approved by Annual Shareholders; Meeting: The proposal was approved at the Meeting of the Board of the Board of Directors (February 26th 2025). This proposal, a cash dividend of NTD 0.35 per share, will be discussed at annual shareholders' meeting and the ex-dividend date will be set after.

3.1.4 Influence of proposal of stock grant in shareholders' meeting on the company's business performance and earnings per share:

There is no need to make the disclosure, as the company doesn't compile 2025 financial forecast.

3.1.5 Employee Bonus and Directors' Remuneration

3.1.5.1. The limit or percentage of Director's Remuneration and Employee Bonus are regulated by Articles of Incorporation:

Should the Company earn surpluses with the current term, at least two percent of surpluses should be set aside for employee compensation, and no more than two percent of surpluses should be set aside for director compensation. However, if the Company has accumulated losses, surpluses should be held in reserve to make up said loss.

The surpluses within the current term of the previous paragraph refer to pre-tax profits prior to deduction of employees' and director compensation.

3.1.5.2. Appropriation of current compensations for employees and directors is based on: amount of shares for stock payout for employees and accounting treatment for discrepancy between actual payout value and appropriated amount, if any.

Appropriation of compensations for employees and directors is based on certain percentage of the balance of current-year profits (or pretax profits before deduction of compensations for employees and directors) after deduction of accumulated loss, plus recognition of current-year operating expense. The discrepancy between actual payout amount set by the board of directors and appropriated amount, if any, is listed as current-year profit or loss associated with the board of directors' resolution.

3.1.5.3. Profit Distribution of Year 2024 Approved by Board of Directors Meeting for Employee Bonus and Directors' Remuneration

A. Payout of employee remuneration and director remuneration in cash or stock. If there is a difference between the amount recognized as expenses for the year and the estimated amount, the difference, reasons, and treatment should be disclosed."

(1) The employees' compensation for 2024 was NT$41,293,370; directors' compensation was NT$5,429,598, all compensation was distributed in cash form.

(2) The aforementioned amounts differed from budgeted amounts by 0 for both employees' and directors' remuneration.

3.1.5.4. The Actual Distributable compensation for employees and directors for previous year (including distributable shares, distributable amount and share price):

The Actual Distributable compensation for employees and directors on 2023 is as following:

(1) The Distributable compensation for employees and directors on 2023 was calculated according to Article 40 of the Articles of Incorporation: "Should the Company earn surpluses within the current term, at least two percent of surpluses should be set aside for employee compensation, and no more than two percent of surpluses should be set aside for director.

(2) According to the Articles of Incorporation, the employee compensation for 2023 was NTD 34,878,864, director compensation was NTD 4,592,892, all compensation was distributed in cash form. The aforementioned amounts differed from budgeted amounts by 0 for both employees' and directors' remuneration.

3.1.6 Buyback of Treasury Stock: None

3.2 Bonds: None

3.3 Status of Corporate Bonds, Preferred Stock, GDR, Employee Stock Option Plan, Employee Restricted Stock Plans, Mergers, Acquisitions, and Spin-Offs

1. Issuance of special shares: nil
2. Issuance of global depository receipts: nil
3. Issuance of stock-option warrants for employees: for details, refer to the following table and supplementary table in the next page
4. issuance of restricted stock awards: nil
5. Issuance of new shares for acquisition and merger or acquisition of shares of other companies: nil

3.3.1The amount of employee stock options outstanding should be disclosed till the print of the annual report with its impact on shareholders' equity.

As of 2025.03.31

Type of Stock Option	First issuance of Employee Stock Options on 2015	First issuance of Employee Stock Options on 2016	First issuance of Employee Stock Options on 2017
Approval date	2015.10.13	2016.10.12	2017.10.12
Issue date	2015.11.06	2016.10.14	Issuance canceled (Note 3)
Units issued	1,500,000 Units	1,500,000 Units	N/A
Shares of stock options to be issued as a percentage of outstanding shares	0.18970%	0.18970%	N/A
Duration	10years	10years	N/A
Conversion measures	issue new shares	issue new shares	N/A
Conditional conversion periods and percentages	The ratios of stock options which could be exercised will reach 50%, 75% and 100%, respectively, after two, three and four years of issuance.	The ratios of stock options which could be exercised will reach 50%, 75% and 100%, respectively, after two, three and four years of issuance.	N/A
Converted shares	0share	0share	N/A
Exercised amount	0	0	N/A
Number of shares yet to be converted	515,000 shares	613,000 shares	N/A
Adjusted exercise price for those who have yet to exercise their rights	NT$35.8/share	NT$36.3/share	N/A
Unexercised shares as a percentage of total issued shares	0.06513%	0.07752%	N/A
Impact on possible dilution of shareholdings	The stock options being issued can be exercised in three portions after two years, and the impact on shareholders' equity can be diluted gradually.	The stock options being issued can be exercised in three portions after8two years, and the impact on shareholders' equity can be diluted gradually.	N/A

Note 1: Each unit of stock options is entitled to buy one common share.
Note 2: As calculated based on a total of 790,739,222 shares outstanding currently.
Note 3: Plan for the first issuance of stock-option warrants for employees, totaling 1,500,000 shares, in 2017 was canceled, a decision publicized on Oct. 1, 2018, due to the consideration of market price.

3.3.2 List of Executives Receiving Employee Stock Options and the Top Ten Employees with Stock Options

2025.03.31；Unit：share/NT$

<table>
<tr><th rowspan="2"></th><th rowspan="2">Title</th><th rowspan="2">Name</th><th rowspan="2">No. of Stock Options A</th><th rowspan="2">Stock Options as a Percentage of Shares Issued (Note 1)</th><th colspan="4">Exercised</th><th colspan="4">Unexercised</th></tr>
<tr><th>No. of Shares Converted</th><th>Strike Price (NT$</th><th>Amount (NT$ thousands)</th><th>Converted Shares as a Percentage of Shares Issued ((Note 1))</th><th>No. of Shares Converted A1</th><th>Strike Price (NT$) B</th><th>Amount (NT$ thousands) C=A1*B</th><th>Converted Shares as a Percentage of Shares Issued (Note 1)</th></tr>
<tr><td rowspan="15">Executives Officers</td><td>Vice-President</td><td>Ching-Wen Lin</td><td rowspan="15">721,000</td><td rowspan="15">0.09118%</td><td rowspan="15">0</td><td rowspan="15">—</td><td rowspan="15">0</td><td rowspan="15">0</td><td rowspan="15">721,000</td><td rowspan="15">35.8 / 36.3</td><td rowspan="15">25,993,300</td><td rowspan="15">0.09118%</td></tr>
<tr><td>Vice President</td><td>Li-Chiao Chang</td></tr>
<tr><td>Vice President</td><td>Ling-Hsiao Lien</td></tr>
<tr><td>Senior Director</td><td>Yu-Fen Hung</td></tr>
<tr><td>Senior Director Accounting/ Finance and Corporate Government Officer</td><td>Chih-Hui Lin</td></tr>
<tr><td>Director</td><td>Yu-Wei Shen</td></tr>
<tr><td>Director</td><td>Bin Liu</td></tr>
<tr><td>Director</td><td>Chia-Chen Chen</td></tr>
<tr><td>Director</td><td>John Tsai</td></tr>
<tr><td>Director</td><td>Syray Wen</td></tr>
<tr><td>Director</td><td>Hui-Chun Chen</td></tr>
<tr><td>Director</td><td>Jing Yi Wang</td></tr>
<tr><td>Director</td><td>Joyce Wang</td></tr>
<tr><td>Director</td><td>Yatin Lee</td></tr>
<tr style="display:none"></tr>
<tr><td rowspan="16">Employees</td><td>Senior Manager</td><td>Tsung-Yu Hsiao</td><td rowspan="16">346,000</td><td rowspan="16">0.04376%</td><td rowspan="16">0</td><td rowspan="16">—</td><td rowspan="16">0</td><td rowspan="16">0</td><td rowspan="16">346,000</td><td rowspan="16">35.8 / 36.3</td><td rowspan="16">12,486,800</td><td rowspan="16">0.04376%</td></tr>
<tr><td>Senior Manager</td><td>Tsung-Cheng Hu</td></tr>
<tr><td>Senior Manger</td><td>Louis Wang</td></tr>
<tr><td>Senior Manger</td><td>Kathy Wu</td></tr>
<tr><td>Manger</td><td>ChenYi Wang</td></tr>
<tr><td>Manager</td><td>Una Kang</td></tr>
<tr><td>Manager</td><td>Sylvia Chen</td></tr>
<tr><td>Manger</td><td>JenHuang Kuo</td></tr>
<tr><td>Manager</td><td>Eddy Chen</td></tr>
<tr><td>Manager</td><td>Hsiung Chuan</td></tr>
<tr><td>Manager</td><td>Ukai Chiu</td></tr>
<tr><td>Supervisor</td><td>Senlin Wang</td></tr>
<tr><td>Supervisor</td><td>Tien Jeng</td></tr>
<tr><td>Supervisor</td><td>Joshua Wu</td></tr>
<tr><td>employee</td><td>Ben Hsu</td></tr>
<tr><td>employee</td><td>DJ Yu</td></tr>
</table>

Note 1: Calculation on the basis of the company's current share issuance totaling 790,737,222 shares

Note 2: For unexercised employee stock option holders of the Company, the subscription price per share for employee stock options issued in 2015 is NT$35.8, and the subscription price per share for employee stock options issued in 2016 is NT$36.3.

3.4 Financing Plans and Implementation

Any incomplete share issuance or private placement or any completed share issuance or private placement over the past three years from which benefits have not yet been reported up to end of previous season before the printed date of the Annual Report: None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

4.1.1.1 The business items of the Company are as follows:

A C802041 Manufacture of pharmaceuticals;
B C801990 Manufacture of other chemical materials;
C IG01010 Biotechnological services;
D F601010 Intellectual property rights related services
E F401010 International trade.

1. Research, development, production, manufacture and distribution of the following products: (1) generic APIs, (2) protein drugs, (3) oligonucleotide, (4) peptide, (5) injection formulation, (6) small-molecule new drugs.
2. Consulting, advisory and technical services relating to the above products.
3. International trade in connection with the above products.
4. Sale of reprocessed chemical materials recycled from the company's manufacturing process >>

4.1.1.2 2024 Revenue distribution

Unit：thousand NTD；%

Major Products	Year 2024	
	Total Sales	of Total Sales(%)
Manufacturing and sales of API	3,021,547	89%
Technical Services Income	259,853	8%
Injection formulation sales	80,070	2%
Other Income	44,814	1%
Total Sales	3,406,284	100%

4.1.1.3 Categories of services available currently

ScinoPharm Taiwan Ltd. was set up to provide active pharmaceutical ingredient (API) manufacturing services to the global generic drug makers initially. Powered by its maturing analytic capability, organic synthesizing techniques, and its engagement in special synthetic technology for different therapeutic areas, ScinoPharm is currently able to provide small molecular drugs, complex natural molecules and its derivatives, synthesis services for major biochemistry molecules such as peptides and nucleic acids, as well as customized manufacturing process development from process research to commercial production and to subcontract manufacturing. The company also include the offerings of injection drugs and related services in order to expand its business lines. The main results are summarized as follows:

A. In-house APIs (active pharmaceutical ingredients) business:

1. Cancer-related application APIs totaling 41 items.
2. Central nervous system-related application APIs totaling 12 items.
3. Cardiovascular-related application APIs totaling 6 items.
4. Infection-related application APIs totaling 6 items.
5. Ophthalmology-related application APIs totaling 3 items.
6. Genitourinary-related application APIs totaling 2 items.
7. Gynecology-related application APIs totaling 2 items
8. Metabolism symptoms related application APIs totaling 2 items.
9. APIs for respiratory system related totaling 2 items.
10. APIs for immune system related totaling 1item.

B. Contract Development and Manufacturing business:

- API Contract Development and Manufacturing

1. Commercialized production of APIs totaling 14 items (12 of them are new drugs).
2. APIs under phase III clinical trials totaling 4 items.
3. There are 7 new customized R&D and contract production programs.

- Injection Contract Manufacturing

4. The first outsourced injection product started shipping in the third quarter of 2023, with a focus on maintaining stable supply in 2024 and expanding collaboration to provide customers with more comprehensive services. Several other outsourcing collaboration projects are in progress.

C. Own Injectable drug business:

1. In 2021, the injectable drug manufacturing facility passed the on-site inspection by the Taiwan Food and Drug Administration (TFDA) with its lyophilization production line. In 2022, its lyophilized products passed the pre-approval inspection by the U.S. Food and Drug Administration (US FDA) and achieved a landmark result of Zero Form 483 observations. In September 2023, the product received US FDA drug approval.
2. In 2022, the injectable drug manufacturing facility passed the US FDA pre-approval inspection for pre-filled syringes and vial liquid injectable products. In January 2025, the vial liquid injectable product received US FDA drug approval, and the drug approval application for the pre-filled syringe product has entered the final review stage.
3. In 2023, ANDA applications for two injection pen products were submitted to the US FDA. In 2024, the injectable drug manufacturing facility passed the US FDA pre-approval inspection for injection pen products.
4. Marketing collaboration agreements have been signed with partners for the pre-filled syringe and two injection pen products from our own injectable drug portfolio. The products can be launched to seize market opportunities upon obtaining drug approvals.

4.1.1.4 Roadmaps for new products:

New products on drawing board	Purpose
SPT1495	Cancer target drugs
SPT1496	Cancer target drugs
SPT1470	Cancer target drugs
SPT1499	Cancer target drugs
SPT1515	Gynecology-related drugs
SPT1516	Gynecology-related drugs
SPT1517	Metabolic drugs

4.1.2 Industry Overview

4.1.2.1 Current Situation and Future Development of the Industry

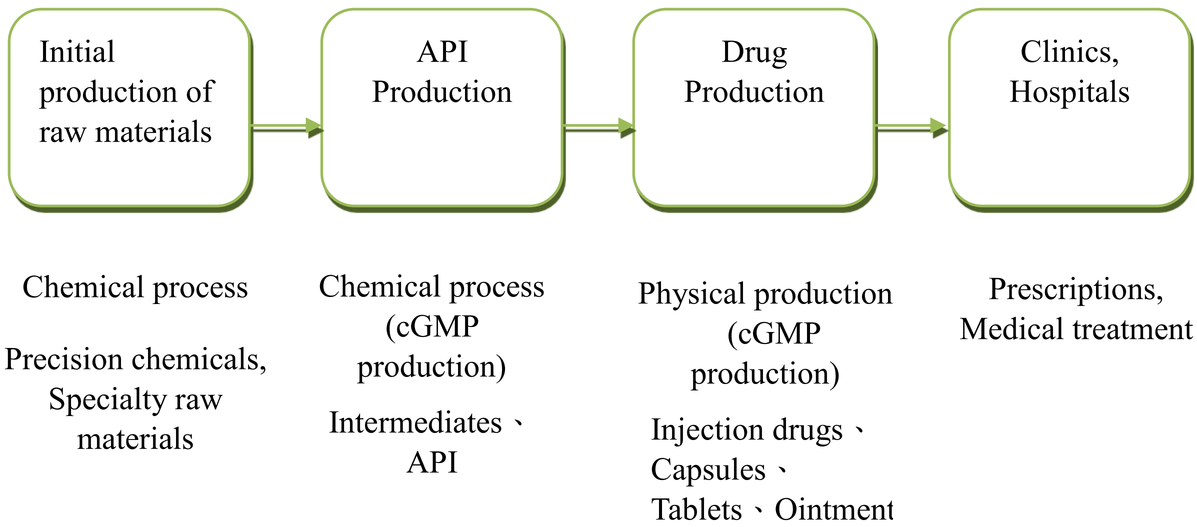
The global pharmaceutical market has experienced robust growth in recent years. Driven by the prevalence of chronic diseases such as diabetes, arthritis, and cardiovascular diseases, coupled with advancements in technology leading to widespread disease diagnosis, prevention, and treatment, the overall demand for pharmaceuticals has grown strongly. Multiple research institutions, including Evaluate Pharma and Grand View Research, predict that global spending on pharmaceuticals will exceed $2 trillion by 2030, with over $1.7 trillion allocated to prescription drugs. Cancer medications, with expenditures exceeding $300 billion, will maintain cancer's position as the most valuable disease area. Furthermore, glucagon-like peptide-1 receptor agonists (GLP-1 RAs), which have risen to prominence in recent years, offer cardiovascular protection and weight loss benefits in addition to their use as diabetes medications, and are projected to account for over $100 billion of the market in 2030. Other categories, such as immunoinflammatory drugs, endocrine therapies, and central nervous system disease-related medications, are also expected to be among the top ten therapeutic areas by spending. Faced with the immense healthcare budgets and the growing pressure of pharmaceutical expenditure, the legitimacy of drug pricing is constantly questioned and debated. How to maintain a balance between value benchmarks, drug prices, sales volume, and market sustainability remains a point of divergent philosophies and practices among major pharmaceutical companies. The United States, as the leader in healthcare spending, seized the opportunity during the economic disruption caused by the pandemic to pass the Inflation Reduction Act (IRA), hoping to renegotiate drug pricing, increase government bargaining power, and re-evaluate cost-sharing agreements with stakeholders. Although price negotiations for as many as fifteen drugs, including Eliquis (Bristol Myers Squibb's anticoagulant, apixaban), are still underway, with some target drugs yet to be finalized, and numerous controversies (such as the bias in negotiation between small molecule drugs and protein drugs) remain to be discussed, the actual impact of the IRA remains to be observed and carefully calculated.

Enacted in 1984, the U.S. Hatch-Waxman Act has fostered the development of the global generic-drug market, a trend sped up by the shoestring medical budgets of various countries, whose governments have encouragement employment of generic drugs via legislations and formulation of generic-drug usage target and plan, so as to cut government and private medical outlays. A noticeable example is the Japanese government, whose change in hygienic policy has been conducive to the popularity of generic drugs.

However, the generic-drug market has been plagued by acute competition continuingly, which has led to high demand for supply-chain and time-to-market management among in the pharmaceutical industry. For cost control and risk spreading, outsourcing of active pharmaceutical ingredients and pharmaceutical making has been gaining traction, originating from North America and Western Europe and then spreading to Eastern Europe and Asia. According to research body Precedence Research, the global API market will grow at 5.2% CAGR (compound annual growth rate), reaching US$776.8 billion in 2033, compared with US$465 billion in 2023.

In recent years, the global pharmaceutical supply chain has undergone a major shakeup, featuring emergence of the China and Indian pharmaceutical making industry, which has led to a new-generation global confrontation. For lowering supply-chain risk and strengthening national security, diversification of production sites and increase of self-supply rate for key pharmaceutical materials has become a trend, intensifying competition/collaboration among API suppliers and aggravating price competition. Amid the shakeup, the company aims to increase its business depth and magnitude, so as to win more business opportunities and higher market share.

4.1.2.2 Industrial supply chain of related pharmaceutical products in the up, middle and downstream sectors



4.1.2.3 Global development trend and competition of the industry of active pharmaceutical ingredients.

A. Outsourcing trend for the production of active pharmaceutical ingredients of new drugs

Demands of preparations companies for active pharmaceutical ingredients can be classified, according to production and supply methods, into own production for own use and outsourcing production. Although majority of major international patented drug companies tend to produce active pharmaceutical ingredients for own use by themselves, for better grip of quality and time, they are intensifying focus on R&D, sales, and market grasp for new drugs, in order to speed up rollout of new drugs, in order to cope with threat of generic drugs and uphold market shares. In view of lesser role of active pharmaceutical ingredients in their profits and in order to massive capital outlays for plant production, growing numbers of major international patented drug companies have outsourced production of active pharmaceutical ingredients. By contrast, majority of smaller patented drug companies have outsourced production of active pharmaceutical ingredients for different stages of new-drug development, including R&D and clinical tests. The outsourcing trend has been intensified by the following objective conditions:

1) With timing of marketing of NCEs (new chemical entities) being the primary concern of patented drug companies, outsourcing of production can shorten R&D process and advance materialization of extra revenue and profit.
2) Outsourcing production for active pharmaceutical ingredients can reserve limited resources for R&D and production with higher priorities, thereby maximizing profits.
3) Joint development of products and division of labor in mass production can lower production cost.
4) Outsourcing-production firms can cut cost, via economy of scale and form an industrial chain for higher efficiency, while patented drug companies can maintain flexible operation, in line with market needs.

B. Trend of the market and competition of active pharmaceutical ingredients of generic drugs

Since Hatch-Waxman Act cane into effect, the procedures for applying for generic drug licenses and launching such drugs have been much simplified and thus the time taken has been increasingly shortened. Therefore, the quicker the supply of APIs used to produce generic drugs, the more business opportunities the suppliers have.

Meanwhile, as for legal requirement of quality, member countries of ICH have substituted knowledge-based risk-management mode for inspection-based quality-control mode, with the U.S. even replacing past practice of itemized inspection with question-based inspection. Therefore, generic-drug companies must have more precise grip of quality of pharmaceuticals. Accordingly, suppliers of active pharmaceutical ingredients have to make concerted effort with generic-drug firms in upgrading quality-control system, so that quality concern would not cause delay in the obtaining of generic-drug licenses. Quality has become prerequisite for suppliers of active pharmaceutical ingredients in landing orders.

Studies show that in one year after the first generic drug maker launched products, the number of newcomers is almost twice that of original generic drug makers in the initial period. Along with increasing competition is increasing demand for lowering cost, and therefore makers of APIs used to produce generic drugs have to not only supply quality APIs as early as possible but also be competitive in price.

Under pressure of earlier supply of APIs of better quality at lower prices, API makers should be more dedicated to R&D and strive to protect intellectual properties to eep business growth in supply chains of APIs used to generic drugs.

However, in recent years, due to various countries' strict control of medical outlays, especially pharmaceutical spending, pressure in price negotiation with new medicine manufacturers has been on the rise, as pharmaceutical firms have intensified protection of new medicine-related patent rights, in the face of shrinking benefits from new medicine development. Such protection covers a wide scope, including preparation, therapy, composition of materials, and crystal form, plus raising of the entry threshold for generic-drugs makers, postponement of generic drugs' marketing entry, and extension of new medicines' patent-protection period, which have blocked the appearance of new generic drugs.

4.1.3 Technology and R&D status

4.1.3.1 Technological level and R&D for the engaged businesses

As for registered inspection files necessary for entering highly regulated markets, such as the U.S. and Europe, the company had registered 67 DMFs (Drug Master Files) with the U.S. FDA as of the end of December 2024 on top of 30 EDMFs (European DMFs) in some 30 European countries, including CEP (COS) for 22 products, applicable in the European Union. Worldwide, the company has made 956 drug registrations and number of its DMFs will increase further yearly, along with increase of the company's product development items and the need of customers in drug marketing.

Given acute competition in the pharmaceutical industry, the company has formulated "Rules Governing Patent-Related Affairs," to facilitate patent application and analysis of patent infringement, via proper evaluation of the company's inventions by the legal affairs unit and patent market features, as well as enhance the quality of patent application, patent specification, and report on patent-infringement analysis, thereby maximizing the company's benefits. To avoid encroachment on competitors' patent from product development to market launch, patent engineers would carry out patent search and analysis periodically following determination of the project" "Measures governing patent-related affairs" also specific flow for handling cases of patent-infringement analysis, to prevent and slash IP risks. In addition, the accumulated amount of patent applications and approval of patent certificates would be reported to the board of directors every year.

The company has formulated "measures governing protection of business secrets," so as to prevent business-secret leakage and uphold the company's edge in operation and marketing. Meanwhile, to avoid loss caused by careless encroachment on others' business secrets, the company's various units carried out business-secrets inventory, secrets grading, and authority grading, on top of promotion of and education/training on business secret protection by legal-affairs unit and regular/irregular auditing and verification of business-secret management by auditing unit.

As for intellectual properties, except patents no longer being upheld by the company due to irrelevance to the company's long-term development, the company now owns 42 inventions, as well as 144 patents worldwide (as shown in the table below). In addition, there are 14 inventions totally 38 patents are under review. As for technologies needed for mass production of peptide, in addition to the use of solid-phase synthesizing machine, the company has also established technological platform for semi-solid phase synthesis. The company can flexibly embrace either of the two technologies, both fit for cGMP production, according to the features of needed peptide, giving it an extra adaptability and response capability.

4.1.3.2. R&D Expenses for the latest Two Years as of Annual Report print date

Unit: NT$ thousands

Year	2023	2024	Jan.~March 2025
Combined R&D expense	357,740	459,358	67,240
Combined Net Operating Revenue	3,186,083	3,406,284	686,365
Combined R&D expense/ Combined Net Operating Revenue (%)	11.23	13.49	9.80

4.1.3.3.Generic-drug active pharmaceutical ingredients or technologies successfully developed in recent five years.

Year	Products
2020	Liraglutide
	Ivacaftor
	Liraglutide Injection
	Sugammadex Sodium Injection
	Regadenoson Injection
2021	Osimertinib mesylate
	Ibrutinib
	Alpelisib
	Cyclophosphamide for Injection
2022	Apixaban
	Enzalutamide
	Cedazuridine
	Nelarabine Injection
2023	Abemaciclib
	Zanubrutinib
	Nelarabine
	Semaglutide injection
2024	Tucatinib
	Alectinib HCl
	Voclosporin

4.1.4 Long-term and Short-term Development

ScinoPharm is committed to implementing the company's business strategies, with patience and attentive focus on its main business activities. To maintain revenue and profit growth, we continuously expand and transform our business, extending our service scope from APIs to injectable products, thereby ensuring sustainable operations and creating a steady stream of economic benefits for all of our stakeholders in the long-term, including shareholders/investors, employees, customers, suppliers, the government, and society.
ScinoPharm initially provided contract manufacturing services to generic drug manufacturers and patented pharmaceutical companies as part of its business strategy. Over time, the Company has expanded its R&D and production capacities to keep up with market changes and demands. Capitalizing on the trust relationships that the company has established with major pharmaceutical companies over the years, the Company subsequently formed strategic alliances with other companies to develop new drugs, integrate upstream/downstream resources (including R&D and manufacturing processes for APIs and injectable formulations). Meanwhile backed by the technological prowess and service quality, the company is capable of expanding markets by providing R&D and manufacturing service to pharmaceutical firms and create greater benefits. In seeking to maximize profits for the company, shareholders, and employees while ensuring the company's short/mid/long-term development, we will observe objective market demands and adopt the following business strategies:

--Near term:

1. Maintain the niche in generic drug API, actively deploy high-tech threshold peptide compound drugs, and expand customer research and development to increase its future benefits.
2. Combine advantage of the injectable plant in Tainan to increase the value of ScinoPharm's API production lines and provide one-stop services for a wide range of customers.

3. The Company continues to deploy investments and promote the optimization and upgrading of its factories in Tainan and Changshu, enhancing its commercial competitiveness and enabling it to better meet the different needs of customers and seize business opportunities.

--Medium term:

1. Through strategic alliances, the Company seeks channel partners to expand the market and increase the Company's gross profit margin by sharing profits together.
2. Combined with the production capacity of the Changshu plant in Jiangsu, ScinoPharm increases its capacity to supply the global market. It will also join forces with partners and comply with Chinese regulations to accelerate the development of preparation products to enter the Chinese domestic market and increase the overall output value.
3. The Company cooperates with Japanese customers to cultivate the Japanese generic drug market and develop other emerging markets through agents.

--Long term:

Develop complete R&D and production capability covering both active pharmaceutical ingredients and injection drugs and cooperate with special-drug R&D units in foraying into quasi-new drug market.

4.2 Market and Sales Overview

4.2.1Market Analysis

4.2.1.1 Major Products (Services) by Region

Unit: NT$ thousands；%

Region \ Year		2023		2024	
		Amount	%	Amount	%
Abroad	ASIA	1,698,634	53	1,944,606	57
	EU	690,168	22	675,059	20
	America	507,275	16	408,522	12
	Other	18,502	0	31,213	1
	Subtotal	2,914,579	91	3,059,400	90
Domestic Market		271,504	9	346,884	10
Total Combined Revenue		3,186,083	100	3,406,284	100

4.2.1.2 Outlook of supply and demand in the market and growth potential

In recent years, due to increasing difficulty for new drug development and hefty price pressure, many pharmaceutical firms have resorted to acquisition and merger, in order to sustain growth power. Via M&A, enterprises can not only obtain new technologies, new drugs, and intellectual properties but also lower the risk for new drug development. However, as M&A would affect the integration of supply chain, how to maintain the leading status for APIs and even injection pharmaceuticals amid M&As would pose as a major challenge to the company in the future.

Over the past years, ScinoPharm Taiwan has carved out a leading status, in terms of product variety and volume and customer service, on the global API market for cancer chemotherapy. Dividend from that status, however, has been thinning. In the wake of the emergence for new cancer therapies (Antibody-Drug Conjugates (ADCs), radiopharmaceuticals, and other biologics (large molecule drugs) enjoy a definitive leading edge in clinical development and the market. Meanwhile, biosimilars are becoming increasingly mature and poised to compete. The shifting trends in cancer treatment are undeniably a serious issue today. Targeted drugs featuring the use of monoclonal antibodies and immunotherapy have proven to be significantly effective in tumor control. It is evident that thanks to their curative effect and low side effects, those relatively expensive new treatments will make major inroads into cancer treatment market in developed nations, at the expense of small-molecule chemotherapy drugs. Another potential approach is the coupling of small-molecule targeted drugs with molecular diagnostic technology. Compared with chemotherapy drugs, small-molecule targeted drugs are more concentrated and have to take into account tumor mutation and the use of new targets. The trend poses a major challenge to ScinoPharm Taiwan in market evaluation and product selection.

Moreover, based on the demands of pharmaceutical firms for cancer injection drugs and strained supply of such drugs, a result of the increasingly rigorous legislative requirements worldwide which have constrained the operation of many injection-drug firms, ScinoPharm Taiwan has been endeavoring to extend its operation to injection-drug production in recent years, resulting in a vertical integration, so as to consolidate its presence on the cancer drug market.

However, with technological progress and the spread of confirmed chronic diseases, oral drugs have gradually emerged as mainstream administration of drugs. How to achieve a balance APIs in different forms and injection drugs in the allocation of limited resources will become a major issue in the development of pharmaceutical firms.

4.2.1.3 Competitive niche and development outlook

The company's competitive niche lies in:

- High-caliber R&D team:

  Members of the company's R&D team major in disciplines of synthesis or analysis, mostly with doctorate degree, under the leadership of veteran managers. It is the most R&D team among domestic peers.

- The company has reaped abundant R&D results:

  As mentioned previously (refer to 4.1.3 Technology and R&D status), the company owns multiple product patents worldwide and often publicizes research findings in academic journals, testifying to its R&D strength.

- Complete production facilities:

  For the purpose of pluralized functions, the company's production lines are capable of producing highly active pharmaceutical ingredients of cellular-toxin, steroid, hormone, and anti-cancer drugs. The R&D unit is furnished with a wide range of equipment, including nuclear magnetic resonance, crystal diffractometer, and mass spectrometer, enabling the company to overcome various barriers in producing unique active pharmaceutical ingredients;

- Seasoned operating skill:

  With veteran experience, operators can operate efficiently and effectively utilize solvents, reducing unnecessary expenses and thereby lowering cost;

- Excellent product quality:

  Thanks to comprehensive manufacturing processing specifications provided by our R&D team, coupled with our strict adherence to GMP regulations, thus maintain excellent control over the product manufacturing process, resulting in superior quality.

- Good customer relationship and competent marketing capability:

  Our long-term provision of APIs to customers, combined with regular visits to understand their needs and address their urgent requirements, has fostered a mutually dependent relationship. Consequently, this has also contributed to the strong performance of our marketing team.

- Comprehensive Regulatory Support:

  Selling APIs requires not only product delivery but also acceptance by regulatory review agencies. The company actively addresses reviewers' concerns regarding APIs and proactively helps resolve regulatory concerns related to the finished drug product caused by the API. This accelerates our generic drug customers' drug approval process. Expediting market launch is a win-win for all and is the company's consistent principle.

In addition to the aforementioned niche, the company stresses market segmentation in developing strategy, as shown in its selection of development targets:

A. Highly active and low toxic products

When processing highly active and low toxic chemicals, many producers of active pharmaceutical ingredients often create serious polluting and workplace-safety problems, disrupting supply to customers. ScinoPharm already installed sufficient protective facilities for highly active products from the outset at its factories. Despite the high cost for the facilities, they can augment the company's edge in producing highly actively products, such as steroid and toxic cellular compounds.

In view of the low-toxin requirement for injection drugs, the company is furnished with highly pure water supply system, capable of producing pure water similar to WFI (water for injection) in quality. As a result, ScinoPharm Taiwan's products boast very low toxin, another edge of the company. Industry insiders note that there are only a few companies capable of producing injection drugs on the market. Thanks to its manufacturing edge meeting market need, the company has been acknowledged as an injection-drug supplier, segmented from members of low-priced market. The company has become a reputed injection-drug supplier among international generic-drug pharmaceutical firms.

B. Raw materials/products with difficulty to obtain from supply chain

To secure raw materials, the company embrace a mode similar to development of new products, wherein it joins hands with long-term partners in the R&D of raw materials, to assure stable supply of raw materials for mass production. For instance, the company has signed contract with Chinese-yew (Taxus chinensis) plantation for supply of 10-DAB, contained in the plant's leaves, which is needed for producing paclitaxel and docetaxel, the company's two major products. Therefore, despite price drop of 10-DAB following increase of qualified suppliers, the company has enjoyed steady supply of the material, giving it an edge of head start.

C. Peptide

Thanks to gene sequencing, humans have more understanding of the function of genes and their association with peptide, paving the way for the rollout of more medicines containing peptide. Moreover, via constant improvement and progress in drug production, there will be increasing methods for transmission of peptide in human bodies, leading to more growth in both the number of and demand for peptide medicines. In the past, annual market demand for peptide reached only several kilos, resulting in substantial idled capacity, a problem which has been substituted by strained capacity, thanks to rapid increase in demand in recent years, Plus the Extraordinary success of Mounjaro(tirzepatide) from Eli Lilly and Ozempic and Wegovy(semaglutide) from Novo Nordisk, etc (high dose) GLP-1 medicines in the fields of diabetes and weight loss has spurred the need for refining peptide drugs, both synthesized and fermented ones. the traditional solid-phase peptide synthesis can be applied in mass production but the production equipment is expensive, on top of the high cost and disposal problem for the solvent needed for its purification. In addition to solid-phase peptide synthesis, the company has introduced the technology for forecasting solubility and the technology of continuous parallel purification, which greatly simplifies purification process and slashes the use of solvent. In addition, a chemical reaction is applied for final assembly of peptide, following the use of solid-phase synthesis, thereby eliminating the problem of connection caused by solubility issue. Finally, carry out reaction via traditional liquid-phase chemical reactor to change chemical polarity and produce sediment, thereby achieving convenient purification. This constitutes the company third technology for peptide production, featuring even reaction and simple separation and purification.

Furnished with aforementioned technologies, the company can apply optimal technology for different kinds of peptide medicines, which enable it to catch up with major suppliers of active pharmaceutical ingredients of peptide medicines, such as UCB, Lonza, Bachem, and Polypeptide, thereby breaking their oligopoly of the market, an outcome aspired by generic-drug companies or developers of new medicines.

D. Injection drugs

ScinoPharm Taiwan specializes in the development and production of active pharmaceutical ingredients of anti-cancer medicines featuring high activity and high technological threshold. It is a leading supplier of raw materials for highly active anti-cancer injection drugs, with the largest variety of products in the field worldwide. Moreover, it has extended its operation to downstream production of injection drugs by building an injection-drug plant which meets the international cGMP standards.

Many cancer API customers need contract production service for cancer injection drugs, due to lack of sufficient capacities for manufacturing the drugs, but at present plants for contract injection drug production meeting international standard of cGMP have limited capacities only. Moreover, unable to meet the increasingly strict eGMP standard, many injection drug plants in the U.S. and Europe have received warning notice from the U.S. Food and Drug Administration (FDA), asking them to make improvement by a deadline or suspend operation, which has aggravated the situation. In addition to quality, stable delivery has become a major consideration for generic-drug firms in seeking business partners. Under the environment, provision of a one-stop shopping service covering APIs and injection drugs can not only consolidate and expand ScinoPharm's existing API business but also enhance the company's long-term competitiveness and growth potential.

Facilities of the company's injection-drug plant, situated in Tainan Science Park, have been completed. The plant consists of the operational sections of R&D, quality control, cleansing, sterilization, manufacturing, filling, freezing and drying, packaging, and warehousing, capable of producing injection drugs in various forms, including bottled liquid, bottled frozen dried powder, and injection drugs filled in syringes.

The transformation is meant to provide value-added service to customers, without causing conflict with customers' business. The plant will boast versatile functions, including contract manufacturing service for existing customers of active pharmaceutical ingredients, development of own medicines, registration and production of injection drugs for sale to customers, and custom service for international pharmaceutical firms.

4.2.1.4 Favorable and adverse factors for development outlook

A. Favorable factors:

a. Government policy

The Chinese government amended GMP regulation in 2010, with the revised edition forcing lower quality pharmaceutical makers to withdraw from market, invest in improving manufacturing, or undertake corporate restructuring including via merger. In comparison, the new GMP regulation is favorable to healthy pharmaceutical makers.

At the end of 2015, the Chinese government issued a decree calling for intensifying the screening of imitation medicines and the review and approval of modified new medicines, improving the review and approval of clinical test, concentrating the review and approval of medicines of the same category, permitting applications to withdraw applications for unqualified medicines, strictly screening the safety and effectiveness of medicines, speeding up the screening and approval of medicines in urgent need for clinical tests, permitting the request for clinical test and medicine application before the expiration of patents, strictly penalizing faking of clinical tests, inducing rational applications, and regulating review of medicine registration. These measures ae meant to reform the review and screening system for medicines. One key objective to enhance the quality of imitation medicines. As a result, the medicine review and screening system of China will link up with the international practice, facilitating the development of companies meeting international norms in the market.

In its 14th five-year national development plan, the Chinese government has set a 8% annual growth target for the nation's medicine market and encourage enterprises to build high-caliber plants, boosting the edge of its medicine industry. Another objective is to link China's biomedicine industry with the world. According to the seventh national census, publicized by the National Bureau of Statistics of China, China's total population stood at 1,411.78 million data generated from Nov. 1, 2020, including 264.02 million aged 60 or older, for a share of 18.70%, 5.44 percentage points higher than 10 years ago, exhibiting the trend of an aging society. The country will continue to face the challenge of keeping a balanced population growth in the end. The aged population has high demand for medical and hygiene service, as aged citizens are more vulnerable to disease due to weaker immune system. Presently, the aged 40-50% of the over-the-counter medicine market. Prompted by the rosy outlook, the company started to deploy in the Chinese market several years ago.

Passed in 1984, the U.S. Hatch & Waxman Act encourages in principle the application and usage of generic drugs, helping the latter achieve 70% market penetration rate in the U.S. (For every 100 prescriptions, 70 use generic drugs). The implementation of the "Patient Protection and Affordable Care Act," in October 2013 or known as "Obamacare," following its passage in March 2010, has further boosted the development of generic drugs.

b. Accelerated approval for marketing of new medicines and generic drugs

In 1992, the U.S. FDA promulgated the "Prescription Drug User Fee Act" (PDUFA), requiring pharmaceutical firms to pay fees to the FDA when applying for approval of new medicines, generating several tens of millions of U.S. dollar of extra income for the FDA for use in accelerating approval of applications for new medicines. Consequently, the majority of new drug applications (NDA) now need only one review cycle for approval, half of the previous duration.

In 2012, the "Generic Drug User Fee Amendments" (GDUFA) was promulgated, according to which pharmaceutical firms have to pay screening fee and fee for the cost of inspection facilities for applying the approval of generic drugs. The act has boosted the efficiency of the FDA in screening and approving applications for generic drugs, slashing backlog of applications awaiting approval, and shortening average screening time, on top of additional risk check, facilitating marketing of generic drugs and enabling the public to access safe and effective generic drugs. The proposition of GDUGA was prompted by the success of PDUFA, which had helped patients obtain safe and effective new prescription drugs more rapidly. The implementation of GDUFA has facilitating obtaining of information on generic-drug manufacturing facilities and sites worldwide, augmenting the safety of global supply chain.

c. Secure supply sources for key materials and cooperate closely with customers to speed approval of marketing for products

On the global prescription-medicine market, some active pharmaceutical ingredients most demanded by generic-drug pharmaceutical firms are very difficult to come by or are very difficult for certification and analysis. As a result, the market of generic drugs is still often in the firm grip of the original patent owners, despite the expiration of the patents. Therefore, in addition to effective planning for the sources of active pharmaceutical ingredients, the company has invested, in terms of manpower and fund, in related analytical work and actively cooperated with customers in obtaining approval of the marketing of medicines within the shortest time possible, thereby facilitating the company's development.

d. Complying with cGMP norm

Pertaining to contract manufacturing of active pharmaceutical ingredients, despite higher cost than mainland Chinese and Indian counterparts do, the company stands out on emphasis on patents and intellectual properties, cutting-edge facilities compliant with U.S. cGMP norm, in both hardware and software, and business mode and language compatible with the West. In China and India, only some large pharmaceutical firms can meet the requirements of quality and regulations in the U.S. and Europe, while great majority of companies there are incapable of large-scale investments for building plants compliant with the cGMP standard in the U.S. and Europe.

B. Adverse factors

a. Price competition for generic drugs

Generic drugs refer to drugs with expired patents, enabling pharmaceutical firms other than original patent owners to produce, following approval, drugs with similar ingredients, dosage type, dosage amount, and curative effect. The scramble for the generic-drug market among pharmaceutical firms has driven downward their prices, thereby dampening prices of active pharmaceutical ingredients and the gross margin of their manufacturers.

Countermeasure:

The development of new generic drugs is a key strategy of ScinoPharm Taiwan, which selects development targets via analysis of market potential and possible competition. The company has been rolling out a number of generic drugs every year, focusing on those drugs that feature active pharmaceutical ingredients with high technological threshold, speedy R&D for synthetic method, and efficient process technology, so as to tap the market opportunities emerging after the expiration of patents. Following mass production, the company would continuously improve process technology, secure supply source for raw materials, and farm out front-end processing, so as to cut production cost. The company even develops process technology with cost lower than original patent owners, while upholding the purity and safety of products.

In general, the company would develop process technology for active pharmaceutical ingredients within one year following approval of original patent owners and then provide samples to generic-drug customers for conducting tests necessary for registration, in an effort to become their first supplier of active pharmaceutical ingredients. After setup of the partnership, the customers would need the approval of FDA for changing suppliers of active pharmaceutical ingredients, which would take two years and entail extra investments. The stable long-term partnership would help the company keep its overall gross margin at an adequate level.

Meanwhile, the company is building an injection-drug plant at the site of its existing Tainan plant, which will also accommodate the R&D on active pharmaceutical ingredients and preparations. Carry out integration of upstream and downstream operations to bolster the value of ScinoPharm's active pharmaceutical ingredients and the gross margin of its products, to cope with prices of generic drugs and active pharmaceutical ingredients trending downward. There are some 300 dedicated manufacturers worldwide capable of producing active pharmaceutical ingredients conforming to the standard set by the U.S. FDA. Only some 20 of them can provide highly active anti-cancer injection drugs, including ScinoPharm which boasts the largest product lineup in the pack, a market segmentation which constitutes a strong edge for the company in developing preparations and new anti-cancer medicines. As for active pharmaceutical ingredients, the company selects items featuring high technological threshold for early development and applies for patents for protecting process and crystal forms, upholding its edge. The development of preparations enables the company to take into account the schedule and steps for R&D on preparations in the R&D on active pharmaceutical ingredients enabling the company to have better grasp of the schedule for the marketing of drugs, compared with peers. The complete planning, on top of the market segmentation and timeliness for active pharmaceutical ingredients will furnish the company with a stronger edge than peers.

b. Price competition from China and India

Taking advantage of their low manufacturing-cost edge, China and India produce bulk generic drugs with low adding value originally. Via imitation synthesis technology, they have grasp organic synthesis chemical technology and embraced low-price strategy in penetrating emerging markets.

Countermeasure:

Since its establishment, the company has targeted market of products featuring high technological threshold, such as active pharmaceutical ingredients for anti-cancer injection drugs. The company has been actively developing next-generation production technologies with higher efficiency, in order to supply active pharmaceutical ingredients at reasonable prices and help customer augment market competitiveness, while upholding the company's dominating status on the global market of active pharmaceutical ingredients.

The company specializes in special pharmaceutical ingredients featuring high technology, high price, and high activity. The Taiwan plant already passed nine times of inspections by the U.S. FDA and the certification of the hygienic agencies of various countries, while the Changshu plant in China has also passed inspection by the FDA. In addition, the company has conducted rigorous control and management of public safety, hygiene, and the stability of process technology, to prevent intellectual-property infringement and harm to environmental ecology, while assuring stable supply. The purpose is to create a quality repute for the company's products, thereby upholding their competitive edge and assuring business performance and growth.

ScinoPharm has shipped active pharmaceutical ingredients to Europe and the U.S. for many years, accumulating abundant experience in compilation of product information, inspection and certification registration (such as DMF registration for active pharmaceutical ingredients), communications with regulators, and reply to official documents, which enables the company to provide legal and technological service to customers. The expertise has given the company a strong edge, as customers invariably expect abundant legal experience from suppliers of active pharmaceutical suppliers capable of replying to regulators quickly, so as to speed up the screening and marketing of drugs.

c. Laws/regulations on drug production feature strict standards and demand multiple inspections, as a result of which marketing of drugs has often been delayed, should the quality of their active pharmaceutical ingredients be doubted.

On top of protracted R&D process, as drugs are meant for application inside human bodies, the safety and effectiveness of active pharmaceutical ingredients are subject to rigorous screening and check of the regulator and have to pass certification before marketing. The end result is heavy pressure of development schedule and funding requirement, which often entrap small enterprises in financial difficulty.

Countermeasure:

The company has set up a legal unit for pharmaceutical affairs, in charge of import-related documents demanded by hygiene agencies of import countries or areas for approval of local sales. The company carries out internal auditing periodically, to assure compliance of the company's operation and internal procedures with cGMP standard. The regulation-compliance unit is in charge of affairs related to official inspection and customer auditing, cGMP education and training for staffers, stability testing plan, and annual product inspection. The company's quality assurance and control unit is responsible for the checking and testing of all products and samples, including raw materials, initiators, samples in process, and finished products, to assure compliance with set specifications. Since the company mainly produces pharmaceutical ingredients with high activity for anti-cancer injection drugs, monitoring and control of the water-supply system and manufacturing environment is crucial, in order to control the amount of particulate matters and microbes in equipment, to avoid contamination of medical-use pure water. In addition, the quality-control unit will stability test for samples, to assure that they are not affected by contamination of the external environment. Therefore, the company have fully prepared for meeting the strict standards of related laws/regulations for pharmaceutical production, enjoying a strong edge over peers.

d. In order to postpone the stocking up of generic drugs after their marketing, original patent owners tend to file suits for patent infringement.

As innovation and R&D is the core competence of the biomedicine industry, pharmaceutical firms would spare no effort in prevent infringement of their intellectual properties by competitors. In order to safeguard their market share, original patent-owning firms would file suit related to patents or intellectual-property infringement, blocking stocking up by generic-drug firms or shipment by suppliers of active pharmaceutical ingredients.

Countermeasure:

The company strictly abides by the U.S. and international standards on intellectual-property right. For active pharmaceutical ingredients, process-technology patent is the most noteworthy intellectual property. A generic-drug firm may be sued by the original patent-owning firm for intellectual-property infringement, should it use active pharmaceutical ingredients implicated in infringement of process-technology patent. In order to avoid encroaching on others' intellectual properties, the company develops most of its patents by itself and licenses technologies from patent owners, when necessary. The company is furnished with advanced patent-searching software and subscribes to related services, to assure avoidance of infringing existing or expiring patents. In addition, it employs U.S. patent lawyers to provide legal protection of chemical process technologies. Meanwhile, it provides complete technological support to customers in product-marketing registration, minimizing the impact of the adverse factor.

e. Waves of onset of server COVID-19 pandemic from 2020 spring have dampened flexibility of the maneuvering of work force and materials, disrupting supply chains throughout the world, a grave issue in the globalized societies nowadays. Given difficulty in supply of key raw materials and components/parts during the pandemic, many countries have considered establishing indigenous supply, in order to safeguard national security and mitigate supply-chain risk. The situation has influenced the operation of the company significantly, as the company supplies APIs, key materials on the global market.

Countermeasure:

While APIs business is quite secure, due to high entry barrier and relative irreplaceability, a result of high regulatory control, their supply-chain members will experience enormous impact, once there are strategic or other priority considerations.

To cope with the threat, the company has embraced two strategies, first strengthening of technological edge, so as to augment customers' adhesiveness and replacement cost, involving patent, pharmaceutical permit, and time-to-market, and second strategic alliance with new- and generic-drug plants, consolidating such partnership with collaboration in different fields of diseases and product mix and augmenting customers' dependence on the company.

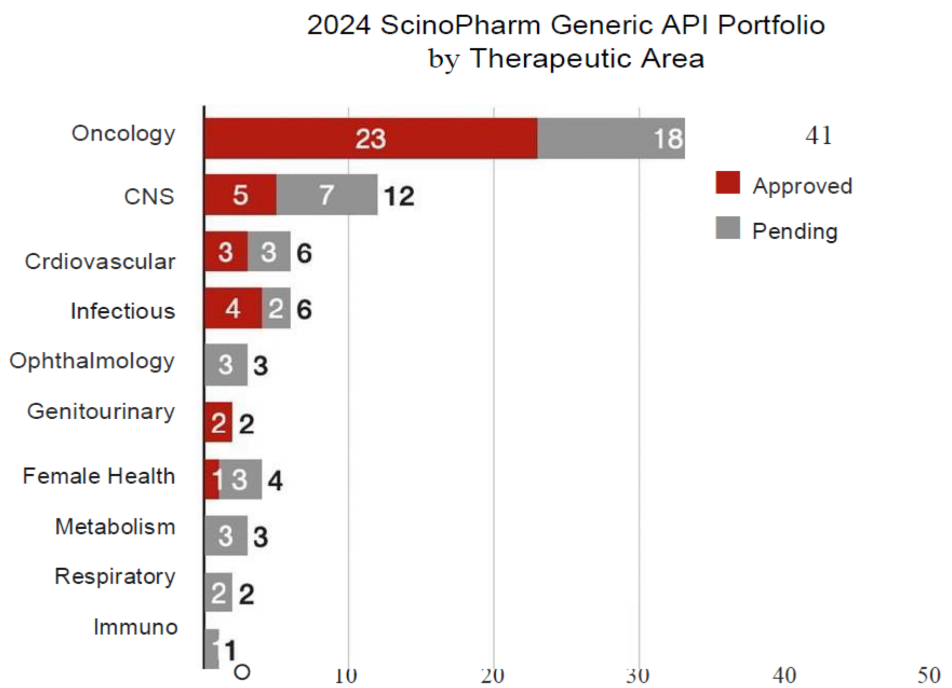
4.2.2 Important usages and production process of major products

4.2.2.1. Important usages of major products

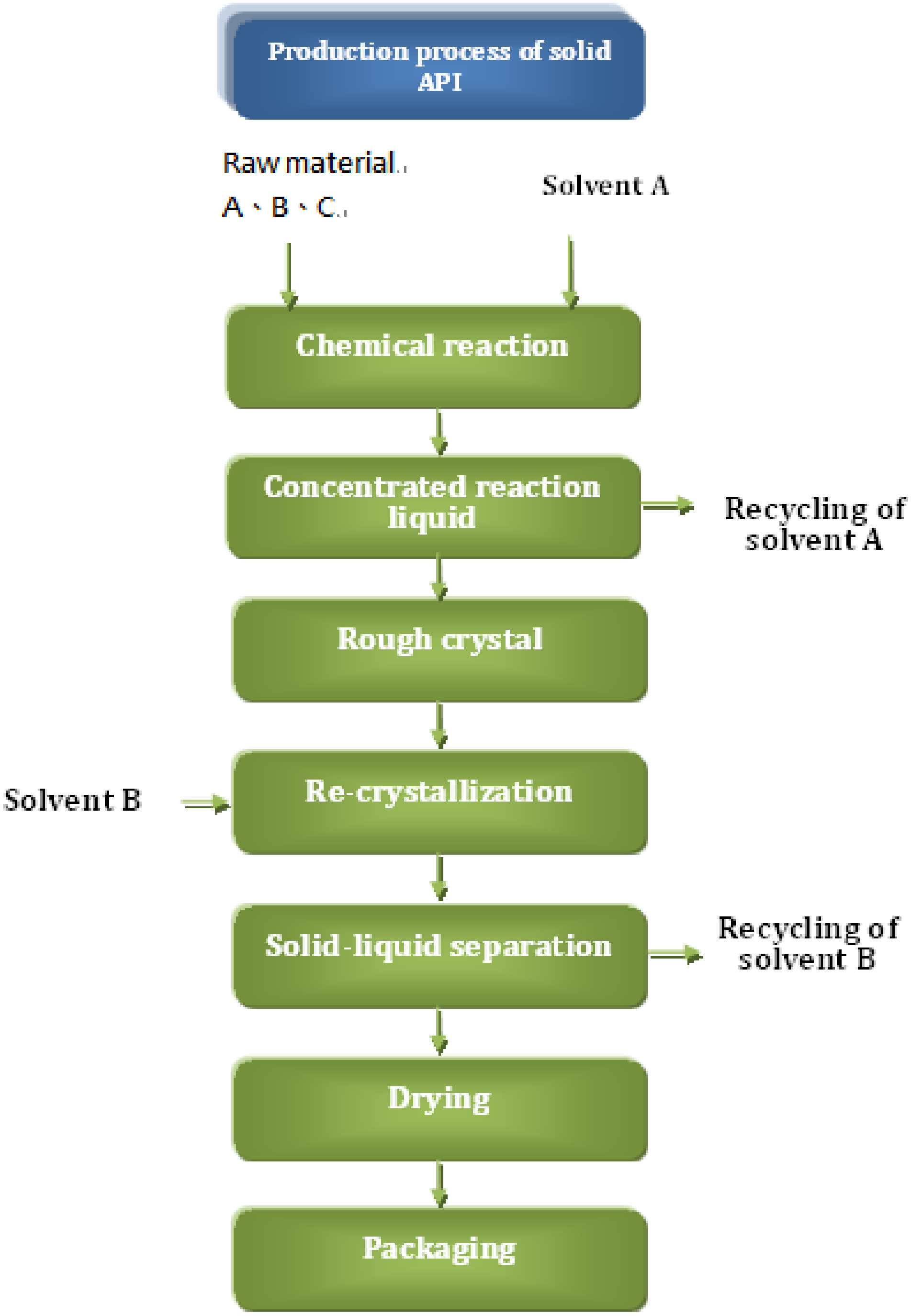
In the API industry, unless possessing a highly competitive cost structure to compete on price in the commodity market, proactively collaborating with generic drug manufacturers, especially demonstrating sufficient agility and flexibility in the development and submission timelines for US Paragraph IV ANDA products, has become almost essential for API manufacturers to survive in recent years. This customer-oriented, market-demand-driven business model has consistently been a primary consideration for Scinopharm in product selection. Factors such as potential revenue size, patent restrictions, technological barriers, production costs, raw material availability, and occupational safety and environmental protection also constantly influence product selection, development timelines, product mix, and product lifecycle management.

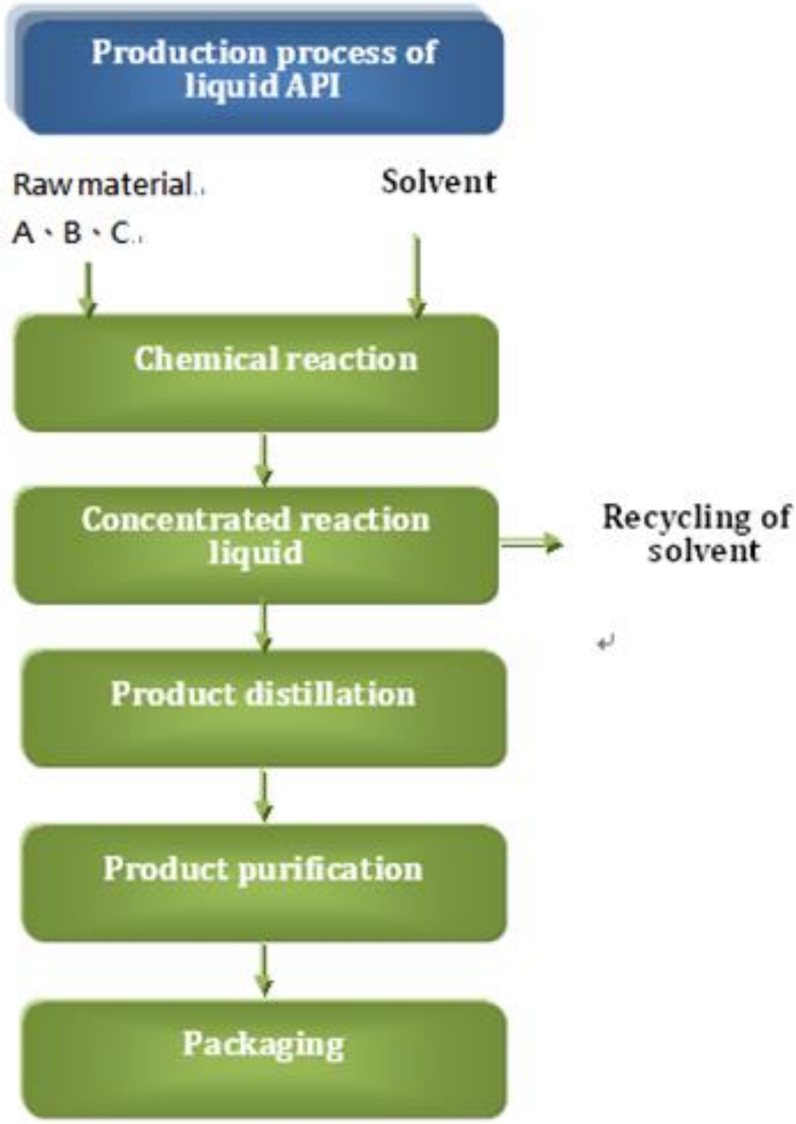
In order to speed up the pace of R&D, in addition to the utilization of solid in-house R&D strength, the company also entrusts a number of domestic and foreign research bodies for initial R&D or establishment of platform technology. Up to now, the company has successfully developed more than 20 products via cooperation with 10 domestic and foreign research institutions, the latter mainly academic and research units in mainland China. From those cases, many technologies have been transferred to the company as initial technologies for amplification and the company has applied patents for them. In 2011, the company incorporated its Kunshan subsidiary in China's Jiangsu Province, set up in 2001, into ScinoPharm (Changshu) Pharmaceuticals in China, while recruiting excellent chemical and chemical-engineering specialists in China for R&D and operating pilot plant for producing key materials and intermediates. ScinoPharm (Changshu) Pharmaceuticals has not only integrates cross-strait resources for R&D, production, and management, but also become the parent company's operating base in China, which will provide large volume of quality active pharmaceutical ingredients for China Market and all-round R&D and contract manufacturing service, giving ScinoPharm a strong backing in its effort to expand international service.

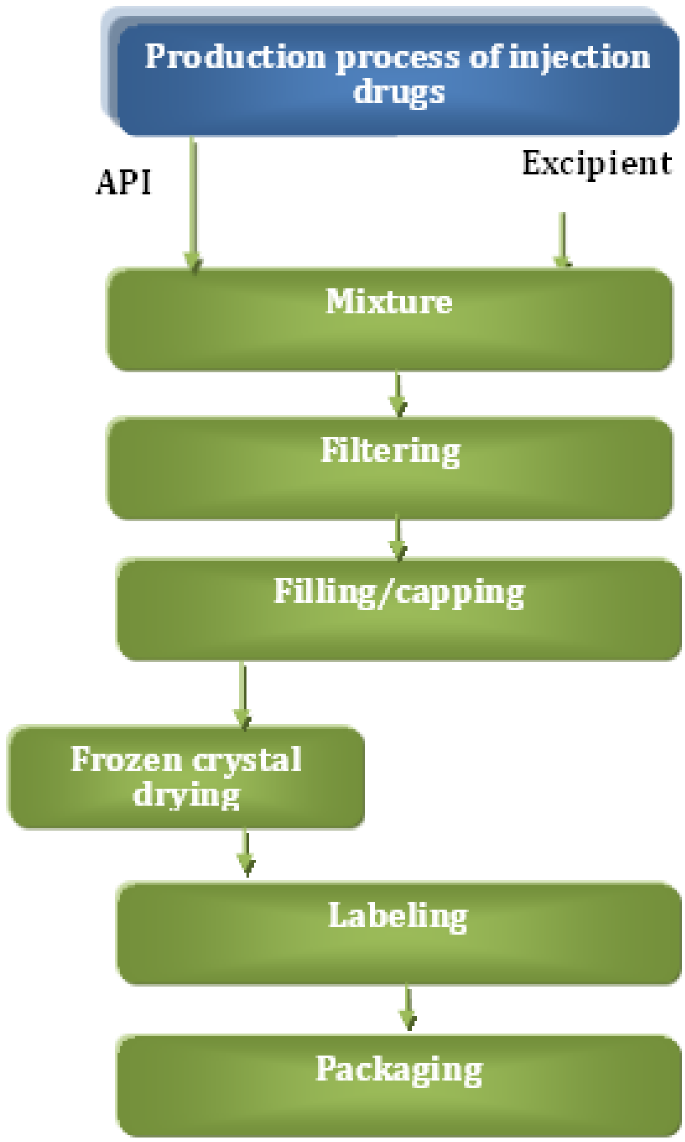
In view of the acute competition in the market of active pharmaceutical ingredients, the company chooses active pharmaceutical ingredients featuring high prices and high demand for early development. The focus is on pharmaceutical ingredients featuring high activity for anti-cancer drugs, which have a high-growth market. Major usages, in terms of their shares, for the company's development products are listed below:



4.2.2.2. Production process of major products




Production process of liquid API
Raw material
A、B、C
Solvent
Chemical reaction
Concentrated reaction liquid
Recycling of solvent
Product distillation
Product purification
Packaging


Production process of injection drugs
API
Excipient
Mixture
Filtering
Filling/capping
Frozen crystal drying
Labeling
Packaging

4.2.2.3 Supply status of major raw materials

As a dedicated manufacturer of active pharmaceutical ingredients, the company is very demanding for the quality of raw materials, in order to uphold the stability of the quality of products. It requires suppliers, once selected, to comply with the need of production. The relationship between the company and suppliers is based on long-term cooperation, which will not be changed easily. Meanwhile, to avoid disruption of supply, the company has also been continuously seeking alternative suppliers to meet emergent situation.

4.2.2.4 Information on major suppliers/clients who have accounted for at least 10% of sales/procurement in either of the past two years

A. List of suppliers that have accounted for at least 10% of procurement over the past two years:

Unit: NT$ thousands; %

Item	2023				2024				2025 First Quarter			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	C Supplier-	71,829	8	None	C Supplier-	91,114	12	None	B Supplier-	39,833	16	None
2					A Supplier-	87,586	11	None	C Supplier-	29,658	12	None
3	Others	787,568	92		Others	608,824	77		Others	180,868	72	
	Net Supply	859,397	100		Net Supply	787,524	100		Net Supply	250,359	100	

1. Explanation on the increase and decrease of purchases in 2023 and 2024: There are no abnormal changes.

B. List of clients that have accounted for at least 10% of sales over the past two years:

Unit: NT$ thousands; %

Item	2023				2024				2025First Quarter			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Customer B	415,298	14	None	Customer A	386,554	12	None	Customer B	126,667	20	None
2	Customer A	250,685	9	None	-	-	-	-	Customer A	53,069	8	None
3	-	-	-	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-	-	-	-
	Others	2,256,101	77	None	Others	2,715,063	88	None	Others	450,713	72	None
	Net Sales	2,922,084	100	-	Net Sales	3,101,617	100	-	Net Sales	630,449	100	-

Explanation for change in sales:

1. Customer A's sales decreased, mainly due to the decrease in demand for APIs used Alzheimer's disease and breast cancer.

4.3 Human Resources

As employees are an enterprise's most important partners for sustained development, ScinoPharm Taiwan has been providing, in a friendly, open, and equal manner, providing employees fair development opportunities via human-resources management, thereby fulfilling the fundamental commitment to international human-rights standard and behavioral guidelines and creating a working place with assured safety, respect for plurality, and gender harmony.

ScinoPharm Taiwan is a world-class pharmaceutical plant and engaged in a knowledge and technology-intensive line, a feature which has been reflected in its manpower structure. As of Marchl 31, 2025, the company and its subsidiaries had a workforce of 964, compared with 964 in 2024.

The following are the workforce statistics for our company as of the end of March, 2025

Year		2023	2024	2025.03.31
Number of Employees	Executive Officers	97	97	98
	Professionals	283	282	277
	Technical personnel	330	318	318
	Administration Personnel	43	43	41
	Total	753	740	734
Gender	male	69%	68%	68%
	Female	31%	32%	32%
Average Age		39.7	39.4	39.6
Average Years of Service		9.23	9.87	10.07
Education	Ph.D.	4.9%	4.9%	4.6%
	Masters	33.9%	33.9%	33.8%
	Bachelor’s Degree	48.7%	48.9%	49.2%
	Senior High School (include under Senior High School)	12.5%	12.3%	12.4%

4.4 Environmental Protection Expenditure

The company has spared no effort in combating environmental pollution, including installation of air-pollution prevention equipment, such as condenser and scrubbing tower, as well as waste-water treatment devices, such as membrane reactor, Strathtox activated sludge respirometer. Alleviation of environmental pollution can reduce outlay for waste processing, complies with legal requirement and customer demand for API (active pharmaceutical ingredients) plant in treatment of high toxic waste liquid or waste water, and augments the company's competitiveness in the API industry.

4.4.1 For the most recent fiscal year and up to the date of printing this annual report, the Company has not incurred any losses due to environmental pollution, including compensation and matters related to violations of environmental regulations resulting from environmental protection inspections in fiscal year 2024.

4.4.2. In the most recent year and as of the publication date of the annual report, The Company’s capital expenditures related to environmental protection were as follows:

(1) The Company and its affiliated companies divides the types of pollutants into the five major categories of air pollution, wastewater, waste, energy conservation and carbon reduction, and soil pollution prevention.

A. Air pollution: The Company has no environmental protection capital expenditures for air pollution in 2024. The cost of air pollution prevention is approximately NT$200,000 per year. The cost for affiliated companies is approximately NT$1,320,000 per year.

B Waste water: In fiscal years 2023 and 2024, the Company invested approximately NT$2.1 million in environmental protection capital expenditures related to wastewater, including the renovation and replacement of wastewater storage tanks and sewage tanks, and the updating of signal transmission for the injection plant's wastewater system, to prevent wastewater discharge and soil or groundwater contamination. The annual wastewater operation and maintenance costs (treatment fees, electricity fees, and analysis fees) total NT$4.12 million. The costs for affiliated companies total approximately NT$2.28 million per year.

C. Waste: In fiscal years 2023 and 2024, the company invested approximately NT$15.6 million in environmental capital expenditures related to waste management, including repairs to the temporary waste storage area, replacement of waste solvent pipelines, and construction of a waste liquid recycling process. The annual waste disposal costs total NT$33.25 million. The costs for affiliated companies total approximately NT$16.08 million per year.

D. Energy conservation, carbon abatement: In fiscal years 2023 and 2024, the company invested approximately NT$4.64 million in environmental protection capital expenditures related to energy conservation and carbon reduction. This includes the replacement of an air-handling unit (AC-0201), the replacement of a Roots blower for the bio treatment system, and energy-efficient upgrades to the cold room air conditioning system in the warehouse.

E. Soil pollution prevention: The Company invested approximately NT$1.94 million in environmental protection capital expenditures for soil and groundwater pollution prevention, Bay1 and Bay4 wastewater leakage prevention and groundwater projects.

(2) Investments in, uses, and possible benefits of major equipment to prevent environmental pollution:

Unit: NT$ thousands

Item	Year	Cost of investment	Purpose and expected potential benefits
Waste liquid recycling process construction project	2023	14,339	Waste treatment needs
Project for preventing wastewater leakage into groundwater (Bay1 and Bay4)	2023	1.941	Soil and groundwater pollution prevention needs
Damaged wastewater tank replacement (SMU)	2023	949	Wastewater improvement needs
Scrubber refurbishment (body and base) (Bay2)	2023	826	Air pollution improvement needs
cold room air conditioning system in the warehouse.(2-8 ℃)	2024	2,105	Energy conservation, carbon abatement needs
Roots blower for the bio treatment system	2024	1,556	Energy conservation, carbon abatement needs
replacement of an air handling unit (AC-0201),	2024	980	Energy conservation, carbon abatement needs
repairs to the temporary waste storage area(shelves, Collection gutter slope and others	2024	400	Waste treatment needs

(3) Projected Significant Environmental Capital Expenditures for the Next Two Years:

In consideration of international environmental demands such as energy conservation, carbon reduction, and carbon footprint, the company anticipates investing over ten million NTD in environmental capital expenditures. Plans include replacing outdated utility systems and implementing energy-saving improvement projects, with the goal of achieving electricity conservation and greenhouse gas emission reductions. Furthermore, in response to increasingly stringent environmental air pollution regulations, the company plans to invest over ten million NTD in environmental capital expenditures. Plans include installing low-temperature condensers (-70 to -80 degrees Celsius) which mostly used in overseas pharmaceutical plants to improve air pollutant emissions.

4.5 Labor Relations

4.5.1 The company's various employee welfares, advanced study, training, and retirement system and their execution, as well as labor-management agreements and various measures upholding employee rights and interests

1. Employee Benefits:

In order to create a good and harmonious working environment, actively provide employees various caring measures, on top of legally required measures, such as labor insurance and health insurance:

(1) Sound corporate regime: There are set measures governing promotion, award/penalty, performance appraisal, leave, and salaries and related operational and management regulations are upgraded timely, in line with change of laws/regulations, so as to assure legal compliance of business activities, consolidate corporate management, and safeguard employees' interests.

(2) Fair, reasonable, and competitive compensations system: Continuously appropriate a set portion of earnings as employee compensations, and provide performance bonus and year-end bonus to employees. In addition, multiple incentives are available to encourage good performance, on top of compensations regime addressing both internal fairness and external competitiveness, for retention of excellent talent.

(3) Multiple fringe benefits: In line with legal requirement, establish employees' welfare committee, appropriate employee welfare fund, and push contracted stores, employee clubs, annual employee travel, and other activities promoting employee exchange, on top of provision of subsidy for employee study, scholarship for employees' children, subsidies for child birth and child care, bonuses for Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, and free company bus and parking space.t Festival, and Mid-Autumn Festival, as well as free commuting bus and parking space.

(4) Plan for promotion of employee health: In addition to mandatory insurance for employees, the company has also taken out various group insurances for their families, including life insurance, injury insurance, medical insurance for accidental injuries, and insurance for major diseases. Moreover, the company arranges physical check for employees every year and has medical staffers track the health status of employees continuously, on top of other health betterment activities, such as lectures on health issues, weight loss, and walking. To promote balanced diet among employees, the employee restaurant pays much attention to the nutrition of meals and safety of foodstuff, striving to achieve a balance between caloric value and nutrition.

(5) Secure and friendly workplace: In addition to a flextime, enabling employees to take good care of family and work simultaneously, a well-furnished breastfeeding room and special parking space for pregnant employees are available. There are massage therapists stationed in the plant to give employees timely relief from their works, as well as contracted consulting service, to help employees handle their troubles in work, daily life, or health.

(6) LOHAS (lifestyles of health and sustainability): Hold employee well-being month and family days, for exchanges among employees and their families; subsidize employee clubs, to encourage hobbies and activities among employees in their leisure time and cement employee bond.

2. Advanced training

As a demonstration of its high regard for talent cultivation and in line with strategic human-resources management and the need of organizational development, the Company, in addition to on-the-job training, has arranged professional management courses, for the purpose of enhancing management skills and work performance, supplemented by one-on-one coaching and instruction, job rotation, and project assignment, in the hope of strengthening the expertise of individual employees at various levels and improving the execution performance of teams.

As for professional expertise and knowledge, conduct internal or external training on GMP quality system, environmental protection, industrial safety, and hygiene, whose execution is also incorporated into ERP system for management and regular tracking:

(1) Business and management training:

Upon its inception, the company already established Professional Management Training (PMT) system, designing tailor-made courses for managerial staffers at various levels and cultivation of other talents, which is supplemented coaching by senior superiors for dissemination of corporate culture, facilitating passing of experience and attaining sustainable development of the company.

(2) GMP training: To uphold high product quality and assure compliance of all production-related operations with legal requirement, every employee has to undertake set hours of GMP training, according to their different positions. It is mandatory to undertake certain hours of GMP (good manufacturing practice) every year.

(3) Industrial safety/hygiene training: To provide employees a safe working environment, in addition to enforcement of workplace-safety management, fire-fighting safety management, and employee health management, the company holds education and training on safety and hygiene for employees regularly, so that they can possess necessary safety and hygiene knowledge.

(4) Training for core and professional skills: To help employees in different job categories enhance their knowledge or operating skills for smooth execution of their duties, analyze necessary core and professional skills for different kinds and levels of jobs before formulating corresponding study roadmaps and training plans. Individual education and training budget is appropriated for every employee, for him/her to attend job-related workshop/training or professional technology seminars, domestic or overseas ones. The technology department also arrange on-the-job training to pass on professional knowledge and experience.

(5) Person(6al development: Given frequent contact with international pharmaceutical firms in the company's operation, the company has cooperated with English-language training institutions for the provision of English-language courses, Assistance for self-learning: In order to help employees augment their job-related knowledge and skills, formulate encouragement measures subsidizing study by employees themselves, in addition to holding study courses and artistic and literary lectures regularly, to facilitate self-learning by employees.

(6) New employee training: New employees would take basic instruction on factory safety/hygiene and GMP upon reporting to job, so that they can understand the company and job-related requirements in a short time, in addition to arrangement of introductory training courses, to help them fit in with the working environment.

ScinoPharm Taiwan conducted training sessions for 6,698 person/times totaling 43,317 hours in time in 2024, with training items and results listed below:

Items	Person/times	Total hours
Business and management	906	2,741
GMP training	2,985	29,584
Training on industrial safety, hygiene, and environmental protection	1,418	3,295
Training on professional skills	841	5,076
Personal development series	548	2,621

3. Retirement system

Based on the Labor Standards Act and the Labor Pension Act, the company has formulated measures on employee retirement, stipulating retirement conditions and the criteria for the calculation for retirement payment. Accordingly, the company has made monthly appropriation for retirement reserve fund and set up supervisory committee for the fund, to assure payment for retired employees.

The company appropriates 2% of monthly pay expense for retirement reserve fund, deposited at a dedicated account with the Central Trust of China. Following implementation of the Labor Pension Act on July 1, 2005, the company has been making monthly appropriations equivalent to 6% of employees' salaries for deposit into their personal pension accounts, as well as extra appropriations made by employees themselves.

For employees suited to application of the Labor Standards Act or who keep the front part of service years for application of the Labor Pension Act, their pension is calculated according to article 84-2 and article 55 of the Labor Standards Act.

For employees suited to the application of the Labor Pension Act, the company has made proportionate appropriations for deposit into their personal pension accounts.

According to the company's retirement measures, employees meeting one of the following conditions can apply for retirement:

(1) 55 years of age or older with over 15 years of service at the company;
(2) More than 25 years of service at the company;
(3) 60 years of age.

The company can ask employees to retirement, upon 65 years of age or incapability to fulfill their responsibilities, due to mental or physical disability. In the latter case, they will be entitled to 20% markup for pension, if their disability is job-related.

4. Labor-management consultation and upholding of employee benefits

In reflection of the company's high regard for harmony and mutual communications between management and labor, in addition to regular meeting at various units and levels, the company holds a meeting attended by all the employees every year, to acquaint employees with the company's latest business development and enable them to propose suggestions, thereby boosting their identification with the company.

Moreover, the company has asked human-resources management unit to organize labor-management meeting, for communication and discussion on various major issues related to labor-management relationship, on top of multiple platforms for internal communications, including corporate website, regular e-bulletin, employee opinion box, cross-level dining, and dedicated employee- complaint mailbox. Employees can freely propose suggestions on various measures and management system via various channels, as major reference for related units in business promotion. Chiefs at various levels also respond to employee opinions regularly, to uphold a harmonious labor-management relationship and consolidate employee identification with the company.

The company didn't suffer loss from labor-management dispute in 2024 and as of the date of the publication of the annual report.

4.5.2 Protective measures for workplace and personal safety of employees

To enhance autonomous management capability for safety and hygiene, the company has passed entirely the systematic certification of the management guidelines of the Taiwan Responsible Care Association (TRCA) SINCE 2007, including safety management of contractors, distribution management, product management, emergency response management, process safety management, waste management, and reduction management, as well as the acknowledgement by the vocational safety and hygiene management system for enterprises of the Ministry of Labor. Also since 2019, we have been submitting annual environmental, health, and safety (EHS) performance data and process safety indicators in accordance with the ICCA's global Harmonized Process Safety Metrics (PSE Pilot Reporting) initiative. TRCA is currently reviewing and evaluating its management system verification mechanism. Once a new verification system is proposed, the Company will immediately submit verification requirements. Furthermore, in response to the unique characteristics of the pharmaceutical industry and to protect personnel from exposure hazards caused by handling potent compounds, we have been certified by SafeBridge, an international third-party organization, for our potent compound handling management system since 2009. We are currently operating and improving our potent compound handling management system based on SafeBridge's standards. Through the participation of all employees in the operation of the safety and health management system, we implement various safety and health management measures, and utilize hazard identification, risk assessment, and risk control as tools to create a comfortable and safe working environment to achieve our goal of zero accidents. Details of ScinoPharm Laboratories' work environment, personnel safety measures, and monitoring controls are as follows:

* Status of dedicated units or staffers for safety/hygiene and environmental management

For fulfillment of corporate social responsibility, linkage to the world, contribution to progress in environment, society, and economy, and evaluation and management of risks deriving from the aforementioned issue, so as to attain the goal of sustainable development and management, the company has formulated the organizational charter of the sustainable development committee. According to the charter, the committee is chaired by the company's president and consists of "sustainable development office and risk management task force" and "vocational safety and hygiene management commission," with the former headed by vice president of the production center, overseeing an environmental sustainability section with the mission of integrating the tasks of environmental protection, safety and hygiene, energy conservation, water saving, and greenhouse-gas management. Under the section three sub-sections dedicated to various tasks, namely safety, waste abatement, energy conservation, and greenhouse-gas inventory. The "vocational safety and hygiene management commission" is headed by the chief of the industrial safety,, hygiene, and environmental protection department, set up according to the "measures governing vocational safety and hygiene," with the mission of establishing the company's vocational safety and hygiene management system and attaining the goal of safety and hygiene management, via planning, execution, evaluation, and improvement measures, so as to enhance safety and hygiene management level. The hope is to consolidate corporate foundation via upholding employee health, forging a safety and friendly workplace, and incorporating environmental protection into corporate goal.

* Control of the hazard of active pharmaceutical ingredients

For controlling the exposure to the hazard of active pharmaceutical ingredients, the company embraces common management mode among pharmaceutical firms worldwide. The mode calls for setup of exposure ceiling for active pharmaceutical ingredients and grading of hazards, planning for engineering protection for different grades of hazards, definition of the use and management of engineering-protective measures, and measurement of the effectiveness of the function and operating environment of engineering protection, the latest for ascertaining the sufficiency of engineering protection for different grades of hazards and the need for improvement or upgrading. In order to correctly identify the grades of hazards of active pharmaceutical ingredients and determine the exposure ceiling for active pharmaceutical ingredients, the company has set up an evaluation panel consisting of in-house and external experts in pharmacy, toxicology, chemical, and industrial hygiene for the task. Meanwhile, in order to assure protective engineering measures attaining expected containment, the company has established method for air sampling for analysis, by its own or outsourcing, carried out sampling via ISPE practice guide, for evaluating the actual effect.

* Management of process safety

To prevent unacceptable risk of process hazard during the stages of R&D through mass production, embrace four-stage analysis for process hazard: analysis of process hazard at laboratory (Lab PHA), analysis of intrinsic hazard (PHA1), analysis of reactive hazard (PHA2), and analysis of operating hazard (PHA3). Meanwhile, for evaluating safety issue resulting from thermal hazard induced by chemical reaction, carry out safety-test analysis with such laboratory equipment as differential scanning calorimeter, reaction calorimeter, and adiabatic calorimeter, in addition to conducting hazard forecast for chemicals without sufficient toxicological data with pharmaceutical-toxin forecast software Derek for Windows.

In addition, to ensure the implementation of process hazard analysis, we not only integrate the shift production schedule with critical hazardous operations to highlight key daily production hazard information to relevant personnel, but also established a Process Safety Committee composed of internal professionals to review and audit product processes with inherent, reactive, or operational hazards, inviting external experts to participate when necessary.

Before process production, high-risk operational steps are selected from the Process Hazard Analysis (PHA3), and related safety protection measures and response procedures are discussed. Before proceeding with these steps, relevant personnel and the central control room are notified via email. Central control room personnel confirm that safety protection practices comply with regulations during inspections.

Change management procedure to evaluate and lower potential risks connected with modification of process engineering change. For control of operating safety, there have been norms for hazardous operations, such as procedural document for hazardous-operation permit, document for locking/tagging operational procedure, and document for restrictive-space operating procedure.

For in-plant use of chemicals, control its inventory at safe level and put in place standard procedure for separate bottling, with complete personal protective gear ready for use by operators, to assure safety in the use and stockpiling of chemicals.

* Emergency response management

To assure effective response to and removal of accidents, install three-stage emergency-response mechanism: initial accident-handling stage, emergency response and handling stage, and major disaster management stage. Since emergency response is a comprehensive incident, in addition to two whole-place drills, there are nighttime drills and drill for dispersal without alert, with the drills covering not only employees but also staffers of contractors stationed in the plants. Moreover, install the mechanism of emergency-response and disaster-relief experts by providing long-term training of disaster-relief skills to staffers selected by various plants, so as to carry out rapid and effective emergency response and disaster relief.

Alarmed by the outbreak of serious explosion and fire at SCI Pharmtech Inc. and Syn-Tech Chem. & Pharm. Co., Ltd. during holiday and after hours on Dec. 21, 2020 and May 20, 2021, respectively, the company planned the setup of a monitoring and response center for around-the-clock safety monitoring and emergency response, inaugurated in Jan. 2022, according to internal evaluation and outside expert's suggestion.

The center's major achievements in the first year(2022), included establish of a good communications and contact mechanism with in-house disaster-relief experts and review and improvement response flow, according to actual cases, as well as discovery and rectification of unsafe operations related to inflammable gases with safety monitoring tools.

During the second year (2023), in order to strengthen safety monitoring, combustible gas detectors were added to critical areas in the factory, and a continuous power supply system was set up for monitoring systems to ensure continuous monitoring. Additionally, patrols were intensified in high-risk areas of the factory, laboratories conducting overnight experiments, and highly hazardous operations.

In the third year (2024), efforts will be strengthened in personnel training and emergency response management, including familiarization with chemical spill response procedures and the handling of personnel injuries. High-risk areas within the plant will be reviewed, and explosion-proof cameras and combustible gas detectors will be added.

In addition to regular emergency response assessments of the monitoring and response center by the EHS department to ensure it functions as intended and expected, external experts, the Chief Public Safety Officer, and technical teams from Uni-President Enterprises Corp. will be invited to re-evaluate the role and function of the monitoring and response center and incorporate it into long-term planning.

* Monitoring of operating environment

For detecting operating environment, formulate operating-environment detection plan containing sampling strategy, which starts with basic data collection and check of raw materials, process procedure, and hazardous materials, to be followed by observation, interviews and recording, investigation, planning of similar exposure groups, and sampling of staffers with largest chance of exposure. Detection items include CO2, noise, and organic solvent.

Meanwhile, in line with the features of the pharmaceutical industry, in order to shield staffs from the exposure to hazard resulting handling active drugs, set up air-sampling method for analysis, by its own or outsourcing, which adopts the aforementioned procedure for detecting operating environment, to evaluate the effect of exposure to hazard.

* Training for industrial safety, hygiene, and environmental protection

To strengthen staffers' concept of industrial safety, hygiene, and environmental protection and prompt them to continuously strengthen and improve the safety of their own operating environment, in addition to holding legally required courses, the company formulate educational and training program on industrial safety, hygiene, and environmental protection according to actual needs inside the plants, the company also conduct related courses regularly or irregularly, so as to intensify the responsibility and awareness of staffs for industrial safety and hygiene.

* Management of contractors

Integrate the information on the management of contractors via the e-contractor management system, so as to actually control the number of contractor staffers, as well as their authorized rights, entering the plant compound, in order to intensify admission control and enhance the efficiency of industrial safety and dispersal of staffers for emergency response. In addition, contractors are required to convene related units for safety meeting before start of construction works, as well as tool-box meeting daily, informing related workers, orally or in written form, on noticeable items for safety and hygiene. All contractors are required to carry out safety-protective and control measures for construction works, in line with the requirements set out in the document on the procedure for hazardous-operation permit.

* Augmentation of employee health

To safeguard the health of staffers and shield them from the risk of exposure to hazard in operation and contraction of vocational diseases, in addition to provision of various protective equipment and semi-annual detection of operating environment, arrangement regular physical exam for staffers, including management and rank-and-filers, clinical service, promotion and provision of breastfeeding space, and the provision of messaging service to relieve the pressure of staffers, so as to strengthen staffers' immunity from diseases and work efficiency. Moreover, to prompt staffers forming the habit of regular exercise, via the encouragement and inducement of organization, for upholding their physical and mental health and vigor. In addition, with an eye on enhancing the awareness of own health management among staffers, the infirmary conducts various health lectures and promotional events for health enhancement.

* Establishment of safety culture

In order to formulate a safety corporate culture via enhancement of employees' safety awareness and knowledge, in addition to regular safety meetings promoting safety norms and disseminating safety incidents, the production division has been evaluating monthly various sectors' safety performance, in the aspects of risk management, employee discipline, and safety management and practices, giving the top three performances with prize money quarterly. Sector chiefs are encouraged to inspect safety practices of factories and employees under their jurisdiction regularly and find out unsafe behaviors/environments, along with improvement suggestions, so as to forge a safety workplace and augment sector performance in the safety competition.

In order to boost autonomous management capability, the mainland Chinese company invested by the company has conducted certification of standard corporate-safety management system for hazardous chemicals, including safety management for contractors, distribution management, product management, emergency response management, process safety management, and waste management and reduction management. Meanwhile, in line with the features of pharmaceutical business, the mainland Chinese company has had SafeBridge, an international fair third party, audit the system and has improved the system according to the opinions of SafeBridge auditors, so as to shield employees from exposure to the hazard of potent compound handling. The mainland Chinese company has been striving to build up a comfortable and safe working environment, free from accident, via participation in the operation of safety and hygiene management system by all staffers, enforcement of various safety and hygiene management measures, and the use of such tools of hazard detection, risk assessment, and risk control.

4.5.3 Estimated Losses from Labor Relation Conflicts in the recent year and as of the publication date of the annual report:

The company has faithfully complied with and implemented related laws/ regulations of the government, dedicated to set up complete systems and safeguard employees' right and interests, and regarded highly two-way communication with employees, leading to harmonious management-labor relationship, as a result of which there has been no loss caused by labor-management disputes up to now.

4.6. Information security management

4.6.1 Information security risk management structure, information security policy, information security management program, and input of resources for information security:

As an API (active pharmaceutical ingredient) maker, ScinoPharm Taiwan has been dedicated to the establishment of a complete and competent information security system, in conformance to GMP specifications, in order to safeguard R&D and intellectual properties, while upholding normal operation and production and assuring product quality.

1. Management structure

The company's information technology department under the administrative and management center is in charge of information security, handling related policy formulation, execution, risk management, and compliance auditing and regular report on execution to President of the Company. The Company set a supervisor and a Information security administrator to strenthen the Company's Information management.

Overall information-security management is carried out via annual review of the system plus constant upgrading of execution measures and equipment, introduction of information-security services with new technology, regulation, auditing, and strict restriction of information access, in terms of both personnel and equipment, auditing mechanism for tracking and checking various abnormal activities, and institution of various backup and disaster-recovery mechanism, so as to assure GMP compliance.

2. Information Security Policy

The Company has established an internal control system for "Computerized Information System Operations" and pays attention to the latest legal dynamics related to information security from competent authorities to review compliance with their requirements, thereby enhancing the Company's information security management mechanism.

3. Information Security Management Program

In the face of various new and changeful information-security threats, such as botnet, zero-day attack, and ransomware, the company has introduced various advanced information-security systems to greatly boost our anti-hacking ability, including next-generation firewall, IPS, URL filtering, antivirus wall, and anti-spam to strenthen response ability, plus institution of network partitioning and multi-level network isolation, to prevent penetration of internal network by hackers, restriction of remote access, flow sniffing and auditing, thereby detecting network abnormality for interdiction of threat and prevention of disaster and reducing risk and potential loss.

In the wake of the vigorous development of digital technology and change in office mode in recent years, threat to endpoint security has increased significantly; for which the company has adopted various measures protecting endpoint computer equipment, including graded management, such as access control, authorized limit for personal accounts, and privileged accounts, institution of next-generation antivirus system, increase of password strength and use of multi-factor verification, to as to ward off malicious software and ransomware. In addition, we have continued to mend and renovate programs and devices, utilize legal software and systems conforming to information-security norms, and introduce document encryption, to prevent data leakage.

Moreover, the company has installed various backup and recovery mechanisms, on top of regular recovery drill, in line with current data integrity norm for pharmaceutical plants. To materialize the company's information-security policy, it holds information-security education and training program for employees, so as to strengthen their information-security concept and ability for identifying information-security threat. The company has also collaborated with information-security company in instituting information-security contact network, assisting enterprises to handle information-security issues in real time, so as to prevent spread of disaster. Meanwhile, the company has attended joint information-security program SP-ISAC of Hsinchu Science Park, thereby exchanging information-security information with peers regularly, which is conducive to grip on new information-security technology and enables the company to adjust information-security practices timely and thus protect key information assets, boost corporate image, and enhance corporate competitiveness.

4. Resources invested in Information Security Management:

The company has invested management resources in information security mainly in the following aspects recently:

1. Software inventory: once a year, to assure employment of legally licensed software and upgrade information in risk identification database.
2. Data recovery drill: Carry out disaster recovery drill for core systems once a year.
3. Enhanced Management of Privileged Accounts and Remote workers' Access:
   * Two-factor authentication is implemented for privileged account logins to core system servers.
   * Strengthening privileged access management (PAM) security systems eliminates common complexities and time-consuming processes in privileged account management and access control, reducing human error.
   *. Enhanced two-factor authentication measures for remote workers' accounts.
4. Collaboration with third-party cloud-end monitoring center
   * Collaborate with third-party cloud-end monitoring center for deployment of information-security system featuring multi-facet detection and response, so as to conduct comprehensive monitoring of the company's key information systems and making timely detection and response for various abnormal situations.
5. Joining of TW-ISAC
   * TW-ISAC membership enables the company to access the organization's intelligence and information-security precautionary measures and attack methods, published irregularly for members, to intensify employee's information-security awareness.
   *. The Company has joined the Science Park Information Sharing and Analysis Center (SP-ISAC) for collaborative information security defense, regularly exchanging industry information security risk intelligence, helping the Company stay informed about new technologies and attack threats in information security at all times.
   *. In 2024, the Company's information security team participated in 5 external information security-related training events, and Two information security colleagues have completed a total of 4.5 hours of training through the Taiwan Academy of Banking and Finance, specifically in "(Information Security Awareness and Essential Knowledge)" and "(Responsible and Information Security Incident Explanation and Prevention Measures E-Course)." This training has enabled them to understand the latest cybersecurity threats and attack methods, thereby reducing information security risks and allowing them to take more effective preventive measures.
6. Publication of information-security precautionary measures and attack methods, to strengthen employees' information-security awareness and literacy.
   * Internal Announce information-security precautionary measures and attack methods to all employees from time to time to strengthen employees' information awareness, literacy and information security knowledge.
   *. New employees are required to complete and pass the new employee training course during on boarding. The course content includes "Information Security - IT Related Obligations" to enhance new employees' responsibilities for information security.
   *. Physical general education training courses on information security are held every quarter to improve the information security literacy of employees.
   *. The Information Technology Department held four "General Information Security Courses" in 2024, with approximately 20 employees participating in each course. Each course lasted approximately 3 hours. In addition, social engineering exercises were conducted to strengthen information security awareness and the ability to identify security threats, with approximately 650 employees participating. The department also regularly issued announcements on internal security precautions and explanations of attack methods, releasing a total of 15 announcements in 2024.

4.6.2 Information security-related loss in the recent year and as of the publication date of the annual report, possible influence, and countermeasure: nil

4.7 Important Contracts

ScinoPharm Taiwan, Ltd.

Contract Type	Counterparty	Contract Period	Major Content	Restriction
Supply Agreement	A company in the USA	2010.08.19~7th anniversary after commercial launch	Supply of API for depressive disorder	Non-disclosure agreement
Development Agreement	A company in China	2011.02.08 ~2026.02.08	Development for oncology API	Non-disclosure agreement
Patent License Agreement	A company in Canada	2011.03.15~ 2025.05.26	License of Patent for Manufacturing Anti-cancer API	Non-disclosure agreement
Patent License Agreement	A company in India	2011.11.18~ 2025.06.30	License of Patent for Manufacturing Anti-cancer API	Non-disclosure agreement
Collaboration Agreement	A Company in in the USA	2012.03.27 ~ 7th anniversary after commercial launch	Supply of oncology API	Non-disclosure agreement
Lease Agreement	Southern Taiwan Science Park Bureau	2018.03.01~2038.02.28	Land Renting for Building ScinoPharm	1.Contract term is up to 20 years 2. Contract can be renewed after expiration
Collaboration Agreement	Baxter	2017.02.27 ~10th anniversary after commercial launch	Development and Sales of oncology drug	Non-disclosure agreement
Non-Exclusive License Agreement	A local research institution and a local university	2013.12.10 ~ expiration of the licensed patents	License of the patents for manufacture of API for Cardiovascular diseases	Receive Royalties & Non-disclosure agreement
Supply Agreement	A company in China	2014.06.03~ 5th anniversary after commercial launch	Development and Supply of the API for Peripheral Nervous System	Exclusive Supply Obligation & Non-disclosure agreement
Collaboration Agreement	A company in China	2014.11.06 ~ 10th anniversary after commercial launch	Development, Manufacture and sale of the drug for Myocardial Perfusion Imaging.	Non-disclosure agreement
Collaboration Agreement	A company in China	2014.09.26 ~ 20th anniversary from commercial launch	Development and sales of Oncology drug	Non-Competition & Non-disclosure agreement
Development and supply agreement	A company in the USA	2014.03.06 ~10th anniversary after commercial launch	Development and Sales of drug for leukemia	Non-Competition & Non-disclosure agreement
Service Agreement	A company in the USA	2015.04.10~10 years after the effective date, or all works in the project orders effective before the 10th anniversary is completed, whichever is later.	API development	Non-disclosure agreement
Contract for outsourcing of R&D and production	A Taiwanese company	2016.04.27 ~	Commissioned R&D and production for API	Non-disclosure agreement
Supply Agreement	A company in China	2018.12.10~	Sales of API	Non-disclosure agreement
Supply Agreement	A company in Japan	2018.04.12~	Supply of API	Non-disclosure agreement
Supply Agreement	A company in Germany	2019.01.01~	Sales of multiple APIs	Non-disclosure agreement

Contract Type	Counterparty	Contract Period	Major Content	Restriction
Supply Agreement	A Company in USA	2020.05.21 ~ 2027.05.20	Sales of API	Non-disclosure agreement Exclusive supply
Contract for outsourcing of R&D and production	A Company in USA	2020.09.09 ~ 2025.09.08	Commissioned R&D and production for API	Non-disclosure agreement
Supply Agreement	A company in China	2020.08.21 ~ 2025.08.20	Sales of API	Non-disclosure agreement
Contract for outsourcing of R&D and production	A company in France	2020.09.28 ~ 2027.09.27	Contract for outsourcing of R&D and production	Non-disclosure agreement
Contract for outsourcing of R&D and production	A company in Canada	2020.02.13 ~ 2025.02.12	Contract for outsourcing of R&D and production	Non-disclosure agreement
Supply Agreement	Singaporean subsidiary of a certain French pharmaceutical company	2020.05.25 ~ 2025.05.24	Contract for outsourcing production	Non-disclosure agreement
Supply Agreement	A company in Taiwan	2020.12.02~2027.12.01	Contract for outsourcing production	Non-disclosure agreement Exclusive supply
Contract for outsourcing of R&D and production	A new drug company in USA	2021.10.18~2026.10.17	Contract for outsourcing of R&D and production	Non-disclosure agreement
Co-Development authorization and sales agreement	A company in Taiwan	2022.01.28~7th anniversary after commercial launch	Product Co-Development、manufacturing and sales	Non-disclosure agreement Exclusive supply
Co-Development authorization and sales agreement	A company in USA	2022.01.28 ~ 2029.01.27	Product Co-Development、manufacturing and sales	Non-disclosure agreement Exclusive supply
Supply Agreement	A company in USA	2022.03.25 ~ 2032.03.24	Sales of API	Non-disclosure agreement
Contract for outsourcing of R&D and production	A New drug company in Taiwan	2022.07.01 ~ 2027.06.30	Contract for outsourcing of R&D and production	Non-disclosure agreement
Contract for outsourcing of R&D and production	A New drug company in Taiwan	2022.07.15 ~ 2027.07.14	Contract for outsourcing of R&D and production	Non-disclosure agreement
Supply Agreement	A company in USA	2022.08.26 ~2027.08.25	Sales of API	Non-disclosure agreement
Supply Agreement	A company in USA	2022.09.30 ~ 2025.09.29	Sales of Injection products	Non-disclosure agreement
Co-Development authorization agreement	A New drug company in Taiwan	2022.11.30 ~	Co-Development and patent authorization	Non-disclosure agreement
Contract for outsourcing production	A company in USA	2023.03.21~2026.03.20	Contract for outsourcing production	Non-disclosure agreement
Contract for outsourcing of R&D and production	A New drug company in Taiwan	2023.07.17~2027.07.16	Contract for outsourcing of R&D and production	Non-disclosure agreement
Contract for outsourcing of R&D and production	A company in Taiwan	2023.10.11~2026.10.10	Contract for outsourcing of R&D and production	Non-disclosure agreement
Contract for outsourcing of R&D and production	A New drug company in Taiwan	2023.12.01~2028.11.30	Contract for outsourcing of R&D and production	Non-disclosure agreement

Contract Type	Counterparty	Contract Period	Major Content	Restriction
Co-Development and Supply Agreement	A company in Taiwan	2023.12.26~	Co-Development and Supply	Non-disclosure agreement
Contract for outsourcing of R&D and production	A company in Taiwan	2024.03.07~2030.03.06	Contract for outsourcing of R&D and production	Non-disclosure agreement
Contract for outsourcing of Development	A company in Taiwan	2024.08.27~ completion of the project	Contract for outsourcing of Development	Non-disclosure agreement

SciAnda (Changshu) Pharmaceuticals, Ltd.

Contract Type	Counterparty	Contract Period	Major Content	Restriction
Collaboration Agreement	Two companies in China	2013.01.31 ~20th anniversary after commercial launch	Development, manufacture and sales of oncology drug	Non-disclosure agreement
Supply Agreement	A company in China	2018.04.13~2028.04.13	manufacturing for API	According to the stipulation of the contract
Service Agreement	A company in the USA	2019.06.03~2024.06.02 Extend one more year afterward automatically	APIs Contract Development & Manufacturing	Non-disclosure agreement
Service Agreement	A company in Europe	2019.04.12~2024.04.11. Extend two more year afterward automatically	Customized drugs Contract development & manufacturing	Non-disclosure agreement
Manufacture Agreement	A company in China	2023.05.30~	Contract manufacturing for API	Non-disclosure agreement
Manufacture Agreement	A company in China	2023.08.15~	Contract manufacturing for Ophthalmology	Non-disclosure agreement
Manufacture Agreement	A company in China	2023.10.30 ~	Contract manufacturing for API	Non-disclosure agreement
Manufacture Agreement	A company in China	2024.04.28 ~completion of the project	Contract manufacturing for API	Non-disclosure agreement

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

5.1 Analysis of Financial Status

Consolidated Financial statement

Unit: NT$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	6,608,090	6,380,608	227,482	3.56
Property, Plant and Equipment	3,738,889	3,762,696	(23,807)	(0.63)
Intangible Assets	17,130	19,152	(2,022)	(10.56)
Other Assets	1,578,629	1,559,130	19,499	1.25
Total Assets	11,942,738	11,721,586	221,152	1.89
Current Liabilities	767,682	729,453	38,229	5.24
Other Liabilities	649,252	627,703	21,549	3.43
Total Liabilities	1,416,934	1,357,156	59,778	4.40
Total Stockholders' Equity	10,525,804	10,364,430	161,374	1.56

Parent Company Only Financial statement

Unit: NT$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	6,315,677	6,130,706	184,971	3.02
Property, Plant and Equipment	2,489,060	2,670,501	(181,441)	(6.79)
Intangible Assets	11,328	11,683	(355)	(3.04)
Other Assets	2,954,254	2,787,333	166,921	5.99
Total Assets	11,770,319	11,600,223	170,096	1.47
Current Liabilities	597,627	609,387	(11,760)	(1.93)
Non-current Liabilities	646,888	626,406	20,482	3.27
Total Liabilities	1,244,515	1,235,793	8,722	0.71
Total Stockholders' Equity	10,525,804	10,364,430	161,374	1.56

5.1.1 Explanation for variance (if the variation is 20 % or more):

Consolidated Financial Statements and Parent Company Only Financial statement:

The aforementioned changes did not affect the Company significantly.

5.1.2 Effect of said changes on the Company:

The aforementioned changes did not affect the Company significantly.

5.1.3 Future response plans: Not applicable.

5.2 Analysis of Operation Results

Consolidated Financial statement Unit: NT$ thousands

Item	2024	2023	Difference	(%)
Net Operating Revenue	3,406,284	3,186,083	220,201	6.91
Operating Costs	(2,106,074)	(1,970,094)	135,980	6.90
Net Operating Margin	1,300,210	1,215,989	84,221	6.93
Operating Expenses	(979,169)	(901,498)	(77,671)	(8.62)
Operating Profit	321,041	314,491	6,550	2.08
Non-operating Income And Expenses	91,976	34,349	57,627	167.77
Profit Before Income Tax	413,017	348,840	64,177	18.40
Income Tax Expense	(73,667)	(61,784)	(11,883)	(19.23)
Profit For the Year	339,350	287,056	52,294	18.22
Net Other Comprehensive Income (Loss) For The Year (After Tax)	59,246	(88,013)	147,259	167.32
Total Comprehensive Income(Loss) For The Year	398,596	199,043	199,553	100.26

Parent Company Only Financial statement Unit: NT$ thousands

Item	2024	2023	Difference	(%)
Net Operating Revenue	3,139,056	3,006,952	132,104	4.39
Operating Costs	(2,002,206)	(1,923,659)	(78,547)	4.08
Net Operating Margin	1,136,850	1,083,293	53,557	4.94
Operating Expenses	(835,800)	(766,660)	(69,140)	9.01
Operating Profit	301,050	316,633	(15,583)	(4.92)
Non-operating Income And Expenses	111,884	32,156	79,728	247.94
Profit Before Income Tax	412,934	348,789	64,145	18.39
Income Tax Expense	(73,584)	(61,733)	(11,851)	19.19
Profit For the Year	339,350	287,056	52,294	18.22
Net Other Comprehensive Income (Loss) For The Year (After Tax)	59,246	(88,013)	147,259	(167.32)
Total Comprehensive Income (Loss) For The Year	398,596	199,043	199,553	100.26

5.2.1 Explanation for variance (if the variation is 20 % or more):

Consolidated financial statement

1. Non-operating income and expenses increased primarily due to an increase in government subsidies related to environmental protection and exchange gains.
2. Net Other Comprehensive Income (Loss) and Total Comprehensive Income (Loss) increased primarily due to higher foreign currency exchange losses recognized in 2023 from the translation of foreign currency financial statements of investee companies into NT$.

Parent financial statements:

1. Increase in non-operating income and expenses: Primarily due to a decrease in investment loss recognized under the equity method.

2. Net Other Comprehensive Income (Loss) and Total Comprehensive Income (Loss) increased primarily due to higher foreign currency exchange losses recognized in 2023 from the translation of foreign currency financial statements of investee companies into NT$.

5.2.2 Sales forecast and basis

A. Forecast of sales amount

Item	Amount(kg)
Generic API	25,683
CMO API	2,415
CRO API	213
Injections Products	40
Total	28,351

B. Basis of sales forecast:

The forecast of sales amounts in the above table is based on the needs of customers for the company's products, the company's capacity, and status of new-product development, and the schedule for the introduction of new products.

C. Possible effect of future finance and business and contingency plan:

In view of the company's sound finance and stable business outlook, there is no major uncertainty for future finance and business.

5.2.3 Effect of said changes on the Company: The aforementioned changes did not affect the Company significantly.

5.2.4 Future response plans: Not applicable.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year(1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Countermeasure for insufficient cash	
				Investment Plans	Financing Plans
3,941,524	750,913	(526,450)	4,165,987	-	-

(1) Operating activities: Operating activities generated NT$750,913 thousand dollars' net cash inflow in 2024, attesting to the company's good business status.
(2) Investment activities: Investment-related net cash outflow reached NT$293,383 thousand dollars, primarily comprising capital expenditures for the purchase of equipment to improve production yield and reduce solvent usage, replacement of obsolete equipment, system upgrades, and compliance with GMP/EHS regulations. The Changshu production line mainly involved the purchase of equipment to expand production capacity, replacement and maintenance of existing equipment, and compliant renovation of the raw materials area.
(3) Financing activities: Financing activities caused NT$244,887 thousand dollars of net cash outflow, mainly due to cash-dividend payout.
(4) Effect of change in exchange rate to cash and cash equivalent cash inflow was 11,820 thousand dollars.

5.3.2 Remedy for Cash Deficit and Liquidity Analysis

Countermeasure for insufficient cash: There was no shortage of cash in the year.

5.3.3 Cash Flow Analysis for the Coming Year-budget and Cash Flow combined

Unit: NT$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year(1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Countermeasure for insufficient cash	
				Investment Plans	Financing Plans
4,165,987	780,726	2,665,274	2,281,439	-	-

5.3.3.1 Analysis of change in cash flow in the coming year:

(a) Operating activities: Anticipats stable development in operational net income, it is estimated that the net cash inflow from operating activities for the coming year will be NT$780,726.

(b) Investment activities: The net cash outflow from investing activities is expected to be NT$2,665,274 thousand that includes:

(1) To proactively position itself in the field of improved new drugs, the company subscribed to Handa Pharmaceuticals, Inc. for its private placement of common shares in February 2025, acquiring an equity stake of approximately 10.74% for a total subscription amount of NT$1,156,000 thousand dollars.

(2) In 2025, in addition to capital expenditures for equipment replacement and annual maintenance, further investments are planned for expanding production lines and purchasing equipment to improve production efficiency. Capital expenditure cash outflows are projected to be NT$1,180,825 in 2025.

(c) Financing activities: The estimated net cash outflow from financing activities in 2025 is 328,449 thousand dollars, mainly including cash dividend distribution, loan repayment, lease principal repayment, etc.

5.3.3.2 Countermeasures for insufficient cash and liquidity analysis: Not applicable, since the situation is nonexistent.

5.4 Major Capital Expenditure Items and Source of Capital: None

5.5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

5.5.1. Equity investment policy and Profitability:

Investment Policy and Profitability: The Company's investment policy is centered on providing comprehensive process research, development, and manufacturing services for Active Pharmaceutical Ingredients (APIs) and intermediates. With a professional technical team, we supply generic and innovative drug development clients with high-value, high-quality APIs that do not infringe on patents. We also provide patent drug manufacturers with cost-effective commercial-scale manufacturing services.

1. ScinoAnda (Changshu) Pharmaceutical Co., Ltd.: Net profit for 2024 was RMB 7,130 thousand, an increase of RMB 5,787 thousand or 431% compared to RMB 1,343 thousand for the same period in 2023. This was mainly due to continued profitability and the recognition of government subsidies. As of 2024, SciAnda Changshu has obtained 20 drug production licenses for APIs from the China National Medical Products Administration

(NMPA) and has passed audits by several key customers also. Currently, it is primarily focused on the development and production of new API products and is continuously undergoing audits by the US FDA, Japan PMDA, and cooperating with customers to apply for on-site verification by China's Center for Drug Evaluation (CFDI). A major L3 technical upgrade of the production line is planned for 2025, which will expand the capacity for generic drugs upon completion.

2. ScinAnda (Shanghai) Biochemical Technology, Ltd.: Net profit for 2024 was RMB 345 thousand, an increase of RMB 128 thousand or 59% compared to RMB 217 thousand in 2023. This was mainly due to continued profitability. SciAnda (Shanghai) primarily aims to capture and develop opportunities in the Chinese domestic market and to serve European and American customers locally in Shanghai. In addition, it can provide agency, sales, import and export services for APIs, intermediates, and other products in mainland China, as well as biotechnology R&D consulting services.

5.5.2. Future Investment Plans: None

5.6 Analysis of Risk Management

5.6.1. Risk-management policy and organizational structure

To drive sustainable development, the Company’s Board of Directors established the Sustainable Development Committee to be an exclusively (or concurrently) dedicated unit in charge of promoting sustainable development in May 2022. The Committee is chaired by the President of ScinoPharm and has two sub-units working under it: the Sustainable Development Office and Risk Management Team and Occupational Health and Safety Management Committee. The Sustainable Development Committee is responsible for proposing and enforcing sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and for reporting to the Board of Directors on a yearly basis.

As the Company’s highest governing body of risk management, the Board of Directors is charged with developing risk management policies and framework, and ensuring that the developed policies are aligned with the direction of the company's business strategy so as to facilitate the effective operation of risk management. The Sustainable Development Committee, which reports to the Board of Directors, is tasked with supervising the mechanisms of operation in relation to risk management, while the Sustainable Development Office and Risk Management Team works on managing and assessing risks associated with company operations (e.g., strategy, operations, finance, IT, compliance, product quality, safety, health, and environmental protection, as well as climate change impact/opportunities/risks, etc.) and reports on the same to the Board of Directors on an annual basis.

The company also has a Business Continuity Plan (BCP) that assesses and analyzes various risks that could disrupt operations. Relevant response measures are established based on risk frequency, risk severity, and risk level. Significant operational decisions of the company are evaluated and analyzed by the appropriate responsible departments and then executed according to the Board of Directors' resolutions. Furthermore, the Audit Office, through risk assessments and legal regulations, develops an annual audit plan and self-assessment procedures and methods. Through the execution of the audit plan and self-assessment activities, various potential risks are continuously controlled, and the results are reported to the Board of Directors regularly.

5.6.2 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

(1) Effect of change in interest rate

The Company currently has no significant risks resulting from changes in interest rates. Based on the financial statements of the Taiwan parent company, the net interest income for 2024 was NT$53,638 thousand, representing 1.71% and 17.72% of the operating revenue and operating profit for the year, respectively. This was mainly due to Taiwan central bank raised interest rates multiple times and maintaining a relatively high level of interest rates to combat inflation and overheated housing market. The Company's operations remained stable and profitable, with net cash inflows from operating activities, leading to relatively abundant operating funds. In terms of asset allocation, the Company mainly invests in bank deposits, bills, and bond buyback transactions, which are short-term fixed-income products to ensure the safety of the principal

and maintain good liquidity.
Based on the consolidated financial statements, the net interest income for 2024 was NT$53,438 thousand, representing 1.57% and 16.65% of the operating revenue and operating profit for the year, respectively. This is mainly attributable to the interest income from short-term fixed-income products invested in by the parent company. However, the subsidiary SciAnda (Changshu) incurred a small amount of interest expenses as its operations gradually expanded. The Company will continue to monitor changes in China's interest rates and seek loans with better terms from financial institutions to support its subsidiaries' future operating capital needs; In terms of asset allocation, if the subsidiaries have short-term remaining funds, they will continue to focus on principal-guaranteed short-term fixed-income products to ensure principal security and maintain good liquidity.

Unit: NT$ thousands

Item	2024 Parent Company Only Financial statement	2024 Consolidated Financial statement
Net interest income (expense) –(1)	53,638	53,438
Operating revenue-(2)	3,139,056	3,406,284
Operating profit -(3)	301,050	321,041
Net interest income (expense) to operating revenue-(1)/(2)	1.71%	1.57%
Net interest income (expense) to operating profit-(1)/(3)	17.82%	16.65%

In line with the plan for future capital expenditures, the company and its affiliates will be monitoring closely change in interest rate, to ward off adverse effect of change in interest rates on the company's business development. In view of possible funding need in the future, the company will adopt the following countermeasures according to actual need, to sidestep the effect of change in interest rate:

A. Funding from financial institutions: The Company has maintained a good relationship in dealing with financial institutions, such as banks and bills finance companies, retained proper loan quota, and periodically evaluate the discrepancy between loan rate and average market rate, ready to secure most preferential interest rates when it needs to borrow from financial institutions.

B. Taking advantage of the capital market: The Company is ready, whenever necessary for business development, to float corporate bonds or convertible bonds for direct finance or carry out cash capital increment, to lower funding cost.

C. Plural fund-raising channels: In line with the scale of capital expenditures, the company can also secure syndicated banking loan. It can also borrow foreign currency-denominated loans or float overseas convertible bonds, to meet the need of foreign currency-denominated funds, maintaining a flexible fund-funding method.

D. Effect of change in laws/regulations: As for the Chinese subsidiary, it is necessary to notice the effect of change in laws/regulations on funding method, as well as possible overall effect resulting from change in interest and exchange rates, in order to seek optimal funding channel.

(2). Effect of change in foreign exchange rate

From the perspective of the Taiwan parent company's financial statements, the net exchange gain for 2024 was NT$12,217 thousand, accounting for 0.39% of annual Operating Revenue and 4.06% of Operating Profit, respectively. After the US Federal Reserve's successive interest rate hikes to combat inflation showed results, the market anticipated interest rate cuts to begin in the second half of 2024. The US Dollar Index mostly fluctuated within a range in the first half of the year. Although the Federal Reserve began cutting interest rates three times for a total of 0.75% in September, the data indicated that the economy remained robust. Furthermore, after Donald Trump was elected president, the market assessed the impact of his tariff policies on inflation and the economy, and the Federal Reserve became more cautious in its rate-cutting pace. Consequently, the US Dollar Index experienced a volatile trend of initially falling and then

rising in the second half of the year. In addition to being generally affected by the fluctuations of the US Dollar Index, the exchange rate of the US dollar against the New Taiwan dollar was also influenced by inflows and outflows of foreign capital and overseas investment funds, which increased the volatility of the exchange rate. In response to changes in exchange rate trends, the Company adjusts its hedging strategies accordingly. In the future, the Company will continue to monitor exchange rate movements closely and will appropriately undertake forward exchange contracts and other methods of exchange rate hedging to reduce the impact of exchange rate fluctuations on profitability.
From the perspective of the consolidated financial statements, the net exchange gain for 2024 was NT$19,225 thousand, accounting for 0.56% of annual operating revenue and 5.99% of operating profit, respectively. The main reasons for this was: the relatively high interest rate levels in the US continued to support the strength of the US dollar; Taiwan was also affected by inflows and outflows of foreign capital and investment funds; and China adopted a more relaxed monetary policy due to its continued economic slowdown and was affected by capital outflows. Overall, the exchange rates of the US dollar against the New Taiwan dollar and the RMB showed an upward trend. However, the degree of back-and-forth fluctuation during the period had a significant impact on exchange rate trends and hedging decisions. In response to the impact of various countries' interest rate policies and economic conditions on exchange rate changes, the Company will continue to monitor relevant changes and will appropriately take exchange rate hedging measures, such as undertaking forward exchange contracts, to reduce the impact of exchange rate fluctuations.

Unit: NT$ thousands

Item	2024 Parent Company Only Financial statement	2024 consolidated financial statement
Net currency exchange gain (loss)-(1)	12,217	19,225
Operating revenue-(2)	3,139,056	3,406,284
Operating profit-(3)	301,050	321,041
Net currency exchange gain (loss) to operating revenue-(1)/(2)	0.39%	0.56%
Net currency exchange gain (loss) to operating profit- (1)/(3)	4.06%	5.99%

With its output mainly for overseas markets, the Taiwanese parent company's sale revenue is denominated mostly in U.S. dollar, different from payment that is mainly in New Taiwan dollar, except some portion of U.S. dollar and euro. For subsidiaries in mainland China, with the gradual unfolding of the operation of SciAnda (Changshu) Pharmaceuticals, revenue is denominated mainly in the U.S. dollar, with a portion in RMB, different from payment which denominated mainly in RMB, with a portion in U.S. dollar and other foreign currencies. Therefore, revaluation of the U.S.cn dollar against the New Taiwan dollar and RMB would bring favorable influence on the revenues and profits of the company and subsidiaries and vice versa, with the extent of influence proportionate to the scale of exchange-rate swing and the variation of exchange rate trend.

The company has adopted the following countermeasures for the possible effect of change in exchange rate:

A. The financial unit keeps close contact with the foreign exchange departments of financial institutions, constantly collects information on change in exchange rate, and have firm grip on the international trend of exchange rates and political and economic development, as reference for engagement in foreign-exchange trading and counter the adverse effect of exchange-rate fluctuation.

B. The financial unit engages in certain extent of forward forex trading for risk hedging and proposes evaluation report periodically, as reference for the management to make judgment.

C. Make general evaluation of the effect of exchange/interest rates and adjust currency denominations for debt position properly, so as to ward off the adverse effect of exchange-rate fluctuation.

D. Make payment for procurements in currencies similar to the denominated currencies for proceeds from sales, so as to achieve a risk-hedging effect automatically.

E. Business or procurement units should consult financial unit on trend of exchange rates and other factors of influence before offering quotes, to facilitate overall consideration and evaluation.

(3) The effect of inflation

According to data released by Directorate General of Budget of the Executive Yuan, the Consumer Price Index (CPI) and Wholesale Price Index (WPI) in 2024 increased by 2.18% and increased by 1.35%, respectively, compared to 2023. Additionally, data from China's National Bureau of Statistics shows that in 2024, China's overall Consumer Price Index (CPI) increased by 0.2%, and the Producer Price Index (PPI) decreased by 2.2% compared to 2023. Both indices have shown a slow down compared to 2023 levels. To counter the inflationary pressures and overheated housing market, the Central Bank of Taiwan raised interest rates multiple times from 2022 to 2024. Currently, the assessment is that global raw material prices are no longer continuing to surge, and the inflationary pressures have not worsened. Additionally, In contrast, China is effectively experiencing near-deflation due to issues such as excess inventory and a persistent economic downturn, forcing Chinese authorities to adopt various stimulus measures in response. While inflationary pressures have not worsened, the Company continues to monitor changes in raw material prices and actively seeks multiple sources of supply. In the future, if inflationary conditions reemerge, the company will also negotiate appropriate selling prices with customers and adjust raw material inventory levels to mitigate the impact of cost pressures on profitability.

5.6.3 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

(1) High-risk and high-leveraged investment

In line with the principle of stability for business development, the company shuns high-risk and high-leveraged investments.

(2) Lending, endorsement, and guarantee

In response to operating need of the business group, the company and subsidiaries in China has formulated, according to the regulations of competent authority, "procedure for loan extension to others" and "procedure for provision of endorsement and guarantee," as the basis in execution and risk assessment and effective control by related units. Meanwhile, according to the "Regulations Governing Establishment of Internal Control System by Public Companies," the auditing unit has instituted related system, to carry out risk management and auditing works.

In loan extension, the group had no outstanding loans extended to others as of the end of 2024.

In endorsement and guarantee, the company's board of directors resolved in February 2024 continuing to extend endorsement and guarantee to subsidiary SciAnda (Changshu) Pharmaceuticals, Ltd. in its application for midterm bank loans, with the company's outstanding amount for endorsement and guarantee reaching NT$179,661 thousand dollars at the end of 2024.

(3) Trading in derivate

The parent company ScinoPharm Taiwan, Ltd. and its subsidiaries in China have formulated their respective "procedure for acquisition and disposal of assets" as basis governing transactions in derivatives, which are mainly for the purpose of hedging market risk deriving from fluctuation in exchange rate for foreign currency-denominated assets (liabilities), excluding arbitrage and speculation.

Based on the financial statements of the Taiwanese parent company and the consolidated statements, the financial instrument valuation loss in 2024 amounted to NT$29,294 thousand. This was mainly due to the parent company in Taiwan using forward foreign exchange contracts to manage risks arising from exchange rate fluctuations. However, the significant fluctuations in the US dollar resulted from market expectations regarding the timing of US interest rate cuts differing from the rate outlook released by the Federal Reserve. In addition, possible impacts of Trump's election as US president on the economy and inflation Coupled with the substantial interest rate spread between the US and Taiwan, it led to persistently high hedging costs and made hedging operations relatively challenging. The subsidiary in China has not engaged in trading derivative products.

In the future, the company will still engage in derivatives trading for lowering risks from fluctuation in exchange rate and interest rate, while shunning speculative trading. and will adjust risk-hedging strategy properly in the future, in line with the company's business status and market trend. Meanwhile, according to "procedure for acquisition or disposal of assets, the company evaluates trading status monthly for report to management as basis for decision making.

5.6.4 Future Research & Development Projects and Corresponding Budget

Given long period and high uncertainty for R&D on pharmaceuticals, on top of strong R&D strength and technological advantages, ScinoPharm Taiwan has invested heavily in R&D every year. Taking advantage of high-specifications cGMP production equipment and abundant experience accumulated over a long term, the company has not only developed products with market potential but also installed innovative technological platform, facilitating joint development of new preparations and new drugs with business partners and ushering the company into a new era.

Given significant change of the global API market since its inception, the company will strengthen the realm of CDMO (contract development and manufacturing organization) and step up development of peptide medicine APIs in the next five years, taking advantage of its solid technological strength developed over the past decades. In addition to small-molecular APIs and APIs for new CNS (central nervous system) medicines, the company will continue developing new products featuring timeliness and new processes. Moreover, after evaluating market potential and complexity and accessibility of manufacturing technology, the company plans to engage in the development of APIs for anti-virus and chronic-disease drugs, especially those with new crystal forms or new pharmaceutical composition. Taking advantage of previous effort, especially in the field of process, the company is poised to enter the realm of compound medicines, for use in target drugs, with efficient delivery, high efficacy, and low side effects.

In addition to continuing dedication to the core business of anti-cancer active pharmaceutical ingredients (APIs), the company has forayed into the R&D on injection-medicine formula and process, continually obtain permission for simplified new medicine application procedure in the U.S. and Europe. Moreover, in collaboration with partner, it will develop nanometer platform recently, facilitating subsequent R&D on new preparation formula and preparation administration technology, creating extra production value. Consequently, Scinopharm's patented niche medicines can be expected.

In addition, facing the global trend of increasing demands for carbon reduction and energy conservation, ScinoPharm Taiwan is actively focusing on areas such as green chemistry, carbon footprint, and carbon emission control. The Company is collaborating with the Biotechnology and Pharmaceutical Industries Promotion Office, MOEA (DCB), to implement Process Analytical Technology (PAT) and constructing a continuous reaction process platform technology in response to the global wave of carbon emission control and energy conservation requirements.

The company's R&D outlay is based on budget and new-product development plan, typically accounting for 7-12% of operating revenue, and expected to expand, alongside the company's sales growth. The company expects to invest around NT$1billion of R&D expense in the next two years.

5.6.5 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales:

While government policies and legal changes in Taiwan and abroad had limited effect on the operation of the company in 2024, the company will continue monitoring such changes closely and adopt proper countermeasures timely, to alleviate the impact.

5.6.6 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The company's R&D team outperforms peers in product development and closely monitors, along with marketing and planning teams, general trend for pharmaceutical development and technological progress, as the basis for medium- and long-term development plan. Since the company's APIs are self-developed ones entirely, there is no any problem concerning patent infringement. The company has spared no effort in technological innovation and development of patented progress, to uphold product competiveness. Taking advantage of established basis, the company has been developing new products actively every year, so as to expand product lineup and support the company's global deployment. In addition to APIs, the company has stepped into the realm of production of preparations and, via joint venture, new drug development, gradually becoming an all-round pharmaceutical firm. The company has adhered to the principle of balancing efforts for short-, medium-, and long-term development, capable of coping with technological and industrial changes, without affecting financial soundness.

For the sake of information security, we employ cloud-end service platforms conforming to information-security norms, in addition to multiple information-security measures, including multi-factor verification to intensify password protection, remote-access restriction, encrypted only transmission and data access, multi-layer network structure to protect laboratory and production line via blockage and isolation, and anti-virus software for laboratory computers, so as to safeguard the company's key assets and cope with diversified and unpredictable information-security impact associated with the development of new technologies.

In addition to utilize new technology to augment operating efficiency, it is necessary to prevent cyber safety threat. The company has adopted the following measures to safeguard its key intellectual properties and has followed PDCA (plan-do-check-act) circular management to attain its information safety target:

1. Employment of cloud-end service platform which conforms to information safety norms;
2. Employment of multi-factor verification to strengthen password protection;
3. Restriction on DC access;
4. Restriction on access equipment to remote services;
5. Limit on GPO dispatch;
6. Limit on USB usage;
7. Regular disaster recovery (DR) drill;
8. Strengthening of information-safety awareness among employees by periodic publication of information-safety cases;
9. Encrypted online transmission and data access;
10. Employment of multi-layer network framework for active blockage and isolation to protect laboratory and production equipment;
11. Deployment of next-generation antivirus software to protect office and laboratory computers;
12. Construction of safety protection detection mechanism, such as DDI (deep discovery inspector), deep security, XDR (extended detection and response), monitored by professional third party.

5.6.7 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

In adherence to the concept of sustainable development and long-term partnership with customers and communities, the company regards highly corporate image and risk management, publicizing business status at shareholders' meeting and investors' conference regularly, so as to increase financial transparency. In addition, the company has taken part actively in communal and public-service events, fulfilling its social responsibilities. There are designated staffers to handle various unexpected happenings, minimizing uncertainty for corporate operation. Therefore, there was no major happening which harmed corporate image and caused corporate crisis.

5.6.8 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

As of the date for the publication of the yearbook, the company had no other M&A plan. Should there be any such plan in the future, the company will cautiously evaluate, according to the company's "measures for acquisition and disposal of assets," whether it can bring concrete synergy to the company, so as to uphold the interest of the company and shareholders.

5.6.9Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

The company's factory expansion project has to undergo complete and cautious evaluation, including investment returns and possible risks.

5.6.10 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The company has stable supply and sales channels, without overconcentration risk.

5.6.11 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None

5.6.12 Effects of, Risks relating to and Response to the Changes in Management Rights: There is no change in operating right in the most recent years and as of the print date of the annual report.

5.6.13 Litigation or Non-Litigation Matters:

1. The Company shall disclose, for the last two years and as of the printing date of the annual report, the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved in the litigation and the current status of the litigation, if the outcome of the litigation, non-litigation or administrative dispute has been determined or is still pending.

Jiangsu Qi'an Construction Group Co., Ltd. (hereinafter referred to as Qi'an Construction) filed a lawsuit against the Company's subsidiary SciAnda Pharmaceuticals (Changshu) Ltd. (hereinafter referred to as SciAnda Changshu) over a construction contract dispute. They demanded a payment of RMB12,694,982. The case was finally concluded by the Suzhou Intermediate People's Court on June 5, 2023, with a final civil judgment of (2023) Su-05-Min-Zhong No. 3456, once again rejecting all appeals of Qi'an Construction, and confirming the winning judgment for SciAnda Changshu. However, Qi'an Construction filed a request for retrial with the Jiangsu Higher People's Court on September 7, 2023. After reviewed by the Jiangsu Higher People's Court, on April 2, 2025, a ruling was issued rejecting Qihan Construction's application for retrial on the grounds that the asserted reasons for the application were not sustainable. This case has no impact on the company or SciAnda Changshu's operations and sales.

2. List major litigations, non-contentious cases, administrative litigations, including those with settled ruling or still in progress, involving the company's directors, supervisors, president, actual responsible person, major shareholders with over 10% shareholding, and subordinated companies in recent two years and as of the date of the publication of the annual report, whose outcomes may have major influence on shareholders' equity or security prices: nil.

5.7 Other Important Matters: None

VI. Special Disclosure

6.1 Summary of Affiliated Companies

6.1.1 Consolidated Business Report of Affiliated Companies

The information can be located on the website, Market Observation Post System (TWSE MOPS). Please access and select “basis information” -“Electronics Books”- “Three Forms for Affiliates (Affiliation Report)”

6.2 Private Placement Securities in the Most Recent Years: None

6.3 Other Necessary Supplement

6.3.1 The company's key performance index (KPI)

In line with features of the pharmaceutical industry, the company uses the number of registration for DMF (drug master file) as the KPI.

As the number of product registration parallels the number of products developed by a pharmaceutical company, the number of DMF has been used to embody a company's R&D strength. The company aims to apply for four to five DMF registrations in major countries each year. In 2024, the company applied for 39 DMF registrations worldwide, including 1 in the U.S. As of March 2025, the company had 967 DMF registrations worldwide.

6.3.2 Criteria and basis for the evaluation of provisions for assets/liabilities evaluation items

(1) Policy for provisions for bad debts of accounts receivable

Evaluation criteria: Measures for analyzing debt amount and debt length

Evaluation basis: Percentages of provisions according to debt length

Customer debts are classified into two kinds:

- Type 1 customers are leading enterprises in their respective industries, or subsidiaries, branches, or affiliates of such leading enterprises. Allowance for doubtful accounts shall be provided based on the aging of overdue accounts, according to the overdue account aging brackets and percentages in the table below.

Overdue length of debts	Percentage of provisions
1-~30 days	0.05%
31~60 days	0.10%
61~90 days	0.25%
91~180 days	10%
More than 180days	100%

- Type 2 customers are those who are not classified as Type 1 customers. Allowance for doubtful accounts should be provided according to the following table based on the aging of overdue accounts and the specified percentages for each overdue period.

Overdue length of debts	Percentage of provisions
1-~30 days	0.10%
31~60 days	0.20%
61~90 days	0.50%
91~180 days	10%
over 180 days	100%

The accounting unit calculates the amount of bad-debt provisions according to the aforementioned basis and adjusts the value under the item "bad-debt provisions" accordingly.

(2) Provisions for the loss on inventories from market price decline

The company embraces a perpetual inventory system, whose cost is calculated with a weighted average method. The value of inventory at the end of the current term is set according to cost or net realizable value, whichever is lower. The comparison between cost and net realizable value is made item by item. Net realizable value refers to the balance of estimated sales value deducting the cost of input needed for completion of work and marketing expense. Provisions for price decline must be made and listed as current operating cost, should cost exceed net realizable value. Should net realizable value rise again, the increase can be used for reverse the loss, within the balance of allowance for loss on inventory market price decline and listed as a reduction item for current operating cost.

In evaluating the price-decline loss on inventory, products in the same category are evaluated together

6.3.3. Evaluation of financial products

The company uses the following method and assumption in evaluating the fair value of financial products:

(1) In the short term, due to little different in discounting value, paper value is used in gauging fair value. The method applies to cash, cash equivalent, accounts receivable, other accounts receivable, other financial assets-liquidity, notes payable and debt, expense payable, other expenses payable, and rentals payable-liquidity.

(2) Other financial assets--Discounting value based on expected cash flow is used in evaluating the fair value of noncurrent and refundable deposits. The discount rate is equivalent to the fixed interest rate for one-year time deposits at the end of the current term at Chunghwa Post.

(3) Discounting value based on expected cash flow is used in gauging the fair value of refundable deposits. The discount rate is based on the interest rates available for the company for securing loans with similar conditions.

(4) The evaluation of the fair value of derivatives is based on expected amount which the company can obtain or must pay, should it terminate the contract on the date of the financial statement, ahead of due date. It generally contains unrealized benefit for the settlement of contract at the end of the current term.

(5) The fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

6.4 Other Supplementary Disclosure

If any of the situations listed in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, such situations shall be listed：None.

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