

Stock Code: 1734



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杏輝藥品工業股份有限公司
Sinphar Pharmaceutical Co., Ltd.

2025 ANNUAL REPORT

Printing Date: May 12, 2026

Market Observation Post System: <http://mops.twse.com.tw/>

Website: www.sinphar.com.tw

The English version is for reference only. In case of any discrepancy between the English and the Chinese versions, the Chinese version shall prevail.

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V. Overseas Securities Exchange and the Inquiry Methods for Listed Negotiable Securities

Not applicable.

VI. Company Website

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I. Letter to Shareholders

Dear Shareholders,

Sinphar Group has officially entered its 49th year, marking a pivotal moment as the Group approaches the “Golden 50” milestone of sustainable operations. Reflecting on the past year, despite the continuous changes of the global political and economic environment, the Company has remained committed to three major development strategies, diversified development of generic drugs, enhanced capabilities in new drugs R&D, and the strategies and development of natural botanical products. In 2025, the operational performance sustained growth through profit structure optimization and brand marketing. The Company’s revenue reached NT\$3.371 billion, increased by 7% from the previous year. The net income for the period grew by over 20%, bringing the earnings per share (EPS) to NT\$1.92.

This growth is not only driven by revenue increases but also reflects the optimization of the profit structure of the Group. Over the past year, the Company continued to strengthen pharmaceutical channels and boosted sales for high value-added health supplements through precise market insights. The Company understands that in the highly competitive biotechnology industry, long-term profitability can only be ensured through product differentiation and the establishment of technical barriers. Thus, the Company has continuously invested in R&D, focusing on refining the quality of API and existing products, and launching several technical projects with high market potential. This has accumulated significant technology capital for the Group. In 2025, the Company launched over 10 new products across drugs, health supplements, and aesthetic medicine products. The Company also plans to introduce more new products in the coming year. At the same time, the Company will continue collaborating with Japanese pharmaceutical companies, cooperating on exports and acting as agent for high-quality Japanese products. By leveraging the high-standard capacity of our Yilan plant, we aim to gradually expand into the Japanese and ASEAN markets. The Company looks forward to strengthening our market competitiveness and growth through the continuous completion of our product lines and improving sales channels, steadily promoting new product launches and regulatory registrations.

Looking ahead, as Taiwan entered a super-aged society, the demand for preventive healthcare and precision skincare will grow rapidly. The Company will continue to accelerate the integration and upgrading of the intelligent technology and optimizing management efficiency. Beyond commercial breakthroughs, the Company has successfully integrated “health promotion” and “social responsibility” into corporate development. In addition to the Sinphar Yilan Marathon, the Company strengthens collaborations with the elderly and dementia care facilities. By integrating these resources to meet the needs of aged society, the Company is moving toward becoming an all-age, comprehensive guardian of home health. On the way to “Golden 50” milestone, the Company sincerely thanks for your long-standing trust and support.

Sinphar Pharmaceutical Co., Ltd.

Chih Wen Lee, Chairman

1.1 2025 Business Report

1.1.1 2025 Operational Performance

In 2025, the Company's revenue reached NT\$3.371 billion, an increase of NT\$220.693 million over the previous year. Net profit after taxes was NT\$354.27 million and net profit attributable to the parent company was NT\$365.751 million, an increase of NT\$69.053 million and NT\$61.046 million respectively from 2024. The earnings per share was NT\$1.92, an increase of 20.00% from the previous year.

1.1.2 Budget Implementation

This is not applicable because financial forecasting was not disclosed.

1.1.3 Financial and Profitability Analysis

Unit: NT\$ thousand

Item		Year		
		2025	2024	Increase (Decrease) (%)
Financial Status	Revenue	3,371,321	3,150,628	7.00
	Gross Profit	1,456,891	1,237,016	17.77
	Net Profit (Loss)	354,270	285,217	24.21
	Net Profit (Loss)-Parent Company	365,751	304,705	20.03
	Net Loss-Non-controlling Interest	(11,481)	(19,488)	(41.09)
Profitability	Net Profit Margin (%)	10.51	9.05	16.13
	Earnings Per Share (NTD)	1.92	1.60	20.00

1.1.4 Research and Development

A. Research and Development Expenses in Recent Two Years

Unit: NT\$ thousand

Item \ Year	2025	2024
R&D Expenses	145,368	151,362
Revenue	3,371,321	3,150,628
%	4.31%	4.80%

B. Main Research and Development Activities in 2025

- (A) Food: 4 products
- (B) Cosmetics: 6 products
- (C) Drugs: 2 products
- (D) Product Improvement: 72 products
- (E) 17 Technical Projects

C. Research and Development Progress

Item	Category	Code	Indication/ Application	R&D Progress/Current Situation
1	Botanical new drugs/ Natural botanical materials	ST01	Dementia/ Brain Health/ Vitality/ Health food	Approved by the Taiwan TFDA and the U.S. FDA to conduct Phase II clinical trials. Preparing for clinical trial. Obtained the health food certification of anti-aging function
2	Botanical new drugs	ST02	Drugs for chronic stable angina	The Phase II clinical trial approved by the Taiwan TFDA and U.S. FDA has been completed in stages. Follow-up development is in progress
3	Botanical new drugs/ Natural botanical materials	SF01	Cancer adjuvant treatment agent/ Health food	Completed Druggability Research Part I and Part II in progress. Acquired the health food certification of assisting in modulating allergy constitution and immune modulation.
4.	Natural botanical materials	GF159	Brain Health	Completed clinical efficacy trial proving the product has the function of improving memories, learning abilities, and sleep quality.

Item	Category	Code	Indication/ Application	R&D Progress/Current Situation
5	New small molecular drugs	SB01	Head and neck cancers	Received project funding from MOEA. Completed phase I clinical trial in Taiwan. Approved for phase II clinical trial by U.S. FDA. Approved by the Taiwan TFDA to conduct a Phase II clinical trial, which has been completed. The efficacy of drug and dose adjustment is under discussion.
6	New small molecular drugs	SB02	Cancer treatment	Formulation development before clinical trial. Deprescribing is under discussion.
7	Botanical new drugs	SB03 VEREGEN®	Genital wart (condyloma)	Acquired TFDA drug license to sell drug products in specialized channels (hospitals, clinics, and pharmacies).
8	Eye drops	SB04	Dry age-related macular degeneration	Successful international cooperation with South Korean AJU Pharm in granting authorization right to the Company. IND approved by the Taiwan TFDA; currently conducting Phase II/III clinical trials in Taiwan. Dose adjustment is under discussion
9	Positively charged liposome	SB05 TNBC	Triple-negative breast cancer	Phase III clinical trial application approved to start by Belgium FAMHP, Taiwan FDA (feasibility study is under discussion), and Australia TGA. Received project funding from MOEA.
		SB05PC	Pancreatic cancer	Approved for phase III clinical trial in the U.S., Taiwan, France, Hungary, South Korea, Russia, and Israel. Received the grant of A+ Industrial Innovation R&D Program by MOEA. Completed final analysis of phase III clinical trial. Project is under discussion.
				Approved for phase III clinical trial by NMPA.

1.2 Business Plan for 2026

Management Guideline and Marketing Strategies

“Public’s health is the ideal of Sinphar.” Sinphar upholds the philosophy of “life, health, and technology,” and develops drugs, health supplements, and aesthetic medicine products to guard public’s health and quality of life.

Sinphar is paying equal attention to R&D, production, and marketing. Based on the professional research and development, the Group combines the resources of the subsidiaries at home and abroad to make a comprehensive one-stop industry chain of R&D, production, packaging supplies and sales.

In recent years, the three major developments of the Group are new drugs R&D, natural botanical materials, and drugs. Sinphar develops specific products through efficient production and strengthened quality monitoring. Additionally, the Group enters global health market and maximizes value with diverse marketing tools and channels.

Operation and Marketing Strategies in 2026

A. New Drugs Research and Development

- (A) SynCore Bio’s pipeline is still in progress.
- (B) Development and agency of global cancers generic drugs, agency of global new drugs for cancers, development of API for cancers and development of new dosage forms and new drugs.

B. Natural Botanical Materials

- (A) Based on long-term R&D and scientific data from the Group, Sinphar combines and develops natural botanical materials that strengthen brain health, heart health and immune system to create a niche.
- (B) Develop or introduce unique health supplement/functional food, focus on preventive medicine, accelerate product innovation, and improve various diseases caused by aging population and stress.
- (C) Develop monopolistic API, in addition to self-use, Sinphar actively expands the supply markets.
- (D) Independent research and development of natural materials with patent protected raw materials, control the source of raw materials, break through international regulatory barriers to expand into international markets.
- (E) Develop unique skincare ingredients to actively expand cosmeceutical market.

C. Drugs

- (A) Develop preventive and niche products for all ages.
- (B) Focus on niche generic drug products. Through drug repurposing, develop new indication. The Group can shorten development schedule and reduce costs for better NHI price.
- (C) Diversify product development. Except for self-production, Sinphar also actively collaborates with foreign pharmaceutical companies. Recently, Sinphar introduced gastrointestinal and hypolipidemic drugs from Japan and entered the market successfully. With a growing aging population, Sinphar will further develop drugs for chronic illnesses to expand market share.
- (D) Expand technical cooperation with global pharmaceutical companies, Sinphar introduces manufacturing technologies in generic drugs to expedite product development.

D. Strengthen Quality System to Lay the Foundation for Sustainable Development

- (A) Implement an integrated digital management system and establish routine digital management.
- (B) Handle abnormal quality with automated report which forward the report to related departments for timely investigation, and start a cross-departmental quality committee to establish improvement measures.
- (C) Continue to strengthen the manufacturing quality system and corresponding measures of laws.
- (D) Cooperate with external quality agencies to inspect quality and process of production to strengthen quality management system and quality monitoring.

E. Diversified Marketing and Foreign Business

- (A) After the steady growth of generic drugs market in Japan, Sinphar also obtained the GMP certification of food plant and HALAL certification from MUI, actively captures market shares of South East Asia and Islam in Asia.
- (B) Using different product strategies between Blue Ocean and Red Ocean to capture hospital and clinic market shares and create better profit structure.
- (C) In the post-pandemic era, online shopping became one of the most popular consumer sales channels. Sinphar actively expands e-commerce, telemarketing, and experiential marketing with Sinphar Health Park to integrate online and offline sales. This provides consumers with greater

convenience in purchasing Sinphar's health and skincare products.

- (D) With B2C marketing model, the Company can quickly increase its market share of health supplements, build brand awareness of the unique patented products through advertising, events, and multichannel marketing.
- (E) Establish strategic alliances with international companies and to develop global market through the co-development of various kinds of pharmaceuticals.

F. Set up Intelligent Plant to Improve Productivity to Meet Global Demand

- (A) The plants implemented SAP, MES, and WMS systems. From purchase-sales-inventory management, product manufacturing and control, warehouse management, and to real-time inventory, we reduced cost and improved operation efficiency with computerized management. Complete computerized data meets global market demand and increases international competitiveness.
- (B) Sinphar spares no expense when investing in the replacement of software and hardware and implement AI and intelligent system for checking production compliance and preventing human error, improving manufacturing efficiency, and monitoring quality. We combine the system with manufacturing automation, and plan to expand it to include logistics and sales and marketing systems.
- (C) In response to projected increase in customer deliveries, Sinphar plans to build a new automated warehouse, equipped with a computer system that integrates warehouse with manufacturing and increases logistic efficiency.
- (D) Sinphar simultaneously establishes an information security management system to protect enterprise resource management system, manufacturing execution system and the maintenance of machine room

1.2.1 Sales Volume Forecast and Supporting Basis

Drugs and functional food are the main product categories of our Company. The Company and its employees are working together to achieve the sales targets for 2026.

1.3 The Impact on Company's Future Development Strategies Due to Competition, Regulatory Restrictions and Market Changes

There is a steady growth in healthcare related consumerism as the aging population expands in Taiwan. In order to control the increasing cost of health insurance, the government takes measure to adjust drug prices. However, as the healthcare market continues to grow, the government encourages hospitals or primary medical institutions to use generic drugs resulting in an upward trend in market demand of generic drugs. Yet, domestic pharmaceutical companies are at a disadvantage compared to international pharmaceutical companies due to the lack of economic scale and unfair competition of imported drugs. Domestic companies are under stricter regulations and are required to implement PIC/S GMP, which increase the production cost dramatically, and at the same time, NHI has been steadily reducing the drug prices that it covers.

Taiwan entered the super-aged society in 2025. With the elderly population surging, the number of people with dementia increase 1.5 times than the global average. Over the next 20 years, a new case of dementia will be diagnosed every 30 minutes. This reflects Taiwan needs an environment that supports a high-quality lifestyle for the elderly.

Although we are facing severe challenges in the future, limitless opportunities exist. Sinphar believes in the company philosophy of life, health, and technology, and consistently invests in and improves hardware and software. We introduce talents and technologies, improve quality, develop new products, and focus more on E-commerce and digital marketing. Sinphar aims to be a contributor to Taiwan pharmaceutical industry and reciprocate the support of shareholders.

II. Corporate Governance Report

2.1 Directors, Supervisors and Management Team Information

2.1.1 Directors

April 18, 2026 Unit: shares; %

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Chih Wen Lee	Male/ 71-80	June 19, 2024	3	June 07, 1999	3,149,791	1.88	3,571,862	1.88	2,057,848	1.08	—	—	<ul style="list-style-type: none"> • Bachelor Degree in Pharmacy, Kaohsiung Medical University • Director, National Association of Small & Medium Enterprises • Director, Taiwan Research-based Biopharmaceutical Manufacturers Association • Director, Institute for Biotechnology and Medicine Industry • Director, Taiwan Cancer Foundation • Director, Youngsun Culture & Education Foundation • Presedent, National Outstanding SMEs Award Firendship Club 	<ul style="list-style-type: none"> • Director, Xing-Da Capital Corp. • Chairman, ZuniMed Biotech Co., Ltd. • Chairman, SUNETIC BIOTECH INC • Chairman, UNIVERSAL NEXT TECHNOLOGIES INC • Director, Taiwan Breast Cancer Foundation • Director, Research Center for Biotechnology and Medicine Policy 	Corporate Director Representative	Yi Ta Lee	First degree of kinship	—
																Vice President	Ju Nee Yeo	First degree of kinship		

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Ching Lung Lee	Male/ 71-80	June 19, 2024	3	June 29, 2009	-	-	-	-	-	-	-	-	<ul style="list-style-type: none"> • Ph.D. in Horticulture, Leibniz University Hannover • Professor, National Taiwan University • Chair Professor, National Chung Hsing University • National Policy Advisor to the President • Chairperson, Council of Agriculture, Executive Yuan • Chairman, Taiwan Fertilizer Co., Ltd. • Chairman, BELX Bio-Pharmaceutical Co., Ltd. • Independent Director, VISGENER INC 		-	-	-	-
Independent Director	R.O.C.	Yau Yuan Wen	Male/ 71-80	June 19, 2024	3	June 20, 2018	-	-	-	-	-	-	-	<ul style="list-style-type: none"> • Master Degree in Law, National Taiwan University • Administrative Chief Judge, Division-Chief Judge of Taiwan High Court • Chief Judge, Taiwan Miaoli District Court 	<ul style="list-style-type: none"> • Independent Director, AMIDA Technology, Inc. 		-	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Hsin Yu Chou	Female/ 41-50	June 19, 2024	3	August 03, 2021	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Director	R.O.C.	Hsiu Min Lin	Male/ 81-90	June 19, 2024	3	June 07, 1999	1,336,876	0.80	1,516,017	0.80	61,562	0.03	—	—	• National Ilan Institute, Agriculture and Technology	—	—	—	—	—
Director	R.O.C.	Good Tree Investment Co., Ltd.	—	June 19, 2024	3	June 19, 2024	919,000	0.55	2,109,146	1.11	—	—	—	—	—	—	—	—	—	
Corporate Director Representative	R.O.C.	Good Tree Investment Co., Ltd. Representative: Hsiu Chi Kuo	Male/ 71-80	June 19, 2024	3	June 19, 2024	1,569,382	0.94	724,228	0.38	496,186	0.26	—	—	• Kainan Vocational High School • Chairman, En Yi Enterprise Co. • Director, General Manager, Glory Kingdom Corp.	• Chairman, Glory Nutria Ltd. • Chairman, Vit-Gute Nutrition Ltd.	—	—	—	—

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Ling Mo Chao	Male/ 71-80	June 19, 2024	3	June 29, 2009	1,498,547	0.89	1,855,591	0.98	307,314	0.16	81,900	0.04	<ul style="list-style-type: none"> • Taichung Municipal Sha-Lu Industrial High School • Chairman, Giant Goal Leather MFG. Inc. • Chairman, Hung Weri Investment Co., Ltd. 	Chairman, Giant Goal Leather MFG. Inc.	—	—	—	—
Director	R.O.C.	Xing-Da Capital Corp.	—	June 19, 2024	3	June 07, 1999	1,569,382	9.38	19,123,762	10.05	—	—	—	—	—	—	—	—	—	—
Corporate Director Representative	R.O.C.	Xing-Da Capital Corp. Representative: Yi Ta Lee	Male/ 51-60	June 19, 2024	3	June 06, 2012	640,116	0.38	994,691	0.52	754,518	0.40	—	—	<ul style="list-style-type: none"> • Ph.D. in Chemical and Biological Engineering, University of British Columbia • EMBA, International Business, National Taiwan University • Chief R&D Officer, Sinphar Pharmaceutical Co., Ltd. • Director, Taiwan Research-based Biopharmaceutical Manufacturers Association • Supervisory Board Member, Medigene AG Germany 	<ul style="list-style-type: none"> • Vice Chairman, SynCore Biotechnology Co., Ltd. • Director, ZuniMed Biotech Co., Ltd. • Director, SUNETIC BIOTECH INC • Representative, SynCore Biotechnology Europe GmbH • Independent Director, Bionet Corp. • Member, Biotechnology and Medicine Industry Research Committee, CNAIC • Director, Research Center for Biotechnology and Medicine Policy 	Chairman	Chih Wen Lee	First degree of kinship	—
																Vice President	Ju Nee Yeo	First degree of kinship		

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Jheng Jer Guan	Male/ 71-80	June 19, 2024	3	August 03, 2021	—	—	19,950	0.01	5,292	—	—	—	<ul style="list-style-type: none"> • Ph.D. in Graduate Institute for Sun Yat-Sen Thoughts, Chinese Culture University • Deputy Director-general, National Police Agency, Ministry of the Interior 	—	—	—	—	—
Director	R.O.C.	Hung Chih Lin	Male/ 71-80	June 19, 2024	3	August 03, 2021	1,000,128	0.60	1,701,144	0.89	—	—	—	—	<ul style="list-style-type: none"> • Bachelor Degree in Chemical and Materials Engineering, Chinese Culture University • Chairman, Daxie Boutique Department Store Co., Ltd. • Chairman, Jian-Sheng Co., Ltd. 	—	—	—	—	—
Director	R.O.C.	Neng Chun Yu	Male/ 61-70	June 19, 2024	3	August 03, 2021	999,763	0.59	1,478,859	0.78	57,941	0.03	—	—	<ul style="list-style-type: none"> • China Medical University, Taiwan • President, Taiwanese Association of Diabetes Educators 	<ul style="list-style-type: none"> • Superintendent, NENG-CHUN DIABETES CLINIC • Honorary President, Yilan Association of Diabetes Supporters 	General Manager, China Affairs Office	Neng Yin Yu	Second degree of kinship	—
																General Manager, Subsidiary company	Neng Yu Yu	Second degree of kinship	—	

A. Major Shareholders of the Institutional Shareholders

April 18, 2026

Name of Institutional Shareholders	Major Shareholders
Xing-Da Capital Corp.	INSIGHT INTERNATIONAL (50.22%), Ling Fang Kuo (21.86%), Yi Ta Lee (18.80%), Wan Ping Lee (3.36%), Wan Jing Lee (3.36%), Chih Wen Lee (2.40%)
Good Tree Investment Co., Ltd.	Yen Hao Kuo (60.20%), Hsiao Han Kuo (30.10%), Tzu Chun Liu (4.90%), Hsiu Chi Kuo (4.80%)

(A) Major Shareholders of the Company's Major Institutional Shareholders

April 18, 2026

Name of Institutional Shareholders	Major Shareholders
INSIGHT INTERNATIONAL	Yi Ta Lee (100%)

B. Information of Directors

(A) Professional Qualifications of Directors and Independence Analysis of Independent Directors

Criteria Name	Professional Qualification and Experiences	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director Chih Wen Lee	At least five years of related work experience in the business of the Company. Currently serves as the Chairman of Sinphar Pharmaceutical Co., Ltd. Not being a person of any conditions defined in Article 30 of the Company Act.	—	None
Director Hsiu Min Lin	At least five years of related work experience in the business of the Company. Not being a person of any conditions defined in Article 30 of the Company Act.	—	None

Name \ Criteria	Professional Qualification and Experiences	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director Yi Ta Lee	At least five years of related work experience in the business of the Company. Not being a person of any conditions defined in Article 30 of the Company Act.	—	1
Director Hsiu Chi Kuo	At least five years of related work experience in the business of the Company. Not being a person of any conditions defined in Article 30 of the Company Act.	—	None
Director Ling Mo Chao	At least five years of related work experience in the business of the Company. Not being a person of any conditions defined in Article 30 of the Company Act.	—	None
Director Jehng Jer Guan	At least five years of related work experience in the business of the Company. Not being a person of any conditions defined in Article 30 of the Company Act.	—	None
Director Hung Chih Lin	At least five years of related work experience in the business of the Company. Not being a person of any conditions defined in Article 30 of the Company Act.	—	None
Director Neng Chun Yu	At least five years of related work experience in the business of the Company. Currently serves as the Superintendent of NENG-CHUN Diabetes Clinic. Not being a person of any conditions defined in Article 30 of the Company Act.	—	None

Name	Criteria	Professional Qualification and Experiences	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Ching Lung Lee	At least five years of related work experience in the business of the Company. Served as the Chairman of Taiwan Fertilizer Co., Ltd. Currently serves as the Professor of National Taiwan University, and Chair Professor of National Chung Hsing University. Specialty is agricultural biotechnology. Not being a person of any conditions defined in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Not an employee of the company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates. 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs. 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 	1	
Independent Director Yau Yuan Wen	At least five years of related work experience in the business of the Company. Served as Administrative to The Chief Judge, Division-Chief Judge of Taiwan High Court. Specialty is legal. Not being a person of any conditions defined in Article 30 of the Company Act.	<ol style="list-style-type: none"> 6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. 7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. 	1	
Independent Director Hsin Yu Chou	At least five years of related work experience in the business of the Company. Served as the Finance Manager, Senior Accounting Manager of Sabrina Fashion Industrial Corp, and Accounting Manager of Nice Garden Industrial Co., Ltd. Not being a person of any conditions defined in Article 30 of the Company Act.	<ol style="list-style-type: none"> 8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. Not a professional individual who is an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that offers audit services or offers commercial, legal, financial, or accounting services for which he/she has received the total remuneration of less than NT\$500,000 over the past two years to the Company or its affiliate, nor a spouse thereof. 10. Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company. 	None	

(B) Diversity and Independence of Board of Directors

a. Diversity of Board of Directors:

The Company advocates and respects the diverse policy of Directors to improve corporate governance and promote the sound development of the composition and structure of the Board of Directors. The diverse guideline contributes to enhancing the overall performance of the Company. The members of the Board of Directors are hired based on merit, built up with cross-disciplinary complementary capabilities, and increase the seats of female Directors. According to the demands of operations, business model, and development, to strengthen Board competencies to achieve the goal of corporate governance, the following items are the capabilities the Board of the Company should possess:

(a) Basic conditions and values: Gender, age, nationality, and culture.

(b) Professional knowledge and abilities:

Have the ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct management administration, ability to conduct crisis management, knowledge of the industry, an international market perspective, ability to lead, ability to make policy decisions, respective industry experiences and relative abilities.

(c) If the number of directors of the same gender on the board of directors of the company is less than one-third, describe the reason and measures to be taken to improve the gender diversity of the board of directors

i. Reason: The Company has established 11 board seats in accordance with its Articles of Incorporation, with one currently held by a female director. While this complies with applicable regulations, it does not yet meet the one-third gender representation benchmark. Due to industry-specific constraints, identifying qualified female candidates remains a short-term challenge.

ii. Measures: The Company is committed to gender equality on the Board and aims for at least one-third female representation. It will continue to seek qualified female candidates to enhance board diversity and strengthen corporate governance.

(d) Table of the implementation status of the diverse policy of the members of Board of Directors is as below

Diverse Core Name		Basic Composition				Professional Knowledge and Abilities						
		Nationality	Gender	Age Range	Term of Independent Directors	Operational Judgments	Accounting and Financial	Management Administration	Lead and Policy Decision	Crisis Management	Knowledge of the Industry	International Market Perspective
Directors	Chih Wen Lee	R.O.C.	Male	71-80	—	✓	—	✓	✓	✓	✓	✓
	Hsiu Min Lin	R.O.C.	Male	81-90	—	✓	—	✓	✓	✓	✓	✓
	Hsiu Chi Kuo	R.O.C.	Male	71-80	—	✓	—	✓	✓	✓	✓	✓
	Ling Mo Chao	R.O.C.	Male	71-80	—	✓	—	✓	✓	✓	✓	✓
	Yi Ta Lee	R.O.C.	Male	51-60	—	✓	—	✓	✓	✓	✓	✓
	Jehng Jer Guan	R.O.C.	Male	71-80	—	—	—	—	✓	✓	✓	✓
	Hung Chih Lin	R.O.C.	Male	71-80	—	✓	—	✓	✓	✓	✓	✓
	Neng Chun Yu	R.O.C.	Male	61-70	—	✓	—	✓	✓	✓	✓	✓
Independent Directors	Ching Lung Lee	R.O.C.	Male	71-80	9-12	—	—	✓	✓	✓	✓	✓
	Yau Yuan Wen	R.O.C.	Male	71-80	4-6	—	—	—	✓	✓	✓	✓
	Hsin Yu Chou	R.O.C.	Female	41-50	1-3	✓	✓	✓	—	✓	✓	—

b. Independence of Board of Directors:

The Company currently has 11 members on the Board of Directors, consisting 8 members of Directors and 3 members of Independent Directors (account for 27% of all Directors.) By the end of 2025, all the Independent Directors meet the regulatory requirements related to Independent Directors by the Securities and Futures Bureau, and Financial Supervisory Commission, and none of the Directors or Independent Directors are in violation of Subparagraph 3 and 4, Paragraph 3, Article 26 of the Company Act. The Board of Directors of the Company is independent (Professional Qualifications of Directors and Independence Analysis of Independent Directors is found on page 14). Education, gender, and work experience of each Director are listed in Information on Directors, found on page 9.

2.1.2 Management Team

April 18, 2026 Unit: shares; %

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C.	Yu Liang Pei	Male	June 01, 2013	68,360	0.04	—	—	—	—	<ul style="list-style-type: none"> • Department of Mechanical Engineering, China Junior College of Technology • Medical Representative Certification • Master Degree Credit Program in Business Administration, National Taipei University • Sales Assistant Manager, Sales Manager, Sinphar Pharmaceutical Co., Ltd. • Vice President, Marketing Dept., Sinphar Pharmaceutical Co., Ltd. • Sales Director, Marketing Center, Sinphar Pharmaceutical Co., Ltd. 	• Director, ZuniMed Biotech Co., Ltd.	—	—	—	—

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President, Technology Management Office	R.O.C.	Yi Ta Lee	Male	August 01, 2007	994,691	0.52	754,518	0.40	—	—	<ul style="list-style-type: none"> • Ph.D. in Chemical and Biological Engineering, University of British Columbia • EMBA, International Business, National Taiwan University • Chief R&D Officer, Sinphar Pharmaceutical Co., Ltd. • Director, Taiwan Research-based Biopharmaceutical Manufacturers Association • Supervisory Board Member, Germany Medigene AG 	<ul style="list-style-type: none"> • Vice Chairman, SynCore Biotechnology Co., Ltd. • Director, ZuniMed Biotech Co., Ltd. • Director, SUNETIC BIOTECH INC. • Representative, SynCore Biotechnology Europe GmbH • Independent Director, Bionet Corp. • Director, Research Center for Biotechnology and Medicine Policy • Member, Biotechnology and Medicine Industry Research Committee, CNAIC 	Vice President	Ju Nee Yeo	Spouse	—

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager, China Affairs Office	R.O.C.	Neng Yin Yu	Male	January 01, 2003	1,747,429	0.92	367,062	0.19	—	—	<ul style="list-style-type: none"> • Department of Electronic Engineering, Xin-Pu Industrial College • Director, Taiwan Cosmetics Industry Association • Sales Junior Manager, Sales Assistant Manager, Sinphar Pharmaceutical Co., Ltd. • Assistant Vice President, Marketing Dept., Sinphar Pharmaceutical Co., Ltd. 	<ul style="list-style-type: none"> • Executive Director, Sinphar Tian-Li Pharmaceutical Co., Ltd. (Hangzhou) • Director, SUNETIC BIOTECH INC. • Director, Hangzhou Vitrum Healthy Food Co., Ltd. • Director, Hetian Tianli shasheng Pharmaceutical Development Co., Ltd. 	General Manager, Subsidiary company	Neng Yu Yu	Second degree of kinship	—
											<ul style="list-style-type: none"> • Director, Hetian Tianli shasheng Pharmaceutical Development Co., Ltd. 	Assistant Vice President, General Administration Dept.	Hui Ling Hsu	Spouse		

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager, Subsidiary company	R.O.C.	Neng Yu Yu	Male	February 15, 2008	597,915	0.31	33,293	0.02	—	—	<ul style="list-style-type: none"> • Department of Finance, Tamsui Oxford College • Master Degree in Business Administration, National Taipei University • Supervisor of Accounting Sector, Assistant Manager of Factory Division, Sinphar Pharmaceutical Co., Ltd. • Assistant Manager of Finance Division, Manager of Production Control Division, Sinphar Pharmaceutical Co., Ltd. • Assistant Vice President, Supply and Demand of Production Control Dept., Sinphar Pharmaceutical Co., Ltd. 	• General Manager, ZuniMed Biotech Co., Ltd.	General Manager, China Affairs Office	Neng Yin Yu	Second degree of kinship	—
Vice President	Singapore	Ju Nee Yeo	Female	August 01, 2007	754,518	0.40	994,691	0.52	—	—	<ul style="list-style-type: none"> • B.Eng., M.Eng., McGill University • General Manager, Vice President, Sales & Marketing, CanCap Pharmaceutical Ltd. • Vice President, Quality Steering Unit, Sinphar Pharmaceutical Co., Ltd. 	—	Vice President, Technology Management Office	Yi Ta Lee	Spouse	—

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager, Marketing Center	R.O.C.	Chang Long Chen	Male	January 01, 2008	466	—	—	—	—	—	<ul style="list-style-type: none"> • General Subjects, Kuang-Fu High School • Department of Business Administration, Nanya Institute of Technology • Sales Manager, Sales Assistant Vice President, Sinphar Pharmaceutical Co., Ltd. • Director, Marketing Dept., Sinphar Pharmaceutical Co., Ltd. 	<ul style="list-style-type: none"> • Corporate Director Representative, SynCore Biotechnology Co., Ltd. 	—	—	—	—
General Manager, Yilan Office	R.O.C.	Chien Ju Lin	Female	January 01, 2023	823,126	0.43	—	—	—	—	<ul style="list-style-type: none"> • Bachelor Degree in Chemical Engineering, Chung Yuan Christian University • Junior Manager, Material R&D Sector • Senior Assistant Manager, Production Material Control R&D Division • Manager, Planning of Packaging Materials Division • Manager, Supply and Demand Dept. • Director, Production Control Center 	—	—	—	—	

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President, Marketing Center	R.O.C.	Feng Chin Chang	Male	January 01, 2017	—	—	—	—	—	—	<ul style="list-style-type: none"> • Bachelor Degree in Pharmacy, China Medical University, Taiwan • Master Degree in Business Management, Taichung University of Science and Technology • Pass Pharmacist of Higher Examination • Assistant Manager, Manager, Assistant Vice President, Sinphar Pharmaceutical Co., Ltd. 	—	—	—	—	—
Chief R&D Officer	R.O.C.	Wen Hsin Huang	Male	August 16, 2023	—	—	—	—	—	—	<ul style="list-style-type: none"> • Ph.D. in Pharmacy, University of Texas at Austin • Bachelor and Master Degree in Pharmacy, National Defense Medical Center • Pass Pharmacist of Higher Examination • Associate Professor Researcher, Medical Research Dept., Show Chwan Medical Care System Operations Center • Associate Professor, School of Pharmacy, National Defense Medical Center • Vice President, Drug Development Dept, SynCore Biotechnology Co., Ltd. 	—	—	—	—	—

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Assistant Vice President, Dept. of Planning of Pharmaceutical Product	R.O.C.	Chih Tsao Chang	Male	January 01, 2020	1,004	—	—	—	—	—	<ul style="list-style-type: none"> • Master Degree in Graduate Institute of Pharmacy, National Defense Medical Center • Manager, Chinese Herbal Medicine R&D Dept., Sinphar Pharmaceutical Co., Ltd. • Senior Manager, Dept. of Planning of Pharmaceutical Product, Sinphar Pharmaceutical Co., Ltd. 	—	—	—	—	—
Assistant Vice President, Marketing Channel Dept.	R.O.C.	Chien Kuo Chang	Male	January 01, 2021	2,268	—	—	—	—	—	<ul style="list-style-type: none"> • Department of Mechanical Engineering, Chien Hsin Institute of Technology • Vice President, Hangzhou Vitrum Healthy Food Co., Ltd. • Assistant Project Manager, Marketing Dept. • Assistant Manager, Manager, Marketing Channel Division of Business Dept. 3 	—	—	—	—	—

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Assistant Vice President, Marketing Dept.	R.O.C.	Wen Fang Huang	Male	January 01, 2023	213	—	—	—	—	—	<ul style="list-style-type: none"> • Bachelor Degree in Nutrition, Chung Shan Medical University • Junior Manager, Marketing Division • Manager, Health Supplement Division • Manager, Division of Planning of Health Supplement • Senior Manager, Marketing Channel Division 	—	—	—	—	—
Assistant Vice President, Chairman's Office	R.O.C.	Yi Mei Lou	Female	December 01, 2006	173,658	0.09	8,255	—	—	—	<ul style="list-style-type: none"> • Department of International Trade, Taipei School of Commerce • Manager, Accounting Division, Sinphar Pharmaceutical Co., Ltd. • Assistant Vice President, Finance and Accounting Dept., Sinphar Pharmaceutical Co., Ltd. 	—	—	—	—	—

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Assistant Vice President, Administration Dept.	R.O.C.	Fu Lin Wu	Male	July 08, 2024	—	—	—	—	—	—	<ul style="list-style-type: none"> • EMBA, National I-Lan University • Manager, Factory Affairs Division, Sinphar Pharmaceutical Co., Ltd. • Manager, Public Relations Team/ Executive Assistant to General Manager, Sinphar Pharmaceutical Co., Ltd. • Senior Manager, Public Relations Team, Sinphar Pharmaceutical Co., Ltd. 	—	—	—	—	—
Assistant Vice President, General Administration Dept.	R.O.C.	Hui Ling Hsu (Note)	Female	January 01, 2026	367,062	0.19	1,747,429	0.92	—	—	<ul style="list-style-type: none"> • Department of Industrial and Commercial Design, Asia Eastern Junior College of Technology • Assistant Manager, Chairman's Office, Sinphar Pharmaceutical Co., Ltd. • Manager, Chairman's Office, Sinphar Pharmaceutical Co., Ltd. 	—	General Manager, China Affairs Office	Neng Yin Yu	Spouse	—

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Financial Officer	R.O.C.	Chih Hsiao Chen	Male	August 11, 2015	7,938	—	—	—	—	—	<ul style="list-style-type: none"> • EMBA, Biotechnology, Taipei Medical University • Bachelor Degree in Accounting and Information Technology, National Chung Cheng University • Assistant Manager, Assurance Service, PwC Taiwan • Manager, Finance and Accounting Dept., C.C.P. Contact Probes Co., Ltd. • Manager, Finance and Accounting Dept., Administration Dept., Audit Office, Quality Assurance and Quality Control Dept./ Executive Assistant to the Chairman, Dongguan C.C.P. Contact Probes Co., Ltd. 	• Corporate Director Representative and Chairman, SynCore Biotechnology Co., Ltd.	—	—	—	—
Accounting Manager	R.O.C.	Li Jung Hsieh	Female	January 01, 2007	52,934	0.03	595	—	—	—	<ul style="list-style-type: none"> • Department of Business Administration, Hsing Wu School of Commerce • Junior Manager, Assistant Manager, Accounting Division of Finance and Accounting Dept., Sinphar Pharmaceutical Co., Ltd. 	—	—	—	—	—

Note: Hui Ling Hsu has been appointed as Assistant Vice President of General Administration Department on January 1, 2026.

2.1.3 Where the General Manager or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same people, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed

None

2.2 Remuneration Paid to Directors (Including Independent Directors), Supervisors, and Management Team in the Most Recent Year

2.2.1 Remuneration for Directors and Independent Directors

2025 Unit: thousand shares; NT\$ thousand; %

Title	Name	Remuneration								Ratio and Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio and Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company			
		Base Compensation (A)		Severance Pay (B)		Directors' Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)									
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company (Note)	Companies in the consolidated financial statements (Note)	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 (Note)	Stock	Cash (Note)	Stock		The company	Companies in the consolidated financial statements	
Chairman	Chih Wen Lee	5,033	5,994	—	—	2,892	2,892	104	104	8,029 2.20	8,990 2.46	—	—	—	—	—	—	—	—	—	—	—	8,029 2.20	8,990 2.46	—
Director	Hsiu Min Lin	166	166	—	—	350	350	56	56	572 0.16	572 0.16	—	—	—	—	—	—	—	—	—	—	—	572 0.16	572 0.16	—
Director	Good Tree Investment Co., Ltd.	166	166	—	—	350	350	56	56	572 0.16	572 0.16	—	—	—	—	—	—	—	—	—	—	—	572 0.16	572 0.16	—
Corporate Director Representative	Good Tree Investment Co., Ltd. Hsiu Chi Kuo	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Director	Ling Mo Chao	166	166	—	—	350	350	56	56	572 0.16	572 0.16	—	—	—	—	—	—	—	—	—	—	—	572 0.16	572 0.16	—
Director	Xing-Da Capital Corp.	—	—	—	—	1,300	1,300	—	—	1,300 0.36	1,300 0.36	—	—	—	—	—	—	—	—	—	—	—	1,300 0.36	1,300 0.36	—
Corporate Director Representative	Xing-Da Capital Corp. Representative: Yi Ta Lee	336	336	—	—	—	—	56	56	392 0.11	392 0.11	4,274	5,139	4,532	4,532	—	—	—	—	—	—	—	9,198 2.51	10,063 2.75	—
Director	Hung Chih Lin	165	165	—	—	350	350	56	56	571 0.16	571 0.16	—	—	—	—	—	—	—	—	—	—	—	571 0.16	571 0.16	—

Title	Name	Remuneration								Ratio and Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio and Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors' Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company (Note)	Companies in the consolidated financial statements (Note)	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 (Note)	Stock	Cash (Note)	Stock	The company	Companies in the consolidated financial statements	
Director	Jehng Jer Guan	165	165	—	—	350	350	56	56	571	571	—	—	—	—	—	—	—	—	571	571	—
Director	Neng Chun Yu	165	165	—	—	350	350	56	56	571	571	—	—	—	—	—	—	—	—	571	571	—
Independent Director	Ching Lung Lee	166	166	—	—	470	470	136	136	772	772	—	—	—	—	—	—	—	—	772	772	—
Independent Director	Yau Yuan Wen	166	166	—	—	470	470	136	136	772	772	—	—	—	—	—	—	—	—	772	772	—
Independent Director	Hsin Yu Chou	166	166	—	—	470	470	112	112	748	748	—	—	—	—	—	—	—	—	748	748	—
		<p>1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The Company established Remuneration Committee in 2021. The remuneration of Directors and Independent Directors shall be determined based on his/her contribution to and participation in the Company and industry standard both domestically and abroad. Such remuneration is measured against the Company's operational scale and positively linked to operating performance and future risk exposure. The proposed remuneration is subject to review by the Remuneration Committee and shall be implemented upon the resolution of the Board of Directors.</p> <p>2. Except for the disclosure above, remuneration paid to the Company's directors for services provided to companies included in the financial statements (e.g., serving as a non-employee adviser): None.</p>																				

Note: On March 10, 2026, the Board of Directors has passed the resolution of remuneration distribution for directors amounting to NT\$7,701 thousand and for employees amounting to NT\$13,692 thousand. However, the proposal has not been reported and passed at the Shareholders' Meeting and Remuneration Committee.

2.2.2 Remuneration for Supervisors

On August 3, 2021, the Company established the Audit Committee to replace Supervisors.

2.2.3 Remuneration for General Managers and Vice Presidents

2025 Unit: thousand shares; NT\$ thousand; %

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Remuneration (D)				Ratio and total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash (Note 1)	Stock	Cash (Note 1)	Stock			
General Manager	Yu Liang Pei	2,413	2,413	—	—	1,543	1,578	25	—	25	—	3,981 1.09	4,016 1.10	—
Vice President, Technology Management Office	Yi Ta Lee	2,289	3,009	4,532	4,532	1,985	2,130	—	—	—	—	8,806 2.41	9,671 2.64	
General Manager, China Affairs Office	Neng Yin Yu	—	1,974	—	—	26	26	—	—	—	—	26 0.01	2,000 0.55	
Vice President	Ju Nee Yeo	1,655	1,655	—	—	2,295	2,295	25	—	25	—	3,975 1.09	3,975 1.09	
General Manager, Subsidiary Company	Neng Yu Yu	600	2,107	—	—	—	—	25	—	25	—	625 0.17	2,132 0.58	
General Manager, Marketing Center	Chang Long Chen	1,542	1,542	—	—	863	863	25	—	25	—	2,430 0.66	2,430 0.66	
Chief R&D Officer	Wen Hsin Huang	1,340	1,340	—	—	556	556	25	—	25	—	1,921 0.53	1,921 0.53	

Note: On March 10, 2026, the Board of Directors has passed the resolution of remuneration distribution for employees amounting to NT\$13,692 thousand. However, the proposal has not been reported and passed at the Shareholders' Meeting and Remuneration Committee.

2.2.4 Managerial Officers with the Top Five Highest Remuneration Amounts

2025 Unit: thousands of shares; NT\$ thousands; %

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Remuneration (D)				Ratio and total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash (Note)	Stock	Cash (Note)	Stock			
Vice President, Technology Management Office	Yi Ta Lee	2,289	3,009	4,532	4,532	1,985	2,130	—	—	—	—	8,806 2.41	9,671 2.64	—
General Manager	Yu Liang Pei	2,413	2,413	—	—	1,543	1,578	25	—	25	—	3,981 1.09	4,016 1.10	
Vice President	Ju Nee Yeo	1,655	1,655	—	—	2,295	2,295	25	—	25	—	3,975 1.09	3,975 1.09	
General Manager, Marketing Center	Chang Long Chen	1,542	1,542	—	—	863	863	25	—	25	—	2,430 0.66	2,430 0.66	
General Manager, Subsidiary company	Neng Yu Yu	600	2,107	—	—	—	—	25	—	25	—	625 0.17	2,132 0.58	

Note: On March 10, 2026, the Board of Directors has passed the resolution of remuneration distribution for employees amounting to NT\$13,692 thousand. However, the proposal has not been reported and passed at the Shareholders' Meeting and Remuneration Committee.

**Name of the Corporate Managers Distributing Employee Compensation
and the Status of Distribution**

2025 Unit: thousands of shares; NT\$ thousand; %

	Title	Name	Employee Compensation -in stock	Employee Compensation -in cash	Total	Ratio of Total Amount to Net Income (%)
Corporate Managers	General Manager	Yu Liang Pei	—	375 (Note 1)	375	0.12
	General Manager, Subsidiary Company	Neng Yu Yu				
	Vice President	Ju Nee Yeo				
	Chief R&D Officer	Wen Hsin Huang				
	General Manager, Yilan Office	Chien Ju Lin				
	General Manager, Marketing Center	Chang Long Chen				
	Vice President, Marketing Center	Feng Chin Chang				
	Assistant Vice President, Dept. of Planning of Pharmaceutical Product	Chih Tsao Chang				
	Assistant Vice President, Marketing Channel Dept.	Chien Kuo Chang				
	Assistant Vice President, Marketing Dept.	Wen Fang Huang				
	Assistant Vice President, Chairman's Office	Yi Mei Lou				
	Assistant Vice President, Administration Dept.	Fu Lin Wu				
	Assistant Vice President, General Administration Dept.	Hui Ling Hsu (Note 2)				
	Chief Financial Officer	Chih Hsiao Chen				
	Accounting Manager	Li Jung Hsieh				

Note: 1. On March 10, 2026, the Board of Directors has passed the resolution of remuneration distribution for employees amounting to NT\$13,692 thousand. However, the proposal has not yet been submitted to the Shareholders' Meeting or approved by the Remuneration Committee.

2. Hui Ling Hsu has been appointed as Assistant Vice President, General Administration Department on January 1, 2026.

2.2.5 Analysis of the proportion of total remuneration for Directors, Supervisors, General Managers, and Vice Presidents paid by the Company and the affiliated companies in the consolidated financial statement to the net profit after tax in the individual

financial statements or parent company only financial statements in the recent two years, also, explain the remuneration policies, standards and combinations, the procedure of determining remuneration, and the relevance of operating performance and future risks

- (A) Analysis of the proportion of total remuneration of Directors, Supervisors, General Managers, and Vice Presidents paid by the Company to the net profit after tax in the individual financial statements or parent company only financial statements.

	2025 (%)	2024 (%)
The Company	10.14	22.29
Companies in the Consolidated Financial Statement	11.60	23.59

- (B) Directors and Supervisors

The remuneration policies are issued in the Articles of Incorporation and approved by the Remuneration Committee and Shareholders' Meeting.

When the Directors of the Company perform duties for the Company, regardless of profit or loss, the Company shall offer remuneration. The remuneration of Directors and Independent Directors shall be determined based on his/her contribution to and participation in the Company and industry standards both domestically and internationally. Such remuneration is measured against the Company's operational scale and positively linked to operating performance and future risk exposure. The proposed remuneration is subject to review by the Remuneration Committee and shall be implemented upon the resolution of the Board of Directors. If the Company earns a profit, it shall offer remuneration in accordance with the regulation in Article 19 of the Articles of Incorporation.

- (C) General Managers and Vice Presidents

The Company's remuneration policies to the General Managers and Vice Presidents are implemented in accordance with the Remuneration Guidelines, which are established by the Remuneration Committee. The remuneration of General Managers and Vice Presidents includes base salary and allowances. Bonuses are determined based on operating performance.

2.3 Implementation of Corporate Governance

2.3.1 Operation of Board of Directors

A. There were seven **【A】** Board Meetings held in 2025. The attendance status of the Directors is recorded in the following table.

Title	Name	Attendance in Person 【B】	By Proxy	Attendance Rate in Person (%) 【B/A】	Remarks
Chairman	Chih Wen Lee	7	—	100.00	—
Director	Hsiu Min Lin	6	1	85.71	—
Corporate Director Representative	Good Tree Investment Co., Ltd. Representative: Hsiu Chi Kuo	6	1	85.71	—
Director	Ling Mo Chao	6	1	85.71	—
Corporate Director Representative	Xing-Da Capital Corp. Representative: Yi Ta Lee	7	—	100.00	—
Director	Hung Chih Lin	7	—	100.00	—
Director	Neng Chun Yu	6	1	85.71	—
Director	Jehng Jer Guan	7	—	100.00	—
Independent Director	Ching Lung Lee	7	—	100.00	—
Independent Director	Yau Yuan Wen	7	—	100.00	—
Independent Director	Hsin Yu Chou	7	—	100.00	—

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act:

The Company has established Audit Committee. The provisions of Article 14-3 of the Securities Exchange Act are not applicable. For an explanation of the matters listed in Article 14-5 of the Securities Exchange Act, please refer to page 39 for the information on operation of Audit Committee.

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that requires a resolution by the board of directors: None

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

(1) On June 19, 2025, during the discussion of remuneration distribution for directors, the Chairman, Chih Wen Lee, the Vice Chairman, Yi Ta Lee, and the Independent Directors, Ching Lung Lee and Yau Yuan Wen recused themselves from the discussion and decision-making to avoid conflict of interest. Through the consultation of the acting chairperson, Hsiu Chi Kuo, all the attending directors agreed to approve the proposal without objection.

3. TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, evaluation scope, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations": (Please refer to page 38.)

4. Measures are taken to strengthen the functionality of the Board of Directors and implement status in current and recent years.

(1) The Board of Directors of the Company held seven Board Meetings in 2025, in accordance with the Rules of Board of Director Meeting stating the regulation of the meeting shall be held in at least once every quarter to make the information known to the public and improve the information transparency.

(2) The Company shall announce the relative acts of competent authority, responsibilities, and duties of the members of the Board of Directors and the concept of ethical corporate management.

(3) Each Director was invited to actively participate in the course on corporate governance held this year. The course of education training was held in November of 2025. It was attended by Directors as a reference to the implementation of Company policy. Director who cannot participate in that course will attend courses held by other organizations.

(4) To improve the information transparency, when holding the Board Meeting, the Company will record the meeting in accordance with the regulation of the Board Meeting, or hold video conference to ensure the information flow is unimpeded.

B. Implementation Status of Board Evaluation

(A)

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Items
Once a year	January 1, 2025 to December 31, 2025	Board of Directors, Individual Directors, and Functional Committees	Internal self-evaluation by the Board of Directors and self-assessment by Directors.	Board performance evaluation: 1. Level of participation in company operations 2. Improvement of the quality of Board decisions 3. Board composition and structure 4. Appointment of directors and their continued advanced study 5. Internal controls
				Individual director performance evaluation: 1. Grasp company targets and missions 2. Understanding of the director's role and responsibilities 3. Level of participation in company operations 4. Internal relationship management and communication 5. Director's specialty and continued advanced study 6. Internal controls
				Functional committee performance evaluation: 1. Participation in company operations 2. Understanding of the responsibilities of functional committees 3. Improvement of the decision-making quality of functional committees 4. Composition of functional committees and member selection 5. Internal controls

(B) Evaluation Result

According to Rules for Performance Evaluation of Board of Directors, the performance evaluation results shall serve as reference for selecting or nominating directors.

The 2025 performance evaluation result was presented at the Board Meeting on March 10, 2026. The average scores for the self-evaluation were as follows: 94.97 for the Board, 95.74 for the Board members, 94.73 for the Audit Committee, and 93.68 for the Remuneration Committee.

The Board of Directors and Functional Committees works well. Except for corporate operation, the members could take responsibilities for supervising the compliance with applicable laws and regulations, risk control, etc. The Company will continue to strengthen the Board and committees according to the evaluation result to improve corporate governance.

2.3.2 Operation of Audit Committee

A. Audit Committee Members

The Audit Committee is composed of three Independent Directors. The Audit Committee is responsible for assisting the Board of Directors to supervise the Company's accounting, auditing, financial reporting procedures, and the quality and integrity of financial controls. The term of the Committee members is from June 19, 2024, to June 18, 2027. The information on the Audit Committee members is as follows:

Title	Name	Professional Qualification and Experience
Independent Director	Ching Lung Lee	Please refer to Professional Qualifications of Directors and Independence Analysis of Independent Director.
Independent Director	Yau Yuan Wen	
Independent Director	Hsin Yu Chou	

B. Main duties of the Audit Committee

1. Adoption and amendment to the internal control system in accordance with the regulation of Article 14-1 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of the internal control system.
3. Adopt or amend the procedures for material financial or business activities such as acquisition or disposal of assets, derivatives trading, monetary loans to others, or providing endorsement or guarantees for others, pursuant to the regulations of Article 36-1 of the Securities and Exchange Act.
4. Matters in which a director is an interested party.
5. Material asset or derivatives transactions.
6. Material monetary loaning or endorsement, or provision of guarantees.
7. Public offering, issuance, or private placement of equity-type securities.
8. Appointment, dismissal, or compensation of certified public accountants.
9. Appointment and dismissal of chief finance officer, chief accounting officer, or chief internal auditor.
10. Annual financial statements and Q2 financial statements.
11. Any other material matters so required by the Company or the competent authorities.

C. Information on Operation of Audit Committee

A total of seven (A) Audit Committee meetings were held in 2025. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%)	Remarks
Independent Director	Ching Lung Lee	7	—	100.00	—
Independent Director	Yau Yuan Wen	7	—	100.00	—
Independent Director	Hsin Yu Chou	7	—	100.00	—

Other mentionable items:

a. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee, and the Company's response to the Audit Committee's opinion should be specified.

(a) Matters referred to in Article 14-5 of the Securities and Exchange Act

Date	Session	Motions	Resolutions of the Independent Director	The Company's Response to the Audit Committee's Opinion
February 19, 2025	The fourth meeting of the second committee	1. Internal Audit Report Presented by Chief Internal Auditor 2. Report on the 2024 Internal Audit Plan Implementation	Agree	Approved
March 5, 2025	The fifth meeting of the second committee	1. 2024 Business Report and Financial Statements 2. 2024 Earnings Distribution Table and Distribution of Cash Dividends 3. Proposal for Issuing New Shares through Capitalization of Retained Earnings 4. Proposal for Statement of Internal Control System	Agree	Approved
May 9, 2025	The sixth meeting of the second committee	1. 2025 Q1 Consolidated Financial Statements 2. The Contract Extension of Endorsements and Guarantees for Subsidiary Company 3. Proposal for the Establishment of the Second Distribution Center 4. Internal Audit Report Presented by Chief Internal Auditor	Agree	Approved
August 12, 2025	The seventh meeting of the second committee	1. 2025 Q2 Consolidated Financial Statements 2. Internal Audit Report Presented by Chief Internal Auditor	Agree	Approved

September 25, 2025	The eighth meeting of the second committee	1. Proposal for the Change of the Company's CPA	Agree	Approved
November 11, 2025	The ninth meeting of the second committee	1. 2025 Q3 Consolidated Financial Statements 2. Internal Audit Report Presented by Chief Internal Auditor 3. Proposal for the Change of Corporate Governance Officer	Agree	Approved
December 17, 2025	The tenth meeting of the second committee	1. Proposal for Incorporating the Scope of Non-executive employees into Internal Control System 2. Proposal for the 2026 Internal Audit Plan 3. Amendment to Internal Control System 4. The Contract Extension of Endorsements and Guarantees of the Subsidiary Company 5. Appointment of the Company's CPA 6. Internal Audit Report Presented by Chief Internal Auditor	Agree	Approved

(b) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors

None

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

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

(a) The Chief Internal Auditor maintains effective communication with independent directors and may contact them directly when needed. Audit execution, follow-up on findings, and progress of the annual audit plan are regularly reported to the Audit Committee and presented at Board meetings.

(b) The Audit Committee of the Company is composed of all Independent Directors. The CPAs communicate regularly with the Audit Committee through meetings at least four times per year and present the status and results of the Company's financial audits.

The CPAs shall also report the update of the Accounting Standards, the adoption of new audit reports for listed company's financial statement and initial identification of key audit matters, etc.

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

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 the Corporate Governance Best-Practice Principles which were approved by the Board of Directors on March 6, 2024. The principles are disclosed on the Company website for the transparency of information.	None
2. Shareholding structure and shareholders’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes, and litigations, and implement these based on the procedure?	✓		(1) The Company has established the spokesperson system to deal with all shareholders’ questions and appointed a professional shareholder services agent to handle shareholder affairs.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company collaborates with Securities & Stock Services Agent for collecting and updating the information of Directors, Corporate Managers, and the status of major shareholders holding more than 5% shares.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has implemented the risk evaluations of related companies and established an appropriate firewall in accordance with laws.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company has established “Procedures for Handling Material Inside Information and Prevention of Insider Trading” which applies to the Company’s Directors, Managers, and Employees, to establish procedures for handling material inside information and disclosure systems to avoid inappropriate disclosure of information, also ensure the consistency and correctness of the information published by the Company.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p>	✓	✓	<p>(1) When the Company establishes the composition of the Board members, member diversification is considered in various aspects. The Board members are hired based on merit. Please refer to “Diversity and Independence of the Board of Directors.”</p> <p>(2) In addition to establishing Remuneration Committee and Audit Committee as required by law, the Company also establishes Board-approved regulations for each committee. The Company established an ESG Committee on May 10, 2022, and it was renamed Sustainable Development Committee on November 6, 2024 to promote ESG development.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	✓		<p>(3) The Company reviews the effectiveness of the Board regularly, and periodically enhances the level of corporate governance. Also, the Company has complied with the competent authority’s requirements to establish the evaluation methods in the standard of self-evaluation of the Board in November 2019 and implements the performance evaluation of the Board and functional committee annually. According to Rules for Performance Evaluation of Board of Directors, the performance evaluation results shall serve as reference for selecting or nominating directors.</p> <p>The 2025 performance evaluation results were completed and presented at the Board Meeting on March 10, 2026. Please refer to page 38 of this annual report for the evaluation results.</p>	
(4) Does the company regularly evaluate the independence of CPAs?	✓		<p>(4) The Company evaluates the independence of the CPA annually, in accordance with the criteria of Table 1 and the 13 Audit Quality Indicator (AQI), ensuring that they are not stakeholders such as a director, shareholder, or person paid by the Company. If there is an appointed matter that the CPAs is interested in or has stakeholders in it, the CPAs shall avoid it and submit the result to the Board. The Board approved that the CPAs, Ya Chuan Chang and Chin Feng Lin still comply with the standard of the independence evaluation (Table 1) on December 17, 2025, so the appointment continues. The CPAs were approved by the Board of Directors on May 5, 2026, regarding the evaluation of the AQI indicators.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders’ meetings, and producing minutes of board meetings and shareholders’ meetings)?	✓		<p>The Company approved the appointment of Hui Ling Hsu as Corporate Governance Officer on November 11, 2025.</p> <p>The main duties of Corporate Governance Officer are as follows:</p> <ol style="list-style-type: none"> 1. Handle Board and Shareholders’ Meeting matters in accordance with the law: convene the meeting, provide agenda and notify the Directors 7 days in advance. Also, remind Directors about avoidance of motion in conflict of interest. 2. Prepare Board and Shareholders’ Meeting minutes: complete the meeting minutes within 20 days after the meeting. 3. Assist Directors in continued training and taking courses: arrange the courses according to the Company’s industry characteristics and the backgrounds of the Directors. 4. Provide information to Directors for performing their functions. 	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons														
	Yes	No	Abstract Illustration															
			<p>In 2025-2026, the training hours of Corporate Governance Officers and course completed are as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Organization</th> <th>Course</th> <th>Training Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Nov. 11, 2025</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>Group governance practices and case studies</td> <td>3 hours</td> </tr> <tr> <td>Case Studies on Corporate Control Rights</td> <td>3 hours</td> </tr> <tr> <td>Mar. 24, 2026- Mar. 25, 2026</td> <td>Securities & Futures Institute</td> <td>Practical Training Program for Directors, Supervisors, and Corporate Governance Officers–Taipei Session</td> <td>12 hours</td> </tr> </tbody> </table>	Date	Organization	Course	Training Hours	Nov. 11, 2025	Taiwan Corporate Governance Association	Group governance practices and case studies	3 hours	Case Studies on Corporate Control Rights	3 hours	Mar. 24, 2026- Mar. 25, 2026	Securities & Futures Institute	Practical Training Program for Directors, Supervisors, and Corporate Governance Officers–Taipei Session	12 hours	
Date	Organization	Course	Training Hours															
Nov. 11, 2025	Taiwan Corporate Governance Association	Group governance practices and case studies	3 hours															
		Case Studies on Corporate Control Rights	3 hours															
Mar. 24, 2026- Mar. 25, 2026	Securities & Futures Institute	Practical Training Program for Directors, Supervisors, and Corporate Governance Officers–Taipei Session	12 hours															
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company announces financial information and stock affairs on MOPS and corporate website to establish a communication channel with investors. The Company’s website has a dedicated section for stakeholders (e.g. customers, suppliers, public). Stakeholders may communicate with the Company via email, telephone, or other channels.	None														
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company has appointed “SinoPac Securities Co. Ltd” as its shareholder services agent.	None														

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>7. Information Disclosure</p> <p>(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>(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 spokesperson system, webcasting investor conferences)?</p>	<p>✓</p> <p>✓</p>		<p>(1) The Company’s website is http://www.sinphar.com.tw, with an investor relations section where shareholders can easily find internal policies, financial, stock and corporate governance related information.</p> <p>(2) The Company has designated a person responsible for collecting information and disclosing information. The website is in Chinese and English to facilitate timely disclosure of information to stakeholders. The Company has a spokesperson and a deputy spokesperson communicating with the public on behalf of the Company as required by regulation. Relevant materials and video recordings from institutional investor conferences have been disclosed on the Company website for investors to review.</p>	None
<p>(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?</p>		✓	<p>(3) The Company currently reports the financial statement and monthly operational status in accordance with the date formulated by the regulation of “Business Matters to be Handled by Issuers of Listed Securities”. At this time, the Company has not made early announcements or filings before the prescribed deadlines.</p>	
<p>8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but</p>	✓		<p>(1) Employee rights and employee wellness: The Company has established and announced work rules to meet the relevant labor acts. Moreover, the Company has established a</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
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 purchasing insurance for directors and supervisors)?			<p>Welfare Committee and Trade Union to implement employee benefits programs. For any other relevant information, please refer to the section on labor relations in this annual report.</p> <p>(2) Investor relations, supplier relations, rights of stakeholders: the Company has maintained good communication channels and information sharing with shareholders and suppliers.</p> <p>(3) Directors’ training status: To ensure corporate governance implementation, the Company arranges for all Directors to attend related courses, and also updates Directors of any changes to relevant regulations. In 2025, each Director completed six hours of training, in compliance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE-Listed and TPEX-Listed Companies.” The training status was disclosed on the MOPS.</p> <p>(4) Purchasing insurance for Directors: The Company has purchased insurance for all Directors. This gives Directors and Supervisors the peace of mind to make difficult decisions in corporate governance and attracts talents to become a part of the Board.</p>	
<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures:</p> <p>In 2025, the Company continued to disclose further information about corporate governance and sustainable development, and maintain a diverse Board of Directors, which improved information transparency. In August 2025, the Company uploaded the sustainability report and provides stakeholders with relevant information for reference. For indicators which the Company did not score, the Company will continue to consider the improvement measures.</p>				

Table 1. The Standard of CPA's Independence Evaluation

Evaluation Item	Result	Independent
1 Whether the CPA and their family member have a direct or significant indirect financial interest relationship with the Company?	No	Yes
2 Whether the CPA has financing or guarantees with the Company or the Director of the Company?	No	Yes
3 Whether the CPA has a close business relationship and potential employment relationship with the Company?	No	Yes
4 Whether the CPA and their audit team members have served as Directors, Managers, or positions that have a significant influence on audit work in the Company at present or in the last two years?	No	Yes
5 The CPA and their audit members have no business relations that have a significant influence on the independence of the Company's Directors, Supervisors, and Managers.	No	Yes

2.3.4 The Status of Establishing the Remuneration Committee or Nomination Committee

A. The Information on Remuneration Committee Members

March 31, 2026

Position	Name	Criteria	Professional Qualification and Experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Convener and Independent Director	Ching Lung Lee		<p>1. Please refer to page 16, relevant content of “Independence Analysis of Independent Directors”.</p>	<p>(1) Not an employee of the company or any of its affiliates.</p> <p>(2) Not a director or supervisor of the company or any of its affiliates.</p> <p>(3) Not a shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.</p>	2
Independent Director	Yau Yuan Wen		<p>2. The Committee Member, Fu Hsing Chang is a CPA. He possesses an extensive professional background in accounting and industry experience and served as an Associate Professor in the Department of Accounting Information at the Chihlee University of Technology.</p>	<p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.</p> <p>(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</p>	1
Member	Fu Hsing Chang			<p>(6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company.</p> <p>(7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.</p> <p>(8) Not a director, supervisor, officer, or</p>	2

			<p>shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</p> <p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided.</p> <p>(10) Not being a person who is a spouse or within the second degree of kinship with other directors.</p>	
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B. Operation of the Remuneration Committee

(A) There are 3 members on the Remuneration Committee.

(B) Current Term: From June 28, 2024 to June 27, 2027.

(C) Attendance Status

A total of three Remuneration Committee meetings were held in the most recent fiscal year and the average attendance rate is 100.00%. The qualifications and attendance record of the Remuneration Committee members are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Convener	Ching Lung Lee	3	–	100.00	–
Member	Yau Yaun Wen	3	–	100.00	–
Member	Fu Hsing Chang	3	–	100.00	–

The Duties of Remuneration Committee:

The Committee shall fulfill the following obligations and report the suggestions to the Board.

1. Establish and periodically review the performance evaluation and remuneration policies, system, standards, and structure for directors and managerial officers.
2. Periodically evaluate and establish the remuneration for directors and managerial officers.

The Operational Status of the Remuneration Committee:

The information on meetings and motions of the Remuneration Committee are as follows:

Remuneration Committee	Motions	Resolutions	The Company's Response to the Remuneration Committee's Opinion
The third meeting of the sixth Committee on March 05, 2025	Proposal for Performance Evaluation of the Board of Directors in 2024	Approved by all committee members	Approved by all attending Directors
	Remuneration Distribution for Employees and Directors in 2024		
	Remuneration for Directors and Employees in 2025		
	Proposal for Amendment to the Articles of Incorporation		
The fourth meeting of the sixth Committee on June 19, 2025	Remuneration Distribution for Directors in 2024	Approved by all committee members	Approved by all attending Directors
	Remuneration Distribution for Employees in 2024		
The fifth meeting of the sixth Committee on December 17, 2025	Adjustment to Remuneration of Insiders in 2026	Approved by all committee members	Approved by all attending Directors
	Distribution of Year-end Bonus for Insiders in 2025		

Other mentionable items:

1. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, the content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified)

None

2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, the content of the motion, all members' opinions, and the response to members' opinion should be specified

None

C. Operation of the Nomination Committee:

The Company has not established a Nomination Committee.

2.3.5 Implementation Status of Sustainable Development and Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company let the Board authorize and direct executive-level positions to take charge of setting up the structure of implementing sustainable development and establishing an exclusively (or concurrently) dedicated unit?	✓		<p>1. The Company’s Board of Directors serves as the highest decision-making body for sustainability-related matters, focusing on ESG compliance in accordance with relevant laws and regulations and the Company’s development strategies. On May 10, 2022, the Board established the “ESG Committee” and it was renamed Sustainable Development Committee on November 6, 2024, which is chaired by the Vice Chairman and composed of senior executives from various departments to draft policies and set goals aligned with regulations. The committee reports regularly to the Board. A Sustainable Development Office was set up under the committee to coordinate objectives and promote related strategies and plans.</p> <p>2. Sustainable Development Committee functions to coordinate and integrate resources, and facilitate communication across various departments through Sustainable Development Office. The Committee holds quarterly meetings and has established five working teams: corporate governance, environmental sustainability, social engagement, risk management, and information disclosure, to identify sustainability issues, formulate corresponding strategies and management guidelines, plans, and actions. It also monitors execution progress and performance to ensure the effective implementation of the Company’ s sustainability strategies.</p>	None

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons						
	Yes	No	Abstract Illustration							
			<p>3. Sustainable Development Committee reported to the Board on December 17, 2025, the motions are as follows:</p> <p>(1) Sustainability Report Preparation</p> <p>(2) Progress Report on Greenhouse Gas Inventory and Verification</p> <p>4. Board regularly reviews sustainability strategies and implementation; provides recommendations as needed.</p>							
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		<p>1. Each subsidiary company must abide by the applicable laws of registered location. As the Company generates the largest revenue within the Group, risk assessment policies and strategies are primarily focused on the Company.</p> <p>2. The Company applies the principle of materiality to analyze industry trends and sustainability issues of concern, engages with internal and external stakeholders, identifies material ESG issues, and formulates risk management policies and concrete action plans to effectively oversee and mitigate related risks.</p> <p>3. The illustration of risks and strategies after evaluation is as below:</p> <table border="1"> <thead> <tr> <th>Significant Issue</th> <th>Risk Evaluation Item</th> <th>Illustration</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental Impact and Management</td> <td>1. The Company abides by environmental regulations and ISO-14001:2015 standards in environmental protection and</td> </tr> </tbody> </table>	Significant Issue	Risk Evaluation Item	Illustration	Environment	Environmental Impact and Management	1. The Company abides by environmental regulations and ISO-14001:2015 standards in environmental protection and	None
Significant Issue	Risk Evaluation Item	Illustration								
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Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>sustainability.</p> <p>2. The Company implemented ISO-50001 to reduce carbon emissions and greenhouse gas emissions, monitor water consumption, reduce waste and recycle, schedule regular maintenance of boilers to lessen environmental impact.</p> <p>3. The Company has wastewater treatment facilities and water management system to prevent contaminants from entering into water, air and soil.</p> <p>4. The Company is committed to reducing carbon emissions through energy transformation and equipment upgrades by establishing measurable environmental goals and management initiatives, while conducting regular reviews to ensure the effectiveness and relevance of environmental actions and indicators.</p>	

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons									
	Yes	No	Abstract Illustration										
			<table border="1"> <tr> <td>Society</td> <td>Occupational Safety</td> <td>In compliance with relevant occupational safety and health regulations and the ISO 45001. Fire drills and occupational safety training are conducted annually to strengthen employees’ emergency response and self-management capabilities.</td> </tr> <tr> <td>Corporate Governance</td> <td>Law Compliance</td> <td> <ol style="list-style-type: none"> 1. The Company monitors the formulation and amendment of laws and regulations related to the industry and its operations, and takes necessary response measures accordingly. 2. The Company implements training and awareness programs on relevant laws and regulations to ensure full compliance by all personnel and operations. 3. The Company applies for patent protection for all products developed by the Company. </td> </tr> <tr> <td></td> <td>Ethical Corporate Management</td> <td>The Company complies with relevant laws and regulations and has established</td> </tr> </table>	Society	Occupational Safety	In compliance with relevant occupational safety and health regulations and the ISO 45001. Fire drills and occupational safety training are conducted annually to strengthen employees’ emergency response and self-management capabilities.	Corporate Governance	Law Compliance	<ol style="list-style-type: none"> 1. The Company monitors the formulation and amendment of laws and regulations related to the industry and its operations, and takes necessary response measures accordingly. 2. The Company implements training and awareness programs on relevant laws and regulations to ensure full compliance by all personnel and operations. 3. The Company applies for patent protection for all products developed by the Company. 		Ethical Corporate Management	The Company complies with relevant laws and regulations and has established	
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Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Abstract Illustration		
				<p>a Code of Business Integrity to ensure honest and ethical management. Internal and external reporting channels are set up to prevent illegal and unethical behaviors.</p> <p>Supply Chain Management</p> <ol style="list-style-type: none"> 1. The Company conducts annual “Manufacturer Status Assessments” for major raw material manufacturers to ensure source quality and supply management. 2. The Company conducts semi-annual evaluations of raw material suppliers covering quality, delivery, and service performance, and implements ongoing evaluation and supplier improvement mechanisms. 3. Each year, the Company coordinates with the QA department to establish audit plans and conduct audits of specific suppliers in order to implement due diligence and supplier guidance measures. 4. The Company signs “Corporate 	

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons				
	Yes	No	Abstract Illustration					
			<table border="1"> <tr> <td></td> <td>Responsibility Commitment Letters” with suppliers and continues to monitor issues relating to labor and human rights, health and safety, environmental protection, and business integrity and ethics.</td> </tr> <tr> <td>Marketing and Labeling</td> <td>The Company has established product layout review procedures and a Regulatory Affairs function within the Product Department to ensure product labeling and marketing materials comply with applicable laws and regulations.</td> </tr> </table>		Responsibility Commitment Letters” with suppliers and continues to monitor issues relating to labor and human rights, health and safety, environmental protection, and business integrity and ethics.	Marketing and Labeling	The Company has established product layout review procedures and a Regulatory Affairs function within the Product Department to ensure product labeling and marketing materials comply with applicable laws and regulations.	
	Responsibility Commitment Letters” with suppliers and continues to monitor issues relating to labor and human rights, health and safety, environmental protection, and business integrity and ethics.							
Marketing and Labeling	The Company has established product layout review procedures and a Regulatory Affairs function within the Product Department to ensure product labeling and marketing materials comply with applicable laws and regulations.							
3. Environmental Issues (1) Does the company establish proper environmental management systems based on the characteristics of its industries?	✓		The Company established an environmental management system according to ISO 14001:2015 and certified by a third party, the Taiwan Branch of BSI. The certificate is valid from January 20, 2023 to January 19, 2026.	None				

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment?	✓		<p>In 2025, specific energy consumption (2,247 KLOE) increased by 18.64% compared to 2024 (1,894 KLOE). Total energy consumption amounted to 2,285 KLOE in 2025, compared to 2,282 KLOE in 2024, reflecting only a slight change in overall energy usage. The substantial variation in specific energy consumption was primarily due to the diverse product specifications and an increased production mix of larger-specification products during the reporting period. The Company will continue to monitor and make efforts to achieve the goal. The goal for the five-year period from 2022 to 2026 is to reduce unit energy consumption by 5% compared with 2021 levels by 2026.</p> <p>2025 Plans and goals:</p> <ol style="list-style-type: none"> 1. The Company launched the “R&D Building Air-Conditioning Control System Replacement Project” to improve the control operations of the R&D building’s air-conditioning system, optimize the operation of the chilled water units, enhance energy efficiency of the air-conditioning system, and achieve energy-saving objectives. 2. The Company continues to promote regular maintenance of utility systems and production equipment to enhance operational stability, reduce electricity consumption, and lower the risk of equipment failure. 	None

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons																		
	Yes	No	Abstract Illustration																			
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		<p>1. Sustainable Development Committee is in charge of climate change management and is chaired by the Vice Chairman of the Company. The Committee will be responsible for managing and supervising climate change risk management.</p> <p>2. Considering using the TCFD structure published by FSB as reference and considering the allocation of Company resources and industry-specific characteristics, the Company plans to focus on two major risks: environmental regulations and the increase in the cost of raw materials.</p> <p>3. Measures adopted in response to the two major risks include regulatory compliance and regulatory analysis; investing in new equipment and production process, and producing certain raw materials, etc.</p>	None																		
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and implement policies on greenhouse gas reduction, water reduction, or waste management?	✓		<p>Greenhouse gas emission in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th colspan="2">2024</th> <th colspan="2">2025</th> </tr> <tr> <th>Item (Unit)</th> <th>Emission (tons CO₂e)</th> <th>Intensity (tons CO₂e / revenue in NTD million)</th> <th>Emission (tons CO₂e)</th> <th>Intensity (tons CO₂e / revenue in NTD million)</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>1,296.68</td> <td rowspan="2" style="text-align: center;">/</td> <td>2,000.2665</td> <td rowspan="2" style="text-align: center;">/</td> </tr> <tr> <td>Scope 2</td> <td>9,124.74</td> <td>8,662.8621</td> </tr> </tbody> </table>	Year	2024		2025		Item (Unit)	Emission (tons CO ₂ e)	Intensity (tons CO ₂ e / revenue in NTD million)	Emission (tons CO ₂ e)	Intensity (tons CO ₂ e / revenue in NTD million)	Scope 1	1,296.68	/	2,000.2665	/	Scope 2	9,124.74	8,662.8621	None
Year	2024		2025																			
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Implementation Item	Implementation Status					Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons											
	Yes	No	Abstract Illustration														
			Scope 3	NA		2,752.9854											
			Total	10,421.42	3.643	13,416.1140	4.375										
			<p>Greenhouse gas emission reduction policy:</p> <ol style="list-style-type: none"> In 2025, the Company completed assurance procedures for its carbon inventory and carried out greenhouse gas inventory activities covering Categories 1 to 6 in accordance with ISO 14064-1:2018. Consequently, total emissions and emission intensity for 2025 were higher than 2024. The Company continues to improve monitoring facilities for the air-conditioning system and replace outdated chilled water units in order to reduce electricity consumption, lower greenhouse gas emissions, and achieve energy-saving results. In 2025, Scope 3 emissions were newly included in the greenhouse gas inventory, resulting in a slightly higher total emissions level compared with 2024. <p>Water consumption in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water Consumption (tons)</th> <th>Water Intensity (tons / revenue in NTD millions)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>179,591</td> <td>62.787</td> </tr> <tr> <td>2025</td> <td>193,332</td> <td>63.049</td> </tr> </tbody> </table>						Year	Water Consumption (tons)	Water Intensity (tons / revenue in NTD millions)	2024	179,591	62.787	2025	193,332	63.049
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	Yes	No	Abstract Illustration													
			<p>Water conservation policy:</p> <p>In compliance with PIC/s regulations, the Company promotes process optimization to reduce water consumption. The Company plans to reduce water consumption by 10% and improve water recycling rates to 10% by 2025. By 2030, the Company aims to achieve sustainable water resource management and optimize water efficiency in production processes.</p> <p>The increase in water consumption and intensity in 2024 was mainly due to the expansion of two new production areas.</p> <p>Waste output in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Hazardous Wastes (tons)</th> <th>Non-hazardous Wastes (tons)</th> <th>Waste Intensity (tons / revenue in NTD millions)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>43</td> <td>189.42</td> <td>0.081</td> </tr> <tr> <td>2025</td> <td>38.43</td> <td>190.79</td> <td>0.075</td> </tr> </tbody> </table> <p>Waste reduction policy:</p> <p>A. The laboratory continues to promote appropriate batch testing and solvent recycling to reduce the output of hazardous waste. Classification and control banding is adopted to ensure that hazardous waste is managed and disposed properly.</p> <p>B. The Company continues to implementation of continuous process to</p>	Year	Hazardous Wastes (tons)	Non-hazardous Wastes (tons)	Waste Intensity (tons / revenue in NTD millions)	2024	43	189.42	0.081	2025	38.43	190.79	0.075	
Year	Hazardous Wastes (tons)	Non-hazardous Wastes (tons)	Waste Intensity (tons / revenue in NTD millions)													
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Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>reduce scarp rate and achieve waste reduction targets.</p> <p>1. With eco-efficiency and sustainable consumption in mind, the Company engages in the business operations, R&D, and production, in accordance with the following goals:</p> <p>(1) Reduce the resource and energy consumption of products and services.</p> <p>(2) Reduce the emission of pollutants, toxic substances, and waste, and dispose of waste in accordance with the laws.</p> <p>(3) Increase the recyclability and reusability of raw materials or products.</p> <p>(4) Increase durability of products.</p> <p>(5) Increase the efficacy of products and services.</p> <p>2. The Company has wastewater treatment facilities and water management system to prevent contaminants from entering into water, air and soil.</p>	
<p>4. Social Issues</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>1. The Company and its subsidiaries comply with the relevant regulations of their respective operational locations, and refer to the “Universal Declaration of Human Rights”, and “Declaration of Fundamental Principles and Rights at Work” to create a safe and fair work place and to protect employees’ right.</p> <p>2. Examples of proposal are summarized below:</p> <p>(1) The Company is unionized by law. A labor-management is</p>	None

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>convened every three months, or sooner as needed.</p> <p>(2) Establish “Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment” and “Committee Against Sexual Harassment” to provide a harassment free workplace.</p> <p>(3) The Company set up SA8000-certified J1-01 “Corporate Social Responsibility Code of Conduct” to ensure occupational safety, safeguard health of employees, and promote gender equality. The Company regularly schedules training on this subject for 2,433 people completed, totaling 4,245 hours in 2025.</p>	
(2) Does the company have reasonable employee benefits measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		<p>1. According to the Articles of Incorporation, when the Company has profit in a fiscal year, the Company shall distribute 2% to 8% of the current year's profit as employee remuneration. Employee benefits include: year-end bonus, holiday bonus, transportation allowance, travel subsidy, wedding and maternity cash gift, scholarship, gift or gift certificate for festivals.</p> <p>2. Diversity and Equality in the Workplace: In 2025, female employees accounted for 56.10% of the Company's workforce. Moreover, the Company established gender-neutral restrooms to promote gender equality and diversity.</p> <p>3. The Company provides health check every year to protect employees' health.</p> <p>4. Organize employee welfare committee and labor union to improve labor-management relations and reach win-win situation.</p>	None

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(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?	✓		<p>1. The Company established the Occupational Safety and Health Management System according to ISO 45001 and the sustainable verification by a third party, the Subsidiary in Taiwan of BSI. The certificate is valid from February 10, 2024 to February 10, 2027.</p> <p>2. For preventive management, the Company has implemented standard operating procedures and processes across all work areas, ensuring the identification of occupational safety and health hazards and the execution of risk assessments. Appropriate safety measures are established according to risk grading factors, and regular inspections together with optimization mechanisms are conducted to enhance the effectiveness of hazard prevention. The Company targets possible occupational safety and health problems from working in the factory to provide effective solutions, and continues to educate employees on the importance of occupational safety and occupational hazard prevention.</p> <p>3. In accordance with regulatory requirements, the Company conducts regular occupational health and safety training to ensure employees are familiar with relevant laws and the Company’s safety and health management mechanisms, thereby promoting a workplace culture and awareness on safety and health.</p> <p>4. Working Environment Monitoring To prevent harm caused by workplace hazardous materials and provide a safe and healthy environment, the Company conducts environment monitoring in the workplace twice a year.</p>	None

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>5. In 2025, there were 10 occupational injury incidents involving 10 people, accounting for 1.25% of total employees. Each case happened due to unintentional error. The Company has reviewed and revised relevant operating procedures, and employee training has been conducted to prevent recurrence of the incidents.</p> <p>6. To ensure workplace safety, the Company establishes relevant regulation for emergency preparedness and response. The emergency drill is held annually and fire safety training is held semiannually. In 2024, 74 people completed fire drill totaling 8 hours.</p> <p>In 2025, there is no fire incident. Countermeasures or improvements preventing fire incidents are as follows:</p> <p>Fire alarm system: Current systems are older models and difficult to integrate. The Company plans to purchase a new digital R-type fire alarm control panel to integrate the fire alarm systems for the entire plant.</p> <p>7. Occupational health nurse arranges for diplomate in occupational medicine to provide occupational health services and conduct “Four Major Plans for Occupational Health” in the factory. The Company has established a systematic approach to employee health data management. Based on analysis of health examination risk factors over the past three years, high-risk cases are identified and followed up through monthly physician consultations arranged by the Occupational Safety and Health unit, in coordination with supervisors for appropriate job adjustments. To support psychological well-being,</p>	

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			annual stress assessment questionnaires are conducted to identify employee stress levels, with expert guidance provided for stress management. In addition, health information platforms and educational seminars are promoted to enhance employees’ health literacy and awareness of chronic disease prevention and health promotion.	
(4) Does the company provide its employees with career development and training sessions?	✓		<p>1. The Company has a comprehensive career training system for all employees, including new employee training, professional training, managerial training, and annual team building camps, etc. Employees are encouraged to enroll in continuing education and learn about Company’s core values.</p> <p>1,760 employees completed career training in 2025 totaling 3,519 hours.</p> <p>2. During the annual performance meeting, the supervisor will work with the employee to set up a personalized annual development plan. The plan may be adjusted through regular feedbacks to achieve optimal results.</p>	None
(5) Do the company’s products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		<p>1. Product labels are printed and affixed on a product in compliance with the international and Taiwan’s regulations and acts such as the PIC/S GMP Guide to Good Manufacturing Practice for Medicinal Products, Pharmaceutical Inspection Convention and Co-operation Scheme, ISO-22000 food safety management system, Halal Assurance Management System, certification of GMP for cosmetics and health supplements, also regularly undergoes certification by international</p>	None

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>organizations.</p> <p>2. The Company provides customers with multiple communication channels and has established a comprehensive complaint handling procedure. Annual customer satisfaction surveys are conducted to assess service quality and identify areas for improvement. Under a robust privacy protection framework, the Company has received no reports of customer privacy breaches or data loss.</p>	
<p>(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational safety and health or labor and human rights? If so, describe the results.</p>	✓		<p>1. Supplier management policy sets out the requirements for quality of product and service, delivery date, and pricing. Suppliers need to comply with environmental protection, safety and health requirements. The Company and suppliers work together to enhance corporate social responsibility and create a partnership for sustainable development.</p> <p>2. Actual implementation:</p> <p>(1) The Company evaluates a new supplier, based on product quality, financial situation, pricing, health and safety, and environmental protection. Only suppliers that pass the evaluation may become qualified suppliers.</p> <p>(2) The Company requires that the approved suppliers are surveyed annually to ensure compliance with environmental protection, health and safety, human rights and related regulations.</p> <p>(3) The Company re-evaluates suppliers semiannually in accordance with supplier management policy. Each supplier is assigned a</p>	None

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			score, and based on the score, the supplier may receive rewards or be subject to enhanced guidance measures.	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as sustainable development reports? Do the reports above obtain assurance from a third-party verification unit?		✓	<p>1. In line with the policies of the competent authority, the Company will upload its Sustainability Report this year, prepared with reference to the Global Reporting Initiative (GRI) Standards.</p> <p>2. The aforementioned report has not been assured by an independent third-party verification body.</p>	None
<p>6. Describe the difference, if any, between actual practice and the sustainable development principles, if the company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>The Company abides by all relevant regulations, and established the ESG Committee responsible for sustainable development matters on May 10, 2022, and it was renamed Sustainable Development Committee on November 6, 2024. The Company manages economic, environmental, and social risks and impacts, and implements corresponding action plans in accordance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, therefore, the Company did not prepare additional guidelines.</p>				
<p>7. Other useful information for realizing the implementation status of sustainable development practice</p> <p>1. Long term sponsor for Yilan High School and Shunan Junior High School football team and the symphonic band at Dongshan Elementary School. In addition to providing nutritional products, the Company sponsors instruments and awards.</p> <p>2. The Company adopted the street lights of Zhongshan Village and Wanshan Village in Dongshan Township, Yilan County, Wanshan Historic Site Association, and the holiday events of Zhongshan, Wanshan, and Babau Villiage. The Company also adopted Renshan trails, together with Sinphar Health Area and Jhong Shan Agriculture Leisure Area become a tourist attraction.</p> <p>3. Since 2013, the Company sponsors every year the events of ghost grappling, Lanyang Mazu Cultural Festival and the Mazu Pilgrimage to support</p>				

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>traditional festival.</p> <p>4. Donate NTD 5 million over 5 years to Kaohsiung Medical University for students in need of financial assistance. Every year, the Company provides scholarship for outstanding School of Pharmacy graduates from Kaohsiung Medical University.</p> <p>5. The Company is dedicated to caring for society and promoting health education on disease prevention by providing long-term sponsorship to various organizations, including Taiwan Breast Cancer Foundation, Cancer Prevention and Treatment Foundation, Yilan County Dementia Care Services Association, Spinal Cord Injury Foundation, Taiwan Yilan Association of Diabetes Supporters, Youngsun Education Foundation, and The KMU Pharmacy Alumni Foundation for Culture and Education.</p> <p>6. Since 2015, all 1300 Sinphar Counters across Taiwan participate in the Dementia Friendly Store network developed by Taiwan Alzheimer’s Disease Association. When in contact with a lost elderly person, a Sinphar Counter member will proactively contact his/her family member or take him/her to a police station.</p> <p>7. The Company participated in anti-drugs charitable activities to help raise public awareness on drug abuse and drug abuse prevention.</p> <p>8. The Company donated to the Taiwan Oncology Society for cancer research and international cooperation in clinical treatment.</p> <p>9. The Company sponsored medicines for free clinics organized by Hualian Oral Hygiene Medical Service Corps of the Department of Dentistry of National Yang-Ming University and Penghu Medical and Social Service Corps of Taipei Medical University and Green Cross Medical Service Corps.</p> <p>10. The Company sponsored National Taipei University International Volunteer Corps with medicine for free health care service in Nepal, free health care service in Nan’ao Township, and nutritional supplements to underprivileged indigenous people.</p> <p>11. The Company sponsored Yilan county sports teams with nutritional supplements and donated NT\$4 million to Yilan Sports Education Foundation.</p> <p>12. Since 2022, the Company and Yilan County Government have jointly organized the annual “Sinphar Yilan Marathon” with a sponsorship of NT\$8 million. Our goal is to jointly promote Yilan by integrating sports and tourism. Additionally, we have participated in hosting local marathons in Sanxing, Dongshan, and Jiaoxi, aiming to establish running events as a signature sport in Yilan.</p> <p>13. The Company is a long-term participant in the Yilan Green Expo, Children’s Folklore & Folkgame Festival held by the Yilan County government, and advocates for ecological conservation, sustainable future, and building a better environment for future generations.</p> <p>14. The Company provides internship opportunities for students from Kaohsiung Medical University, Taipei Medical University, National Defense Medical</p>				

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>Center, China Medical University, Chia Nan University of Pharmacy & Science, National Ilan University, National Dong Hwa University, National Taiwan Ocean University, Yuanpei University of Medical Technology and National Chung Hsing University. Also provide scholarship for National Defense Medical Center.</p> <p>15. From 2020, the Company sponsored the Outstanding Award for Taitung Geng Yuan Cup Junior Baseball League.</p> <p>16. In 2020, the Company set up a “Chiang Ku” Cultural Park, and signed a MOU with Yilan County Government to promote “Chiang Ku” .</p> <p>17. The Company and the Yilan County Dementia Care Services Association jointly organized dementia awareness and care activities.</p> <p>18. The Company provided immediate donations and support to the rescue operations for the Turkey earthquake in 2023, the Noto earthquake and Hualien earthquake in 2024.</p> <p>19. Utilizing internal company resources to establish industry-academia collaboration with universities, not only facilitating exchanges between technology personnel but also donating various machines and instruments to Kaohsiung Medical University, National Defense Medical Center, and National Ilan University for the expansion or upgrade of teaching equipment, aiming to achieve mutual benefits for both industry and academia.</p>				

2.3.6 Climate-related Information for TWSE/TPEX-Listed Companies

A. Implementation Status of Climate-related Information

Items	Implementation Status														
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	The Board established the Sustainable Development Committee, which is chaired by the Vice Chairman of the Company. The Committee is responsible for establishing sustainability policies, goals, and action plans, and regularly reports progress and status on climate-related issues to the Board of Directors. Under the Committee, the Sustainable Development Office and working teams are established to evaluate climate-related risks and opportunities, strengthen and supervise the implementation of climate-related issues and ensure all operations comply with environmental regulations, and steadily manage business operations toward corporate sustainable development goals														
2. Describe how the identified climate risks and opportunities affect business, strategies, and finances of the Company (in short, mid, long-term).	<p>Considering the industry-specific characteristics and allocation of Company resources, the Company plans to focus on: renewable energy related regulations, carbon fee, and raw material supply.</p> <table border="1" data-bbox="945 810 2078 1437"> <thead> <tr> <th data-bbox="945 810 1052 863">Period</th> <th data-bbox="1052 810 1249 863">Risks</th> <th data-bbox="1249 810 1583 863">Description</th> <th data-bbox="1583 810 1724 863">Impact</th> <th data-bbox="1724 810 2078 863">Implementation Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="945 863 1052 1437">Short-term</td> <td data-bbox="1052 863 1249 1437">Renewable Energy Development Act</td> <td data-bbox="1249 863 1583 1437">The power user who has signed electricity consumption agreements with the electricity retailing utility enterprise, the chartered capacity of no less than 5,000 kW, shall install on their own or provide space to install renewable energy power generation and storage facilities or purchase</td> <td data-bbox="1583 863 1724 1437">Increased operating costs</td> <td data-bbox="1724 863 2078 1437">The chartered capacity of the Company is 3,000 kW. Although the capacity does not exceed the quota, the Company will continue to assess the installations of renewable energy devices and energy storage systems.</td> </tr> </tbody> </table>					Period	Risks	Description	Impact	Implementation Status	Short-term	Renewable Energy Development Act	The power user who has signed electricity consumption agreements with the electricity retailing utility enterprise, the chartered capacity of no less than 5,000 kW, shall install on their own or provide space to install renewable energy power generation and storage facilities or purchase	Increased operating costs	The chartered capacity of the Company is 3,000 kW. Although the capacity does not exceed the quota, the Company will continue to assess the installations of renewable energy devices and energy storage systems.
Period	Risks	Description	Impact	Implementation Status											
Short-term	Renewable Energy Development Act	The power user who has signed electricity consumption agreements with the electricity retailing utility enterprise, the chartered capacity of no less than 5,000 kW, shall install on their own or provide space to install renewable energy power generation and storage facilities or purchase	Increased operating costs	The chartered capacity of the Company is 3,000 kW. Although the capacity does not exceed the quota, the Company will continue to assess the installations of renewable energy devices and energy storage systems.											

			electricity generated from renewable energy and a certificate.		
	Mid-term	Carbon fee	In accordance with Climate Change Response Act, the government plans to impose carbon fees in stages. The fees will be levied if such enterprises' greenhouse gas emissions exceed allowances.	Increased operating costs	To achieve the goals of greenhouse gas reduction and GHG net-zero emission by 2050, the Company will continue to assess the installations of solar photovoltaic systems in combination with energy storage equipment to reduce greenhouse gas emissions.
	Mid-term	Imported raw materials	Due to international situation, climate change, and the increase in transportation expenses, these elements may cause supplier production capacity reduction and the increase of shipping time and transportation cost, even the delayed delivery date and raw materials shortage.	Increase operating costs	The Company absorbs part of the cost while a portion of the cost will be reflected in the products' selling price.
3. Describe the financial impact of extreme weather events and transformative actions.	Please refer to item 2 and 5.				

<p>4. Describe how climate risks identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>The group has a vertical risk management process based on the levels and unit functions of various risk issues. From the group, business unit, legal entities and manufacturing sites, based on risk issues and impacts, the group has established complete climate-related risk management procedures to maintain operation stability.</p>
<p>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.</p>	<p>Data from TCCIP show that under the A1B scenario where the degree of warming is close to RCP6.0, the number of extreme high temperature days and temperatures are likely to increase. Although the extreme heat may cause power shortages, the Company has an uninterruptible power supply system and data backup/recovery measures to avoid operational risks.</p>
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Complying with the goal of GHG net-zero emission by 2050 and the sustainable development roadmap announced by FSC, the Company assesses the operational and financial impact of extreme weather events by identifying climate risks and opportunities. According to the results, the Company plans to manage climate-related measures, implement actions of energy saving and carbon reduction, and introduce climate-related international standards. To achieve the goal of becoming a green supply chain, the Company will invest manpower, material resources, and funds according to the schedule of the transition plan.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The group has not plan to introduce internal carbon pricing yet.</p>
<p>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.</p>	<p>The Company completed the planning horizon for internal verification process of greenhouse gas inventory in fourth quarter of 2024, and reported it to the Board on December 17, 2024. The internal verification of the parent company’s greenhouse gas inventory was completed in the first quarter of 2026 and reported to the Board of Directors on May 5, 2026.</p> <p>The Company will continue to monitor and verify progress, report the implementation status to the Board quarterly, and set carbon reduction targets, strategy, and concrete action plan.</p>
<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.</p>	<ol style="list-style-type: none"> 1. The greenhouse gas inventory for 2025 was completed on March 23, 2026. 2. On April 9 and April 16, 2026, the Company engaged the Center for Measurement Standards of the Industrial Technology Research Institute (ITRI), a greenhouse gas assurance institution

qualified under FSC regulations, to conduct on-site verification and assurance activities. The internal verification of the parent company's greenhouse gas inventory was completed in the first quarter of 2026 and reported to the Board of Directors on May 5, 2026.

3. Greenhouse Gas Reduction Measures and Description

3.1. Considering that the Company's air-conditioning system accounts for a high proportion of electricity consumption, in 2025 the chilled water units in Buildings B and I were upgraded from fixed-frequency to variable-frequency systems and replaced with products meeting Tier 1 energy efficiency standards, in order to reduce electricity consumption of the chilled water units.

3.2. Solar photovoltaic systems and insulated roofing panels are planned for installation on the logistics warehouse rooftop to promote the use of renewable energy and reduce dependence on Taipower electricity. The resulting reduction in warehouse temperature is also expected to lower air-conditioning demand, thereby decreasing power consumption and greenhouse gas emissions.

3.3. The Company continues regular maintenance of chillers, cooling towers, and pumps to minimize piping resistance and enhance heat dissipation performance, thereby reducing the power consumption of HVAC system equipment.

1-1 Greenhouse Gas Inventory and Assurance Status for the Past Two Years

1-1-1 Greenhouse Gas Inventory

Describe the greenhouse gas emissions (metric tons CO₂e), emission intensity (metric tons CO₂e / NT\$ million), and the scope of data coverage for the most recent two years.

- In 2024, the greenhouse gas inventory covered Scope 1 and Scope 2 emissions.
- In 2025, the Company revised its base year and conducted greenhouse gas inventories for Categories 1 to 6 in accordance with ISO 14064-1:2018, applied for verification and assurance.
- Data coverage: parent company only

2024		2025	
Scope 1 Direct Greenhouse Gas Emissions (metric tons CO ₂ e)	1,296.68	Category 1 Direct Greenhouse Gas Emissions (metric tons CO ₂ e)	2,000.2665
Scope 2 Indirect Greenhouse Gas Emissions (metric tons CO ₂ e)	9,124.74	Category 2 Indirect Greenhouse Gas Emissions (metric tons CO ₂ e)	8,662.8621
—	—	Category 3 Indirect Greenhouse Gas Emissions from Transportation	480.1782
—	—	Category 4 Indirect Greenhouse Gas Emissions from Using Products	2,272.8072
Total	10,421.42	Total	13,416.1140
Intensity (tons CO₂e / revenue in NTD million)	3.6434	Intensity (tons CO₂e / revenue in NTD million)	4.3753

1-1-2 Greenhouse Gas Assurance

Describe the assurance status for the most recent two years up to the date of annual report printing, including the assurance scope, assurance institution, assurance criteria, and assurance opinion.

2024	2025
None	<p>The Company conducted verification and assurance on April 9 and April 16, 2026.</p> <p>Assurance Scope: The organizational boundary of the assurance covers Yilan Plant, Taipei, Taichung, Tainan, and Kaohsiung office.</p> <p>Assurance Institution: Center for Measurement Standards, Industrial Technology Research Institute</p> <p>Assurance Criteria: ISO 14064-1:2018, reasonable assurance level for Categories 1 and 2, and limited assurance level for Categories 3 and 4.</p> <p>Assurance Opinion: Verification and assurance were conducted on April 16, 2026. The assurance results are pending. (Full assurance information will be disclosed in the Sustainability Report.)</p>

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Describe the greenhouse gas reduction baseline year and its data, reduction targets, strategies, and concrete action plans, as well as the progress toward achieving the reduction targets.

The baseline year, planned reduction measures, and related explanations were disclosed in the 2025 greenhouse gas inventory report. The reduction plan is expected to be implemented in 2026, thereby enabling the achievement of the target.

2.3.7 Fulfillment of Ethical Corporate Management and Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have a Board-approved ethical corporate management policy and state in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p> <p>(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company provide the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs above effectively and perform regular reviews and amendments?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company follows the Company Act, Securities and Exchange Act, related regulations for TWSE/TPEX-Listed Companies, and commercial acts to implement the basis of ethical corporate management.</p> <p>(2) The Company established “Ethical Corporate Management Best Practice Principles” in March 2015, and announced them on the company website as a sign of commitment by the Board and management.</p> <p>(3) The Company requires that the Directors, Managers, and employees avoid unethical conduct and not offer and/or accept bribes. Ensure that Company’s interests are put before employee’s own interests. The Company offers</p>	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			several channels to report unethical conducts to regulatory affairs or management unit.	
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		(1) The Company conducts business activities fairly and equitably and considers the legality of business partners.	None
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(2) Chairman Office is responsible for supervising the implementation of ethical corporate management policy and periodically reports to the Board of its findings.	None
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement them?	✓		(3) Ethical corporate management is of the foremost importance to the Company. All employees are required to follow relevant laws and code of ethics when conducting business	None
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		(4) To protect investors’ interests, the Company has established internal control system, internal audit system, and management practices which internal auditors use as guidelines to verify implementation, and report to the Board and Audit Committee.	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(5) Does the company regularly hold an internal and external educational training on operational integrity?	✓		(5) The Company announces the importance of operational integrity semiannually during monthly employee meetings. This 10-15 minutes announcement takes place two times in Taipei with 170 attendees each time and twice in Yilan with 210 people in attendance each time.	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 a follow-up?	✓		(1) The person (“the Coordinator”) receiving an integrity violation report will keep confidential the content of the report and the identity of the person filing the report. The report is sent by the Coordinator directly to the Chairman Office by email, through company’s website or by post. The Coordinator shall provide specific information for follow-up.	None
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?		✓	(2) The Company will establish the standard for investigating an integrity violation report and ensure relevant confidentiality measures, and ensure that the person that files the report will be protected against retaliatory action.	It will be implemented as needed.
(3) Does the company provide proper whistleblower protection?	✓		(3) The Company has whistleblower protection policy.	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>4. Strengthening information disclosure</p> <p>(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</p>	✓		The Company discloses its ethical corporate management policies in the investor relations section of the website http://www.sinphar.com.tw . The public can also search MOPS for information on ethical corporate management of the Company.	None
<p>5. If the company has established 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: None.</p>				
<p>6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies).</p> <p>(1) To implement the basics of ethical corporate management policies, the Company operates under the Company Act, Securities and Exchange Act, Businesses Entity Accounting Act, related regulations for TWSE/TPEX Listed Companies, and other laws and decrees concerning business transaction.</p> <p>(2) The Company has set up the “Management Procedures for Preventing Insider Trading”, which specifies that directors, supervisors, managers, and employees are not allowed to reveal inside information to others or to inquire about non-public information that is irrelevant to his/her business scope.</p>				

2.3.8 Other Important Information Regarding Corporate Governance

MOPS and Company’s website

2.3.9 Internal Control System Execution Status

A. Statement of Internal Control System:

Please refer to MOPS (Chinese website) > Single Company > Corporate Governance > Company Rules/ Internal Control > Statement of Internal Control
<https://mops.twse.com.tw/mops/#/web/t06sg20>

B. If the Company appoints accountants to audit the internal control system, shall disclose the audit report: None

2.3.10 Major resolutions of the Shareholders' Meeting and the Board Meeting during the most fiscal year and the current fiscal year up to the date of printing of this annual report

A. Major Resolutions and Implementation Status of the Shareholders' Meeting

(A) 2024 Business Report and Financial Statements

Implementation Status:

The voting rights of the attending shareholders met the standard, and the proposal was approved.

(B) 2024 Earnings Distribution

Implementation Status:

The voting rights of the attending shareholders met the standard, and the proposal was approved. The ex-dividend date was July 19, 2025, and cash dividends were distributed on August 15, 2025. (Cash dividend NT\$1 per share)

(C) Amendment to the Articles of Incorporation

Implementation Status:

The voting rights of the attending shareholders met the standard, and the proposal was approved.

(D) Proposal for Issuing New Shares through Capitalization of Retained Earnings

Implementation Status:

The voting rights of the attending shareholders met the standard, and the proposal was approved. The ex-right date was September 8, 2025, and stock dividends were distributed on October 23, 2025. (Stock dividend NT\$0.5 per share)

B. Major resolutions of the Board Meeting

Date	Major Resolutions
<p>The first meeting in 2025 March 05, 2025</p>	<ol style="list-style-type: none"> 1. 2024 Business Report and Financial Statements 2. Proposal for the Date and Agenda of the 2025 Shareholders' Meeting 3. 2024 Earnings Distribution Table and Distribution of Dividends 4. Proposal for Issuing New Shares through Capitalization of Retained Earnings 5. Amendment to the Articles of Incorporation 6. 2024 Remuneration Distribution for Directors and Employees 7. Remuneration Distribution for Directors and Employees in 2025 8. Proposal for Statement of Internal Control System 9. Proposal for Bank Financing
<p>The second meeting in 2025 May 9, 2025</p>	<ol style="list-style-type: none"> 1. 2025 Q1 Consolidated Financial Statements 2. Proposal for Renewal of Endorsements and Guarantees for Subsidiaries 3. Proposal for the Establishment of the Second Distribution Center 4. Proposal for Bank Financing
<p>The third meeting in 2025 June 19, 2025</p>	<ol style="list-style-type: none"> 1. Proposal for Setting the Ex-dividend Record Date in 2025 2. Proposal for Setting the Payment Date of Cash Distribution in 2025 3. Remuneration Distribution for Directors 4. Remuneration Distribution for Employees 5. Proposal for Bank Financing
<p>The fourth meeting in 2025 August 12, 2025</p>	<ol style="list-style-type: none"> 1. 2025 Q2 Consolidated Financial Statements 2. Proposal for Setting the Ex-right Record Date in 2025 3. Proposal for Setting the Payment Date of Stock Distribution from Retained Earnings in 2025 4. Proposal for Bank Financing 5. Proposal for 2024 Sustainability Report
<p>The fifth meeting in 2025 August 12, 2025</p>	<ol style="list-style-type: none"> 1. Proposal for the Change of the Company's CPA 2. Proposal for Bank Financing
<p>The sixth meeting in 2025 November 11, 2025</p>	<ol style="list-style-type: none"> 1. 2025 Q3 Consolidated Financial Statements 2. Amendment to the Corporate Governance Best Practice Principles 3. Proposal for the Change of Corporate Governance Officer 4. Proposal for Bank Financing

<p>The seventh meeting in 2025 December 17, 2025</p>	<ol style="list-style-type: none"> 1. Adjustment to Remuneration in 2026 2. Distribution of 2025 Year-end Bonuses 3. Proposal for Defining “Entry-level Employees” and Including Them in the Internal Control System 4. Proposal for the 2026 Internal Audit Plan 5. Amendment to the Internal Control System 6. 2026 Business Plan 7. The Contract Extension of Endorsements and Guarantees for Subsidiary Company 8. Appointment of the Company’s CPA 9. Proposal for Bank Financing
<p>The first meeting in 2026 March 10, 2026</p>	<ol style="list-style-type: none"> 1. 2025 Business Report and Financial Statements 2. Proposal for Date and Agenda of 2026 Shareholders’ Meeting 3. 2025 Earnings Distribution Table and Distribution of Dividends 4. Proposal for Issuing New Shares through Capitalization of Retained Earnings 5. Amendment to the Articles of Incorporation 6. 2025 Remuneration Distribution for Directors and Employees 7. Remuneration Distribution for Directors and Employees in 2026 8. Proposal for Statement of Internal Control System 9. Proposal for the Change of Internal Audit Officer 10. Proposal for Bank Financing

Note: Each ratification and discussion was approved by the attending Directors.

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 on CPA Fees

2.4.1 Amount of Audit Fee and Non-audit Fee and Content of Non-audit Service

Unit: NT\$ thousand

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee (Note 2)	Total	Remark
Crowe (TW) CPAs	Ya Chuan Chang	January 01, 2025- June 30, 2025	2,760	86	2,846	Note 1
	Po Ju Chou	January 01, 2025- June 30, 2025				
Crowe (TW) CPAs	Ya Chuan Chang	July 01, 2025- December 31, 2025				
	Chin Feng Lin	July 01, 2025- December 31, 2025				

Note 1: Internal rotation of the accounting firm.

A. If the Company has changed Accounting Firm and the amount of audit fee is less than the previous fiscal year, the Company shall report the amount of the audit fee before and after changing and the replacement reason: None

B. If the audit fee is reduced by more than 10% compared to the previous year, the amount of reduction, proportion, and reasons shall be disclosed: None

2.5 Replacement of CPA

2.5.1 Regarding the former CPA

Not applicable.

2.5.2 Regarding the successor CPA

Not applicable.

2.5.3 If the former CPA has a different opinion, the successor CPA shall be consulted and obtained the written opinion on the matters to notify the former CPA to respond by letter within 10 days. The Company shall disclose the content of the reply letter from the former CPA

Not applicable.

2.6 The Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or an affiliated enterprise

None

2.7 Transfer and pledge of stock equity by directors, supervisors, managerial officers and holders of 10% or more of company shares

2.7.1 Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Unit: shares

Title	Name	2025		As of March 31, 2026	
		Shareholding Increase (Decrease)	Pledged Shares Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Shares Increase (Decrease)
Chairman	Chih Wen Lee	170,088	—	—	—
Independent Director	Ching Lung Lee	—	—	—	—
Independent Director	Yau Yuan Wen	—	—	—	—
Independent Director	Hsin Yu Chou	—	—	—	—
Director	Hsiu Min Lin	72,191	—	—	—
Director	Good Tree Investment Co., Ltd.	576,626	—	—	—
Corporate Director Representative	Representative of Good Tree Investment Co., Ltd., Hsiu Chih Kuo	(430,704)	—	—	—
Director	Ling Mo Chao	108,361	—	—	—
Director	Xing-Da Capital Crop.	1,664,941	—	84,000	—
Corporate Director Representative/ Vice President, Technology Management Office	Representative of Xing-Da Capital Crop., Yi Ta Lee	87,366	—	—	—
Director	Jehng Jer Guan	19,950	—	—	—
Director	Hung Chih Lin	81,006	—	—	—
Director	Neng Chun Yu	328,115	—	—	—
General Manager	Yu Liang Pei	3,255	—	—	—
General Manager, China Affairs Office	Neng Yin Yu	83,210	—	—	—

Title	Name	2025		As of March 31, 2026	
		Shareholding Increase (Decrease)	Pledged Shares Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Shares Increase (Decrease)
General Manager, Subsidiary Company	Neng Yu Yu	28,472	—	—	—
General Manager, Marketing Center	Chang Long Chen	22	—	—	—
General Manager, Yilan Office	Chien Ju Lin	19,196	—	—	—
Vice General Manager, Marketing Center	Feng Chin Chang	—	—	—	—
Chief R&D Officer	Wen Hsin Huang	—	—	—	—
Assistant Vice President, Dept. of Planning of Pharmaceutical Product	Chih Tsao Chang	47	—	—	—
Assistant Vice President, Marketing Channel Dept.	Chien Kuo Chang	108	—	—	—
Assistant Vice President, Marketing Dept.	Wen Fang Huang	10	—	—	—
Vice President	Ju Nee Yeo	35,929	—	—	—
Assistant Vice President, Chairman's Office	Yi Mei Luo	8,269	—	—	—
Assistant Vice President, Administration Dept.	Fu Lin Wu	—	—	—	—
Assistant Vice President, General Administration Dept.	Hui Ling Hsu	17,479	—	—	—
Chief Financial Officer	Chih Hsiao Chen	378	—	—	—
Accounting Manager	Li Jung Hsieh	2,520	—	—	—

Note: Hui Ling Hsu has been appointed as Assistant Vice President of General Administration Department on January 1, 2025.

2.7.2 Shares Trading with Related Parties: None

2.7.3 Shares Pledge with Related Parties: None

2.8 Information on Relationships among the Top Ten Shareholders

Relationship among the Top Ten Shareholders

April 18, 2026

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Xing-Da Capital Corp.	19,123,762	10.05	—	—	—	—	—	—	—
Xing-Da Capital Corp. Representative: Yi Ta Lee	—	—	—	—	—	—	Chih Wen Lee	First Degree of Kinship	—
Purzer Pharmaceutical Co., Ltd.	16,975,464	8.93	—	—	—	—	—	—	—
Purzer Pharmaceutical Co., Ltd. Representative: Chih Hui Lin	—	—	—	—	—	—	—	—	—
Yung Chang Chang	4,618,782	2.43	—	—	—	—	—	—	—
Chih Wen Lee	3,571,862	1.88	2,057,848	1.08	—	—	Ling Fang Kuo	Spouse	—
SPDR(R) Index Shares Funds - SPDR Portfolio Emerging Markets ETF	2,737,711	1.44	—	—	—	—	—	—	—
Good Tree Investment Co., Ltd.	2,109,146	1.11	—	—	—	—	—	—	—
Good Tree Investment Co., Ltd. Representative: Yen Hao Kuo	—	—	—	—	—	—	—	—	—
Ling Fang Kuo	2,057,848	1.08	3,571,862	1.88	—	—	Chih Wen Lee	Spouse	—
Ling Mo Chao	1,855,591	0.98	307,314	0.16	81,900	0.04	—	—	—
Neng Yin Yu	1,747,429	0.92	367,062	0.19	—	—	—	—	—
Hung Chih Lin	1,701,144	0.89	—	—	—	—	—	—	—

2.9 Ownership of Shares in Affiliated Enterprises

March 31, 2026

Unit: shares; %

Affiliated Enterprises	Ownership by the Company			Direct or Indirect Ownership by Directors and Managers		Total Ownership	
	Property	Shares	%	Shares	%	Shares	%
CanCap Pharmaceutical Ltd.	Common Stock	2,000,000	100.00	—	—	2,000,000	100.00
	Preferred Stock	51,500	100.00	—	—	51,500	100.00
SUNETIC BIOTECH INC.	Common Stock	18,854,534	83.47	—	—	18,854,534	83.47
UNIVERSAL NEXT TECHNOLOGIES INC.	Common Stock	503,845	100.00	—	—	503,845	100.00
ZUNIMED BIOTECH CO., LTD.	Common Stock	10,300,000	100.00	—	—	10,300,000	100.00
SynCore Biotechnology Co., Ltd.	Common Stock	22,597,472	64.26	—	—	22,597,472	64.26
SynCore Biotechnology Europe GmbH	Common Stock	—	—	25,000	100.00	25,000	100.00

III. Company Shares and Fundraising

3.1 Capital and Shares

3.1.1 Sources of Capital

Unit: NT\$; shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Aug. 2006	10	150,000,000	1,500,000,000	105,762,200	1,057,622,000	Capital increase by retained earnings NT\$78,342,300	—	Note 1
Jun. 2008	10	150,000,000	1,500,000,000	106,624,200	1,066,242,000	Share warrant NT\$8,620,000	—	Note 2
Sep. 2008	10	150,000,000	1,500,000,000	106,893,200	1,068,932,000	Share warrant NT\$2,690,000	—	
Nov. 2008	10	150,000,000	1,500,000,000	106,919,200	1,069,192,000	Share warrant NT\$260,000	—	
May. 2009	10	150,000,000	1,500,000,000	112,989,488	1,129,894,880	Share warrant NT\$4,670,000 and conversion of convertible bonds NT\$56,032,880	—	
Sep. 2009	10	150,000,000	1,500,000,000	114,483,134	1,144,831,340	Share warrant NT\$1,920,000 and conversion of convertible bonds NT\$13,016,460	—	
Dec. 2009	10	150,000,000	1,500,000,000	118,262,536	1,182,625,360	Share warrant NT\$3,290,000 and conversion of convertible bonds NT\$34,504,020	—	
Mar. 2010	10	150,000,000	1,500,000,000	120,950,732	1,209,507,320	Share warrant NT\$2,130,000 and conversion of convertible bonds NT\$24,751,960	—	
Jun. 2010	10	150,000,000	1,500,000,000	120,988,732	1,209,887,320	Share warrant NT\$380,000	—	
Aug. 2010	10	250,000,000	2,500,000,000	125,223,338	1,252,233,380	Capital increase by retained earnings NT\$42,346,060	—	Note 3

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Sep. 2010	10	250,000,000	2,500,000,000	127,471,969	1,274,719,690	Share warrant NT\$5,840,000 and conversion of convertible bonds NT\$16,646,310	—	Note 2
Dec. 2010	10	250,000,000	2,500,000,000	127,651,162	1,276,511,620	Share warrant NT\$1,270,000 and conversion of convertible bonds NT\$1,270,000	—	
Mar. 2011	10	250,000,000	2,500,000,000	127,768,162	1,277,681,620	Share warrant NT\$1,170,000	—	
Jul. 2011	10	250,000,000	2,500,000,000	127,903,162	1,279,031,620	Share warrant NT\$1,350,000	—	
Oct. 2011	10	250,000,000	2,500,000,000	128,851,162	1,288,511,620	Share warrant NT\$9,480,000	—	Note 2
Dec. 2011	10	250,000,000	2,500,000,000	148,851,162	1,488,511,620	Capital increase by cash NT\$200,000,000	—	Note 4
Feb. 2012	10	250,000,000	2,500,000,000	149,174,162	1,491,741,620	Share warrant NT\$3,230,000	—	Note 2
Mar. 2012	10	250,000,000	2,500,000,000	149,325,162	1,493,251,620	Share warrant NT\$1,510,000	—	Note 2
Jul. 2014	10	250,000,000	2,500,000,000	161,271,175	1,612,711,750	Capital increase by retained earnings NT\$119,460,130	—	Note 5
Jul. 2016	10	250,000,000	2,500,000,000	167,722,022	1,677,220,220	Capital increase by retained earnings NT\$64,508,470	—	Note 6
Jul. 2024	10	250,000,000	2,500,000,000	181,139,784	1,811,397,840	Capital increase by retained earnings NT\$134,177,620	—	Note 7
Aug. 2025	10	250,000,000	2,500,000,000	190,196,774	1,901,967,740	Capital increase by retained earnings NT\$90,569,900	—	Note 8

Note 1: The capital increased by retained earnings is NT\$78,342,300 in July, 2006. Approved by FSC on July 5, 2006, with No. Financial-Supervisory-Securities-I-0950128602.

Note 2: The Company issued 5,000 units of employee stock warrant, a total of 5,000,000 shares was approved by FSC on July 27, 2005, with No. Financial-Supervisory-Securities-I-0940130577. The first Secured Corporate Bond Issue was issued in April, 2008 consisting of 3,500 bonds with a total amount of NT\$350 million and was approved by FSC on April 11, 2008, with No. Financial-Supervisory-Securities-I-0970013748.

Note 3: The capital increased by retained earnings is NT\$42,346,060 in June, 2010. Approved by FSC on June 15, 2010, with No. Financial-Supervisory-Securities-I-0990031049.

Note 4: The Company issued new shares totaling NT\$200,000,000 for cash capital increase in October, 2011. Approved by FSC on October 28, 2011, with No. Financial-Supervisory-Securities-I-1000050459.

Note 5: The Company increased capital by retained earnings and issued new shares for NT\$119,460,130. Approved by FSC on July 24, 2014, with No. Financial-Supervisory-Securities-1030027866.

Note 6: The Company increased capital by retained earnings and issued new shares of NT\$64,508,470 on July 22, 2016 and was declared to FSC.

Note 7: The Company increased capital by retained earnings and issued new shares of NT\$134,177,620 on July 31, 2024 and was declared to FSC.

Note 8: The Company increased capital by retained earnings and issued new shares of NT\$90,569,900 on August 6, 2025 and was declared to FSC.

April 18, 2026 Unit: shares

Share Type	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total Shares	
Registered Common Shares	190,196,774	59,803,226	250,000,000	–

Note 1: The par value is NT\$10 per share.

Information on shelf registration: Not applicable.

3.1.2 List of Major Shareholders

April 20, 2026 Unit: shares; %

Shareholding Shareholders' Name	Shares	Percentage
Xing-Da Capital Crop.	19,123,762	10.05
Purzer Pharmaceutical Co., Ltd.	16,975,464	8.93
Yung Chang Chang	4,618,782	2.43
Chih Wen Lee	3,571,862	1.88
SPDR(R) Index Shares Funds - SPDR Portfolio Emerging Markets ETF	2,737,711	1.44
Good Tree Investment Co., Ltd.	2,109,146	1.11
Ling Fang Kuo	2,057,848	1.08
Ling Mo Chao	1,855,591	0.98
Neng Yin Yu	1,747,429	0.92
Hung Chih Lin	1,701,144	0.89

3.1.3 Dividend Policy and Implementation Status

A. Dividend Policy

If the Company has earnings, after offsetting any loss from prior year and paying all taxes and dues, 10% shall be set aside as legal reserve. However, when the legal reserve amounts reach or exceed paid-in capital of the Company, it shall not be set aside. The remaining earnings shall be set aside or added to the reversal of special reserve in accordance with regulation. The remaining earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will plan for the earnings distribution proposal. The proposal will be discussed at the Shareholders' Meeting for the distribution of dividend for shareholders. The dividend policy takes into consideration current and future development plans, capital expenditure budget, investment environment, fund demand, domestic and foreign competition and balance the interest of shareholders. The dividend can be distributed as cash or stock based on distributable earnings and it shall not be less than 10% of distributed earnings. Cash dividend shall be no less than 20% of the total dividend.

B. Proposed Distribution of Dividend

The proposal for 2025 Earnings Distribution was passed by the Board Meeting on March 10, 2026. After setting aside a legal reserve of NT\$33,630,082 and a special reserve of NT\$0, the Company allocates cash dividends of NT\$190,196,774 and stock dividends NT\$114,118,070 amounting to 11,411,807 shares from retained earnings available for distribution. The cash dividend will be NT\$1 per share. The stock dividend will be NT\$0.6 per share, 60 shares per thousand shares to issue new shares through capitalization. The proposal has not been discussed at the Shareholders' Meeting yet.

3.1.4 The impact of the proposed allocation of free shares on the company's operating and performance and earnings per share

Item		Year	2026 (Forecast)
Paid-in Capital at the Beginning of the Period			NT\$1,901,967,740
Distribution of Dividend in this year	Cash Dividends per Share		NT\$1
	Stock Dividends per Share through Capitalization of Retained Earnings		NT\$0.6
	Stock Dividends per Share through Capitalization of Capital Surplus		—
Changes in Operating Performance	Operating Income		Note Applicable (Note 2)
	YoY Comparison in Operating Income		
	Net Income After Tax		
	YoY Comparison in Net Income After Tax		
	Earnings per Share		
	YoY Comparison in Earnings per Share		
	Annualized Return on Investment		

Pro Forma Earnings per Share and P/E Ratio	If capitalization of retained earnings is changed to distribute in cash.	Pro Forma Earnings per Share	Not Applicable (Note 2)
		Pro Forma Annualized Return on Investment	
	If capitalization of capital surplus is not conducted.	Pro Forma Earnings per Share	Not Applicable (Note 2)
		Pro Forma Annualized Return on Investment	
	If capitalization of capital surplus is not conducted or capitalization of retained earnings is changed to distribute in cash.	Pro Forma Earnings per Share	Not Applicable (Note 2)
		Pro Forma Annualized Return on Investment	

Note 1: It has not been discussed at the 2026 Shareholders' Meeting yet.

Note 2: In accordance with Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to disclose financial forecasts for 2026. Therefore, there is no forecast information for 2026.

3.1.5 Compensation of Employees and Directors

A. Information Relating to Compensation of Employees and Directors Stated in the Articles of Incorporation

If the Company has a profit for the reported year, 2%~8% of profit shall be allocated for remuneration for qualified employees, who meet certain criteria, and the method of allocation, in stock or cash, to be decided by the Board. The Company may set aside no more than 5% of profit as the remuneration of Directors. The distribution ratio for the current year will be determined by the Board of Directors. The proposal for remuneration distribution for employees and directors shall be reported at the Shareholders' Meeting.

If the Company has accumulated loss, it shall retain the amount for offsetting in advance, and then distribute the compensation of Employees and Directors in accordance with the aforementioned percentage.

B. For 2025, the Board decided the estimated percentage of compensation of employees and directors is 3.2% and 1.8%, respectively. The details of the distribution has not yet been approved by the Remuneration Committee and the Board of Directors.

C. Status of Remuneration Distribution Approved by the Board of Directors

(1) If the amount of remuneration distributed for employees and directors in cash or stock is different from the estimated amount, the Company shall disclose the variance, reasons, and handling status:

The Board approved cash remuneration distributions for Employees and Directors totaling NT\$13,692,090 and NT\$7,701,801 in cash on March 10, 2026. The amount is same as the estimated amount.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial statements or individual financial statements for the current period and total employee compensation: None

D. Status of 2024 Compensation Distribution of Employees and Directors:

Remuneration Distribution in 2024:

Employee Remuneration in cash: NT\$10,910,124

Employee Remuneration in stock: NT\$0

Directors Remuneration: NT\$6,136,945

The amount is same as the amount approved by the Board.

3.1.6 Buy-back of Treasury Stock

None

3.2. Corporate Bonds

None

3.3 Preferred Shares

None

3.4 Global Depository Receipts

None

3.5 Employee Stock Options

None

3.6 New Restricted Employee Shares

None

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions

None

3.8 Financing Plans and Implementation

3.8.1 The previous plan of implementation of capital increase, expected progress, and the possible benefit that will be created

None

3.8.2 Plan and Implementation Status

None

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

A. Main Areas of Business Operations

C802041	Manufacture of Drugs and Medicines
F108021	Wholesale of Western Pharmaceutical
F208021	Retail Sale of Western Pharmaceutical
C802051	Manufacture of Chinese Medicines
F108011	Wholesale of Traditional Chinese Medicine
CF01011	Medical Devices Manufacturing
F108031	Wholesale of Medical Devices
F208031	Retail Sale of Medical Apparatus
C102010	Manufacture of Dairy Products
C802100	Cosmetics Manufacturing
F108040	Wholesale of Cosmetics
F208040	Retail Sale of Cosmetics
C802060	Veterinary Drug Manufacturing
F107070	Wholesale of Veterinary Drugs
F207070	Retail Sale of Veterinary Drugs
C201010	Feed Manufacturing
F103010	Wholesale of Animal Feeds
F202010	Retail Sale of Feeds
C801110	Fertilizer Manufacturing
F107050	Wholesale of Fertilizer
F207050	Retail Sale of Fertilizer
C106010	Grain Husking, Manufacture of Grain Mill Products, Starches and Starch Products
C104010	Manufacturing of Sugar Confectionery
C199990	Manufacture of Other Food Products Not Elsewhere Classified
C802090	Manufacture of Cleaning Preparations
F107030	Wholesale of Cleaning Supplies
F207030	Retail Sale of Cleaning Supplies
C110010	Beverage Manufacturing
F102040	Wholesale of Nonalcoholic Beverages
F102170	Wholesale of Foods and Groceries
F203010	Retail Sale of Food, Grocery, and Beverage
F501030	Beverage Shops
A102050	Crops Cultivation
A101030	Growing of Special Crops
A101040	Growing of Edible Fungi
F201010	Retail Sale of Agricultural Products

C113020	Alcohol Products Semi-Finished Manufacturing
F208050	Retail Over-the-counter drugs class B
F401010	International Trade
J303010	Magazine (Periodical) Publishing
IZ99990	Other Industrial and Commercial Services
I101090	Food Consulting
IC01010	Medicine Inspection
IG01010	Biotechnology Services
J202010	Industry Innovation and Incubation Services
E604010	Machinery Installation
EZ05010	Instrument and Meters Installation Engineering
F207200	Retail Sale of Chemical Feedstock
F107200	Wholesale of Chemical Feedstock
F107990	Wholesale of Other Chemical Products
F399040	Retail Sale No Storefront
ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

B. Revenue Contribution

The products sold by the Company are divided into drugs, functional food, and others. The following table shows the revenue contribution by product category in 2025.

Unit: NT\$ in thousands; %

Product Category	Total Sales	(%) of Total Sales
Drugs	2,070,858	61.43
Functional Food	1,184,733	35.14
Others	115,730	3.43
Total	3,371,321	100.00

Note: The above amount is net sales.

C. Main Products and Services

(A) Product Categories

The products of the Company include semi-solid preparations (ointment, gel, cream), solid dosage forms (soft/hard capsule, sugar-coated tablet, film-coated tablet, suppository, powder/ granules, tablet, gummy), liquid preparations (internal/external use), eye drops, injections (injectable solutions and lyophilized powder injections), cosmetics, functional food, natural botanical extracts, and plastic medical containers.

(B) Target Market

- a. Sell the products directly to medical centers, regional hospitals, district hospitals, group practice centers, clinics, dental clinics, pharmacies, chain pharmacies, and drug stores.
- b. Sell health supplements and medical cosmetology products to government hospitals, armed forces hospitals, pharmacies, and shopping channels through distributors.
- c. Commissioned to manufacture products and sell them to direct marketers and American hypermarket.
- d. Self-operated import and export, and sold products through export distributors or agents.
- e. Commissioned by specialized marketing companies to manufacture drugs, functional food, cosmetics, and medical devices.
- f. Sell products directly to consumers through e-commerce platform, telemarketing, and Sinphar Health Park.

D. New Products and Services Development

(A) Research and Development Results

- a. Food: 4 products in 2025
- b. Cosmetics: 6 products in 2025
- c. Drugs: 2 products in 2025
- d. Product Improvement: 72 items in 2025
- e. Technical Projects: 17 projects in 2025
- f. Research and Development Status:

Item	Category	Code	Indication/ Application	R&D Progress/Current Situation
1	Botanical new drugs/ Natural botanical materials	ST01	Dementia/ Brain Health/ Vitality/ Health food	Approved by the Taiwan TFDA and the U.S. FDA to conduct Phase II clinical trials. Preparing for clinical trial. Obtained the health food certification of anti-aging function
2	Botanical new drugs	ST02	Drugs for chronic stable angina	The Phase II clinical trial approved by the Taiwan TFDA and U.S. FDA has been completed in stages. Follow-up development is in progress

Item	Category	Code	Indication/ Application	R&D Progress/Current Situation
3	Botanical new drugs/ Natural botanical materials	SF01	Cancer adjuvant treatment agent/ Health food	Completed Druggability Research Part I and Part II in progress. Acquired the health food certification of assisting in modulating allergy constitution and immune modulation.
4.	Natural botanical materials	GF159	Brain Health	Completed clinical efficacy trial proving the product has the function of improving memories, learning abilities, and sleep quality.
5	New small molecular drugs	SB01	Head and neck cancers	Received project funding from MOEA. Completed phase I clinical trial in Taiwan. Approved for phase II clinical trial by U.S. FDA. Approved by the Taiwan TFDA to conduct a Phase II clinical trial, which has been completed. The efficacy of drug and dose adjustment is under discussion.
6	New small molecular drugs	SB02	Cancer treatment	Formulation development before clinical trial. Deprescribing is under discussion.
7	Botanical new drugs	SB03 VEREGEN®	Genital wart (condyloma)	Acquired TFDA drug license to sell drug products in specialized channels (hospitals, clinics, and pharmacies).
8	Eye drops	SB04	Dry age-related macular degeneration	Successful international cooperation with South Korean AJU Pharm in granting authorization right to the Company. IND approved by the Taiwan TFDA; currently conducting Phase II/III clinical trials in Taiwan. Dose adjustment is under discussion
9	Positively charged liposome	SB05 TNBC	Triple-negative breast cancer	Phase III clinical trial application approved to start by Belgium FAMHP, Taiwan FDA (feasibility study is under discussion), and Australia TGA. Received project funding from MOEA.
		SB05PC	Pancreatic cancer	Approved for phase III clinical trial in the U.S., Taiwan, France, Hungary, South Korea, Russia, and Israel. Received the grant of A+ Industrial Innovation R&D Program by MOEA. Completed final analysis of phase III clinical trial. Project is under discussion. Approved for phase III clinical trial by NMPA.

4.1.2 Industry Overview

A. Current Status

According to the statistics in *The State of World Population 2025* published by UNFPA, the global average life expectancy was 73.5 years, which was an extraordinary increase to 40 years in 1900. In Taiwan, according to the data published by the Ministry of the Interior in 2025, the average life expectancy was 80.8 years, specifically 77.4 years for men and 84.3 years for women. Compare to global average life expectancy, male and female average life expectancy in our country were respectively 6.4 years and 8.3 years higher than the global average. The upward trend in life expectancy is a result of better healthcare, healthier lifestyle, attention to food safety, and an increase in physical activities.

As the aging society brings social and economic challenges, it also creates market opportunities for the pharmaceutical and healthcare industries, such as a growing demand for geriatric medical care and chronic diseases. Additionally, the pharmaceutical industry continues to expand as people seek to prolong their health through consuming drugs and health foods.

According to IQVIA statistics, the global pharmaceutical market reached approximately US\$1.8 trillion in 2024, compared to 2023, an increase of nearly 5.1%. It is expected that the scale in 2029 will reach US\$2.4 trillion. The global pharmaceutical market has been influenced by individual country's healthcare insurance system, budgetary concerns and cost controls, and consumers' budget for out-of-pocket services. Therefore, the market for new drugs and generic drugs and drug price controls will affect future global pharmaceutical market scale. Overall it will be a growing market at a slower pace.

Despite the government controlling the medical expenses through adjusting insurance rates, new policy for copayment, and adjusting NHI drug prices, the pharmaceutical market has maintained steady growth over the years. According to IQVIA, Industrial Information of DCB, and Research Team of ITIS, the market scale of pharmaceuticals in our country in 2024 is NT\$260.31 billion, growing 4.6% compared to the preceding year. As Taiwan officially entered a super-aged society, the demand for treating chronic diseases and cancers caused by age-related functional decline is rising. With the continuous launch of innovative and high-value emerging medical technologies and pharmaceuticals, Taiwan's pharmaceutical market will be steadily growing.

However, several factors have affected drug price and quantity produced of domestic

pharmaceutical companies in recent years, namely, the cost of research and development of new drugs, the increase of production cost after implementing PIC/S GMP, competition from imported drugs, the restriction of the New Patent Act, and the drug price survey. These factors caused a decline in revenue and profit.

The total amount of NHI payment has been increasing annually, from NT\$553.1 billion in 2013 to NT\$928.6 billion in 2025, of which drug payment accounted for 25-30%. Out of the total drug payment, only 25% were to domestic pharmaceutical companies, while the remainder was paid to global pharmaceutical companies. In 2024, the total sales of drugs of the top 10 pharmaceutical companies in Taiwan amounted to NT\$98.72 billion, accounting for about 41.9% of the total sales of Taiwan pharmaceutical companies, all of them were global pharmaceutical companies.

The pharmaceutical industry is high in capital expenditure, requires advanced technology, and needs skilled professionals. Take the U.S. as an example, developing a new drug may take 10 to 12 years and cost US\$250 million to US\$350 million. Because domestic pharmaceutical companies are smaller than global pharmaceutical companies and the staggering cost of new drug development, most domestic pharmaceutical companies produce generic drugs. In recent years, there is an increasing number of companies becoming involved in new drugs development.

The government implemented PIC/S GMP standard to ensure that Taiwan's pharmaceutical manufacturing quality is consistent with international standards. So far over 140 companies are PIC/S GMP compliant and many have also passed the EU, the USA, and Japan inspection. Domestic pharmaceutical companies invested billions of dollars (NT\$) in software and hardware to meet regulation requirements and remain competitive internationally. On the other hand, imported generic drugs can bypass the PIC/S GMP inspections, do not need to conduct bioequivalence study and are duty-free, thus creating a less advantageous business environment for domestic companies.

In light of unfair competition and NHI drug price suppression, domestic pharmaceutical companies are likely to produce health supplements and cosmetology products in addition to drugs to increase sales revenue. Furthermore, to decrease operational costs, domestic pharmaceutical companies may collaborate with, merge with, or acquire companies overseas.

2025 marks Taiwan's official entry into the super-aged society era, fueling rapid growth in the domestic health supplement market. According to Research and Markets and Global Data, the market value exceeded NT\$150 billion between 2024 and 2025,

maintaining a steady annual growth rate of nearly 7%. From traditional supplements to functional nutrition, and the recent rise of light wellness and ingredient-focused trends, consumer demands have become more precise, presenting brands with unprecedented transformation challenges.

According to 2023 statistics from the Ministry of Economic Affairs, the output value of Taiwan's health supplement market has reached record highs for five years, showing the increasing importance citizens place on health management. As the super-aged population (65 and over) exceeded 20% in 2025, demand continues to rise for functional foods targeting chronic disease prevention, gastrointestinal health, and immune support. Health supplements are no longer viewed as "supplements," they are increasingly integrated into daily life as a regular habit.

B. Industry Development

Biotechnological and pharmaceutical products are closely related to public health, since they are mainly used for treating illnesses and preventive health care, as such, product safety and efficacy are especially important. Economic growth, aging population and world information flow have created a demand for high quality pharmaceutical products and that in turn, is driving a continuous annual revenue growth of the pharmaceutical manufacturing industry.

As the government establishes the "Biotechnology and Pharmaceutical Industries Promotion Office" under the Ministry of Economic Affairs, it is simultaneously promoting the development of pharmaceutical manufacturing industry and gradually setting up a complete database of the pharmaceutical industry. In recent years, there is a worldwide trend on natural products, which leads to a growing demand for Chinese herbal medicine R&D, business opportunities, and government recognition on this market. However, the application of Chinese herbal medicine still needs scientific verification, clinical trial, and patent protection. This will be a subject that the domestic pharmaceutical industry needs to further explore or actively participate in development in the future. At present, both domestic and imported drugs are developing towards the PIC/S GMP standard, and the PIC/S GMP system complies with the specifications of the Pharmaceutical Inspection Convention and Co-operation Scheme, which is practiced currently in the EU, a higher requirement than cGMP. This ensures a spotless plant and quality drugs and protects the employees and the environment against pollution.

C. Relationship with Upstream, Midstream and Downstream Companies

Upstream: Raw material. The raw materials for western medicines include general

chemicals, natural plants, animals, minerals, microbial strains, and relevant tissues and cells, etc. Among them, general chemicals are used the most. For traditional Chinese medicine, majority of raw materials are plants, while animals and minerals are in the minority. With advancement in biotechnology, using gene transfer, scientists have obtained many examples of genetically modified animals and plants, so in the future, plants can be directly cultivated or animals can be raised to produce medicines.

Midstream: API manufacturing and Chinese herbal medicinal materials processing. API manufacturer includes organic chemical synthesis, natural product extraction, microbial fermentation, or synthesis post-fermentation, and genetic engineering which generates purification from modified cell fermentation, etc. for example, biochip, biologic diagnostic reagents. The processing of Chinese medicinal materials is mainly based on the processing of medicinal plants.

Downstream: Pharmaceutical manufacturing industry mainly combines API with pharmaceutical adjuvant, such as excipients, disintegrating agents, adhesives, and lubricants etc., and to create products in easy to use dosage forms. The manufacturing process shall comply with PIC/S GMP standards, to ensure the stability of product quality, and conform to the necessary conditions of safety, stabilization, and efficacy. In addition to making Chinese medicine in traditional Chinese medicinal dosage forms such as pill, paste, pellet, and powder etc., more and more manufacturers are producing Chinese medicines in western medicine dosage form. Chinese and western medicines are distributed through hospitals, pharmacies, prescriptions, or indicated by clinic doctors for patients or consumers to use.

D. Product Competition

The products of the Company are divided into categories of drugs, functional foods, and others.

The Company has established a foothold in the local market with private brands by combining exclusive patented ingredients and technologies to make functional foods and is gradually expanding into international brands. Furthermore, the Company has been receiving orders from global manufacturers and gradually earning global recognition with its high-technology and high-quality products.

In terms of sales channel, domestic pharmaceutical companies have a larger market share in pharmacies and clinics, while global pharmaceutical companies and imported

drugs have a larger market share in hospitals because hospitals prefer to use imported drugs. The Company maintains a balanced development in clinics, hospitals, pharmacies, chain drug stores, e-commerce platform, Sinphar Health Center, and telemarketing for many years. The Company is focused on R&D, import agents and adjusting marketing strategies, increasing the development of hospitals, concentrating on operations, and managing pharmacy sales channel.

E. Product Trends

The global demand for pharmaceuticals continues to rise throughout a hundred years of pharmaceutical industry development. As the population grows and ages, people become aware of the importance of good health. As a result, more and more people start to exercise, diet, and take health supplements. However, there are still many serious diseases that cannot be treated. Therefore, the prospect of new drugs is highly anticipated, and governments of various countries have also begun to list biotechnology new drugs as key development industry.

In recent years, the government actively promotes the biotechnology pharmaceutical industry. Since the approval of Act for the Development of Biotech and New Pharmaceuticals Industry, many companies have obtained the certification under the Act. Relevant policies such as tax benefits, tax credits for R&D investment, and deregulation are incentives for companies to invest in the research and development of biotech. In 2017, the government implemented the “Biomedical Industry Innovation Program”. This included five strategic development directions: updating legislation to foster industry development, improving science park infrastructure to drive the industrial cluster effect, creating an integrated biomedical databases platform, introducing digital/smart technology into the biomedical industry, and strengthening the connection with global markets to improve industrial transition and innovation. In 2021, Executive Yuan passed “Six Core Strategic Industries Plan” built on the foundations of five plus two innovative industries plan, artificial intelligence with the fifth-generation mobile networks to promote precision health industry. Taking the biomedical industry as the core, and the advantages of the medical industry and information and communication technology, the precision health policy aims to improve the health and well-being of people of all ages. As a result, the amendment of the Act for the Development of Biotech and New Pharmaceuticals Industry took effect in 2022. The industry deals in new dosage forms, regenerative medicine, precision medicine, digital medicine, and contract development and manufacture of biotech and pharmaceutical products are included in the scope of preferential measures to support the development of the industry.

Developing biotech and new drugs require a vast sum of fund, technologies, and talents. Although Taiwan has many biotechnology talents, the scale of enterprises is not as large as global pharmaceutical corporations to have an abundance of capital and revenue to acquire new drugs and technologies. Additionally, the gross production value of the domestic medical industry is insufficient to support the development of new drugs.

At the same time, the development process of new drugs is full of uncertainties. Thus, it is still in the embryonic stage. In addition to requiring policy support from the government, we hope that the industry will not be adversely affected by isolated negative incidents. With the support of talents, capital markets, and policies in Taiwan, we strive to manufacture world-class new drugs to give back to investors and contribute to human health.

4.1.3 Technology and R&D Overview

A. Business Technical Level and R&D

(A) Establish core technology

An important strategy for the R&D Center of the Company is “innovation, integration, and talent training”. To establish a core technology platform and develop private-brand products through complete equipment and professional training.

(B) Physical technology and skills

- a. Continue to develop anticancer drugs and to obtain patent licensing products for chronic disease.
- b. The Company selects suitable Chinese herbal medicine to cooperate with well-known universities in Europe and North America and research institutions to carry out the combination of production, learning, research and market for the Chinese market.
- c. The traditional Chinese medicine extracts were successfully developed by the Chinese herbal medicine R&D group of the Company.

(a) Lipucan®

Available in stores and other channels. It has obtained patent protection in several countries, and the health food certification of anti-allergic and immunoregulation approved by the Ministry of Health and Welfare. It is the first product in Taiwan to exclusively master the biotechnology achievements from raw material R&D to production.

(b) TianLife®

This patent protected product is available in stores and other channels and sold in several countries. The raw materials come from Good Agricultural Practices (GAP) compliant organic farms. Memoregain Capsules are made with TianLife® and have obtained patent protection in several countries and health food certification for anti-aging by the Ministry of Health and Welfare. It is the only anti-aging health food awarded both the “25th National Biotechnology and Medicine Care Quality Award” and “Symbol of National Quality”, and won ten awards domestically and abroad.

(c) Protygold®

Walnut Oligopeptide Protygold® is small molecule organic active peptide developed by Sinphar Tian-Li. It has nine global/PCT patents, five SCI publications and seven independently completed efficacy studies and one IRB approved. It has won the 2019 World Pharmaceutical Raw Materials China Exhibition (CPHI) Herbal Extract Product Innovation Award. This peptide has been proven to enhance memory and learning, and improve sleep quality. This product has been launched in Taiwan.

(d) Since its establishment, the subsidiary, SynCore has developed five new drugs under clinical stages (see Table 1), including two anticancer drugs, SB01 and SB02 which are technology transfer from National Health Research Institutes (NHRI). They are now respectively under phase II clinical trials. The drug for external genital wart, SB03 (Veregen®), from Germany Biotech Company, Medigene, was launched in the fourth quarter of 2013. The drug for age-related macular degeneration, SB04, was a technology transfer from an U.S. company, MacuCLEAR, has been approved by the U.S. FDA for phase II/III clinical trials. Also, in February 2012, it has been approved by the Taiwan TFDA to conduct phase II/III clinical trials. SB05 from Germany Medigene Biotech Company is currently conducting phase III clinical trials of Triple-Negative Breast Cancer and Pancreatic Cancer. SB05PC (EndoTAG® -1), which is targeted to treat Pancreatic Cancer, is conducting phase III clinical trials in eight countries, and completed the final analysis in October 2021 for phase III and second-line clinical trial in seven countries in the U.S., Europe and Asia. The phase III clinical trial of first-line drugs in China has also begun to treat patients in February 2022, and the implementation has been successfully launched.

- (e) Obtain the complete developing rights of the liposome EndoTAG® -1 technology platform.
- (f) Obtain the global technology developing rights of the ophthalmic device, FloM-S (choroid blood flow meter).

B. R&D Expenses Invested in the Past Two Years

Unit: NT\$ thousand

Year	2025	2024
R&D Expenses	145,368	151,362

C. Successfully Developed Technology and Products

(A) Approved bioavailability, bioequivalence (BA and BE), and latest listing or dosage form improved products.

- a. Sincoxib Capsules: non-steroidal anti-inflammatory drug
- b. Cynlis Film Coated Tablets: erectile dysfunction drug
- c. Gefissa Film Coated Tablets: anticancer drug
- d. LIPOZOL Tablets: hypolipidemic agents
- e. Chymsum Tablets: gastrointestinal drug
- f. Atropine (0.01%) Eye Drops: near-sightedness prevention

(B) Products with health food certification

- a. Lipucan Capsules: improve allergic conditions, immunoregulation
- b. High Quality Plus Fish Oil Soft Capsules: modulation of blood lipids
- c. Steady-Fiber Granules: modulation of blood sugar
- d. Migus Phyto-Protein Powder: modulation of blood lipids
- e. Memoregain Capsules: antiaging
- f. Potent Plus Soft Capsules: antifatigue

(C) Functional Food

- a. Migus: a series of health food based on vegetable protein.
- b. Sesame plus E Soft Capsules:
Contains Japanese glutamic acid fermentation (including GABA) which is manufactured by patented fermentation technology. The product could help people sleep better and maintain youthfulness and energy level.
- c. Relax Sesame Softgel:

This is an exclusive product sold at American warehouse club. The product contains 5 sleep inducing ingredients including casein phosphopeptides, sesamin, vitamin E, fish oil (omega-3), and niacin, which actively help people fall asleep easier and sleep better, relieve stress, fight fatigue, and improve neurological health.

d. Sinphar Beauty NMN Capsules:

This is an exclusive product sold at American warehouse club. It contains patented broccoli extract (including NMN), Lipucan (including tumulosic acid), patented brown rice extract (including ceramide) to combine hyaluronic acids and collagen, and zinc to stimulate collagen production in skin and improve skin health.

e. YouBest Bitter Melon Peptide Plus Capsules:

It contains the patented ILGPTM ingredient to enhance the absorption of bitter melon peptides, combined with dual metabolism-supporting minerals: zinc, a component of insulin, and chromium, which helps maintain normal carbohydrate metabolism. This provides consumers with a three-step management approach to help reduce burden, enhance metabolism, and provide protection.

f. Sinphar Good-well Probiotics:

It contains the Japanese patented Lactobacillus Johnsonii LJ88 to help balance your body, combined with three major patented probiotics (Lactobacillus pentosus, Lactobacillus plantarum, and Lactobacillus helveticus) and natural okra extract. These ingredients help consumers feel more comfortable after meal.

g. Sinphar Taminace Capsules:

It helps people rapidly refill water-soluble Vitamin B and C, added the patented Lipucan® to help your body absorb nutrients better and improve your health.

4.1.4 Long-term and Short-term Development

A. Short-term Business Plan

(A) Manufacturing

The Company has established an automated fully automated isolated injectable production line, and a self-contained solid dosage production line to provide a more extensive product service and prepare for expanding market.

The Company has implemented ASPROVA (Advanced Planning & Scheduling System), WMS (Warehouse Management System), and RPA (Robotic Process Automation). The automated reminder of these systems help to reduce human error, improve production efficiency and turnover rate, reduce cost, and improve product

quality.

The Company expands quality control manpower, improves employee training, implements personnel review and evaluation, and establishes clear chain of responsibility to strictly implement product quality monitoring.

The Company establishes new solidification excipient production line to increase production capacity and output elasticity, improves automation assembly line, and plans to hire intermediate skilled foreign workers in compliance with policies.

The Company setup an internal quality committee to discuss each problem relevant to expiration period and packaging specification, and contracts external quality agency to routinely review product quality and process to strengthen quality management system.

(B) Marketing

- a. Through Sinphar Counters, the Company strengthens brand recognition and promotes a “health” image and through the establishment of brand differentiation, the Company conti health nues to maintain a relative competitive advantage.
- b. Internationally: Aim to globalize local brands.
Domestically: Aim to work closely with channels, integrating hospital, clinic, pharmacy, and convenience retail channels.
- c. Plan sales channel according to different product lines:
As the market shifts due to NHI policy changes and increase health awareness by the public, the Company designs products catering to different markets.
- d. Continue to expand the number of visitors to Sinphar Health Park, build the brand image with experiential marketing, and educate consumers about Sinphar’s brand value.
- e. By investing in consumer brand development and increasing marketing resources, the Company engages directly with consumers through media campaigns, events, and e-commerce channels, while building a comprehensive and convenient retail network.

(C) Research and Development

- a. Introduce new technology to improve the effectiveness and accuracy of process control and enhance the reliability of manufacturing.
- b. Although powder form has the advantage of convenience, the disadvantage is that traditional canned package is not suitable for travel. The Company will develop a

new package format for convenience and improve product safety.

- c. Increase the absorption rate of products for the introduction of active ingredient.
- d. Introduce detectors and new analytical techniques to shorten the analysis time, improve analysis methods, and shorten the time of product development.

B. Long-term Business Plan

The long-term business plan is focused on the development of new drugs, anticancer agents, chronic disease, and patented natural products, expanding marketing channels, and establishing product image. The long-term business plans are as below.

(A) Manufacturing

- a. Comply with the regulations of the Pharmaceutical Inspection Convention and Co-operation Scheme (PIC/S), increase pharmaceutical efficiency and quality, and set up anticancer agent plant to comply with Pharmaceutical Regulations of Japan.
- b. Introducing MES (Manufacturing Execution System) and SCADA (Supervisory Control and Data Acquisition). Through the improvement of systems, after the IoT manufacturing system, collect a large quantity of data, the operating efficiency could be improved by AI analysis, decision making, and adjustment of production process parameter optimization and production management. Optimize work procedures to improve the quality of the workforce and move forward with the goal of Industry 4.0.

(B) Marketing

- a. Look for equipment abroad that can provide better production capacity and the latest technology.
- b. Introduce global brand drugs which have differentiation and clinical value. Expand current product line and increase market share through joint marketing and technology licensing.
- c. Effectively improve sales management, streamline shipping process and improve competitiveness.
- d. Through budgeting, target suitable products and marketing campaigns such as media or public relations. At the same time, the Company develops e-commerce with digital marketing to capture specific consumers.
- e. Establish diversified collaboration directions and items, actively look for global partners. Combine the resource of the logistics center with agent bestsellers can further enhance the depth and breadth of the Company's brand in the world and grasp the market pulse to develop and promote competitive products. The Company

can sell different categories of the product of pharmaceuticals, health food and cosmeceutical products in different channels by adopting a division of marketing.

- f. The Company focuses on the introduction, development, and marketing of natural products while developing patented functional foods that create market differentiation, enhance international competitiveness, and support the goal of global expansion.

(C) Research and Development

- a. Continue to develop anticancer drugs and obtain the patent licensing of products for chronic.
- b. Continue to develop and apply nanotechnology, and set up the goal of functional food, healthy food, prescription drug, and generic drugs.
- c. Continue to develop new drugs of Chinese herbal medicine. The existing products are in their respective stage of new drug R&D. In addition to continuing to develop new projects, the existing R&D projects will move toward international R&D.
- d. Continue to collaborate with R&D center in a related business in Hangzhou to perform R&D projects for China herbal medicine in the long term.
- e. Continue to apply the advantages of China market and the place of origins of Chinese herbal medicine, select suitable phytonutrients in Chinese herbal medicine to develop drugs and healthy food to conduct clinical trials and effectiveness evaluation to obtain certification.
- f. Train talents that can coordinate business with multinational clinical trials, application of regulations review, and international licensing to improve the competitiveness of the Company.
- g. Implement the collaboration of new drugs and international licensing cases to receive the licensing fee to increase revenue.
- h. Establish a collaborative platform of new drug clinical trials in Taiwan and China to improve the effectiveness of new drug clinical trials.

4.2 Market and Sales Overview

4.2.1 Market Analysis

[Sales Region]

The Company's products are sold mainly in Taiwan; products consist of drugs, functional food, medical devices, and cosmetics. The Company is also an original equipment manufacturer for global pharmaceutical companies, multi-national direct marketing

companies and exports products to several countries. The subsidiary in China engages in research and development of natural materials and the production and sales of patent protected phytonutrient extracts. The sales region includes China and other countries.

Unit: NT\$ thousand; %

Year	2025		2024	
	Amount	%	Amount	%
Domestic	3,130,292	92.85	2,947,611	93.56
Export	241,029	7.15	203,017	6.44
Total	3,371,321	100.00	3,150,628	100.00

Note: The location of the Company or subsidiaries selling product to others shall be the standard of sales region.

[Market Share]

According to statistics from the Department of Statistics of the Ministry of the Interior as of the end of December 2025, Taiwan's population was approximately 23.29 million. From a demographic perspective, the aging trend has become increasingly significant. In 2025, the proportion of the population aged 65 and above reached 20.06%, representing a substantial increase compared to 10% in 2006. As the proportion of middle aged and elderly individuals continues to rise, Taiwan has officially entered a super aged society. With advances in technology and the rapid spread of online information, health and wellness topics have become an increasing focus of public attention. According to statistics published by the Development Center for Biotechnology in 2025, the output value of Taiwan's pharmaceutical industry in 2024 was approximately NT\$107.73 billion, of which the Company accounted for approximately 1.65%.

[Supply and Demand Condition and Growth of Future Market]

With the growth of an aging society and the implementation of National Health Insurance pharmaceutical procurement policies, the markets for pharmaceuticals and functional foods are expected to continue growing. In addition, the non pharmaceutical market is expected to expand significantly as the population ages and awareness of preventive healthcare continues to increase. Market positioning and segmentation within the pharmaceutical industry are expected to become more clearly defined in the future. Through high quality products and effective marketing strategies, the Company will continue strengthening its competitiveness and expanding its market share.

[Competitive Niche]

- A. The production scale and management capability of the Company could effectively reduce the production and marketing cost to create the competitive advantage of “cost leader”.
- B. The Company collaborates with national pharmacies to establish Sinphar Counters, and maintains a relationship with primary care networks in various regions, district hospitals, and regional hospitals. Each medical center continues to develop and cooperate with the distributor to expand the products of the Company for a more flexible marketing strategy.
- C. Through natural products R&D, the Company has obtained patents in several countries and controlled exclusive technology and materials which could be used in functional food and medical cosmetology products, giving the Company an advantage in differentiation competitiveness.

[Favorable and Unfavorable Factors in the Long Term]

A. Favorable Factors

(A) The Company has diversified and comprehensive product lines.

- a. The categories of products are diversified and unique

The Company develops, manufactures, and sells a comprehensive range of products with efficient production management and operational capabilities. Its product lines include prescription drugs, over the counter drugs, cosmetics, functional foods, natural botanical extracts, and medical devices. In addition to contract manufacturing functional foods for international companies, the Company also produces and sells a wide variety of products. The Company further possesses highly differentiated raw materials and products supported by exclusive research and development capabilities and vertically integrated operations.

- b. Balanced development of drugs and non-drugs

- (a) Drugs

The Company’s drug products are used for different types of treatments, and has a proprietary manufacturing technology for special soft gelatin capsules. The planned anticancer (for injectable and solids) and eye drop production facilities are certified by domestic and Japanese health authorities. In addition to producing existing drugs, the Company lists prescription drugs for chronic diseases as the key focus for future development. Some factors affecting the upward trend in market growth for out-of-pocket non-prescription drugs are the aging population, changes in lifestyle, availability of health related knowledge.

(b) Non-drugs

The Company has a unique advantage in its government-certified health food and medical cosmetology products, which are developed with Company R&D exclusive patented raw material. The Company has also successfully developed protein vegan powder nutritional supplements and is the approved manufacturer for several international companies. The Company's products are exported to other countries around the world. Through horizontal diversification, the Company produces and sells more than one hundred of products. Some products obtained FDA health food permit numbers, such as Memoregain Capsules.

These products give the Company a competitive edge over others in the industry.

- (B) The Company has a complete medical devices and container product line. Specialized containers and medical devices that meet the quality of biotechnology industry are sold to others, while reducing the costs of such items for the Group internally.
- (C) Exceptional channel marketing and manufacturing collaboration with international manufacturers.
- (D) Favorable corporate image
- a. The research results of Sinphar exclusive patented Poria cocos extract (Lipucan®) have been published in "Life (Basel) in February 2021. 2021 Feb 1;11(2):111" and "Life (Basel). 2021 Apr 21;11(5):372".
 - b. Sinphar Tian-Li combined Cistanche Tubulosa extracts and Lipucan into a brain-beneficial product and obtained the patent licensing of "a complex with improving memory" from China, allowing the patent portfolio planning of Sinphar plant extracts to expand into new areas and increase intangible assets in April 2021. (Patent No. ZL 2018 1 0691573.1)
 - c. SynCore Bio's CysLute EX Capsules received both gold awards at America's Science & Invention Expo and the XV International Warsaw Invention Show in November 2021. It's the only one of the lutein health supplements in Taiwan that received gold awards.
 - d. The subsidiary, SynCore Bio, was awarded bronze medal in pharmaceutical category for the "2021 Pharmaceutical Technology Research Development Award" held by Ministry of Health and Welfare in December of 2021.
 - e. Sinphar "Memoregain Capsules" was awarded a gold medal in the 2022 Moscow International Salon of Inventions and Innovative Technologies ARCHIMEDES and

the U.S. special award. Additionally, it was also the silver medal winner in Monde Selection of International Institute for Quality Selections.

- f. Sinphar “Memoregain Capsules” was awarded Symbol of National Quality in health food section in September 2022.
- g. Sinphar “Memoregain Capsules” was awarded the 19th The National Brand Yushan Award in October 2022.
- h. Sinphar “Memoregain Capsules” was awarded bronze medal in National Healthcare Quality Award in December. It’s the only health food that won the award in 2022.
- i. Sinphar Potent Plus Soft Capsules was awarded 10 awards such as a gold medal and the Poland special award in Moscow International Salon of Inventions and Innovative Technologies ARCHIMEDES in March 2024.
- j. YouBest Bitter Melon Peptide Plus Capsules was awarded Products Innovation Awards of Taiwan Association for Science and Technology in 2024.
- k. The research results of exclusive patented cardiotonic and anti-fatigue formula were published in the international journal Open Access Library Journal.

(E) Powerful R&D Team

The R&D Center hires professors, doctorates, masters, experts, and scholars to be an integral part of the R&D team. The team works to meet business demands, strengthens product R&D and improvement, expand product lines, and develop patentable drugs.

B. Unfavorable Factors

(A) Unfavorable operating factors are mainly due to global political and economic situation, and volatility to overall domestic pharmaceutical industry caused by changes to NHI policy and pharmacy channel integration. Specifically as follows:

a. Marketing

(a) To control the cost of NHI, the government tightened drug price management and made an unreasonable price difference between domestic drugs and imported drugs. Thus the profits of the Company have been reduced.

(b) As the NHI implemented 2nd generation policy and overall economics downturn, along with the changes to pharmacy operational business model, the Company faces an increased product competition.

b. Manufacturing

(a) The categories of products are diversified; therefore, production cost

management is relatively higher.

- (b) War-related supply chain disruptions and rising inflation have driven up global raw material and transportation costs, while domestic wages continue to climb.
- (c) It is difficult to train technical talents, causing the lack of skilled workers appear hence influence sales revenue.
- (d) To meet intelligent manufacturing and data integrity requirements, continuous equipment upgrades have led to a sharp short-term increase in production expenses.

c. Research and Development

Difficulties in hiring and cultivating talents. Need to establish the long term plan.

(B) Specific solutions

a. Marketing

- (a) In addition to developing drugs with high added value, the Company continues to develop new over-the-counter drugs to share the market risk of falling NHI drug prices.
- (b) Add products in the bioequivalence and high added value categories to increase profit.
- (c) Utilize the production and marketing network of the subsidiary, Sinphar Tian-Li, to obtain the China drug and non-drug license and product export.
- (d) Utilize global manufacturing and marketing advantage to convert to flexible product development, and focus on increasing sales channel coverage.
- (e) Promote to increase the number of visitors to Sinphar Health Park:

Tour groups travel to the Company's Yilan Health Park and attend health related seminars. Pharmacists and nutritionists regularly share information on health and on using drugs safely, at the same time answer questions related to products. The Company builds consumer loyalty with members through the exchange of conversations, new products samples, and lottery draw games.

(f) Business-to-consumer marketing:

Due to the changing of shopping habit and consumer sales channel, the Company develops e-commerce and focuses on brand management to meet the demand.

b. Manufacturing

- (a) Actively modify production line, achieve foreign certifications, and participate in

global professional exhibitions for international OEM opportunities.

- (b) Signed OEM contracts with U.S. and Japanese manufacturers, which is conducive to introducing technology, improve the utilization rate of equipment, and increase sales performance.
- (c) Look for opportunities to collaborate with upstream manufacturers domestically and abroad to ensure the quality and stability of the upstream source materials. Additionally, increase safety stocks to prevent material shortage or out-of-stock.
- (d) Implement smart factories, introduce digital integrated management systems, and automatic tracking record interpretation to reduce human error, and create more efficient production lines.
- (e) Planning for mid-level technical manpower to ensure stable and uninterrupted production

c. Research and Development

As a part of the Company’s global business strategy, the Company continuously introduces new concepts, new technologies and new practices in cooperation with European new drug companies to enhance its international research and development capabilities. The R&D Center of the Company controls the core technology and combines the resources of each subsidiary.

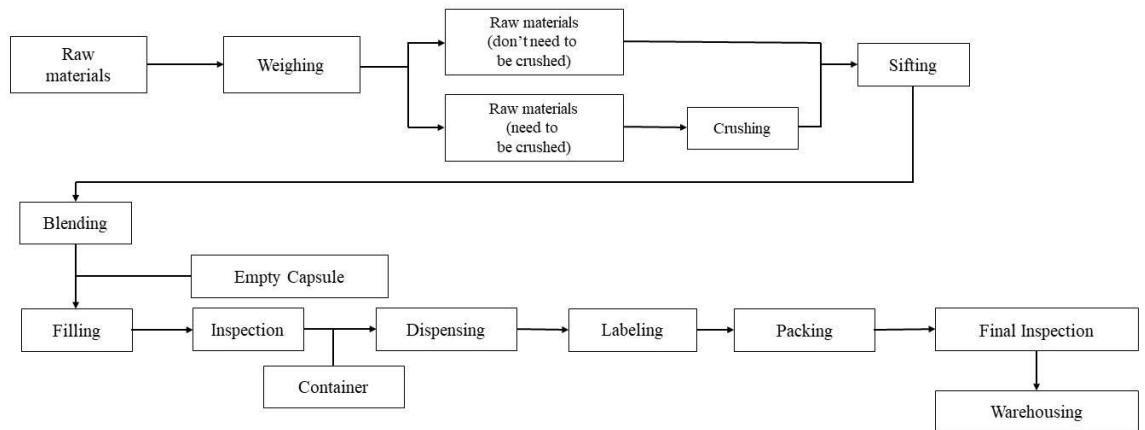
4.2.2 Production Procedures and Important Uses of Main Products

A. Important Uses of Main Products

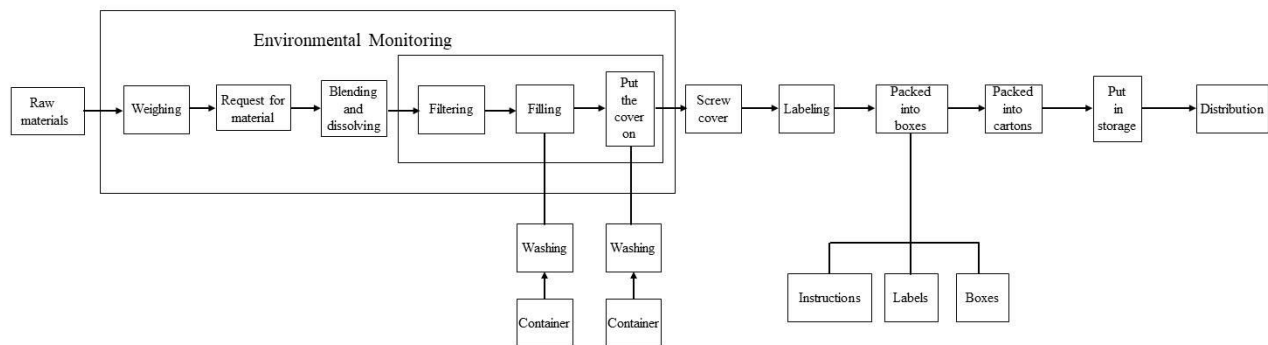
Main Products	Important Uses
Drugs	Treat, repair, prevent, relieve, and antagonize the cause of the disease, injury, and discomfort to help the body recover.
Functional Food	Functional food and health supplements were developed for strengthening the immune system.
Others	1. Products for topical (cuticle, skin, hair) care, to maintain beauty, cleanliness, protection and etc. 2. Medical devices and containers for assisting, implementing, and coordinating with treatment.

B. Production Procedures of Main Products

(A) Capsule



(B) Liquid



4.2.3 Supply Status of Main Materials

The raw materials of the Company are purchased domestically and imported. The Company has a close collaboration relationship with domestic suppliers. Foreign materials are mainly imported through traders. There are many alternative suppliers for this industry, and as a result, vendors are not spread out. Vendors are selected according to transaction requirements and the quality of materials supplied. With decentralized sources, the Company has not experience material supply shortage.

4.2.4 Clients Accounting for 10% of Sales (Purchase) or More in the Last Two Years

A. Sales: No client accounted for 10% of sales or more in the last two years.

B. Purchase: No supplier accounted for 10% of purchase or more in the last two years.

4.3 Employees' status from the two most recent fiscal year up to the printing date of this annual report

Unit: people; %

Year		2024	2025	As of March 31, 2026
Number of Employees	Executives	61	55	55
	Production Personnel	297	290	286
	Other Employees	544	551	535
	Total	902	896	876
Average Age		40.5	42.6	42.7
Average Years of Service		10.8	10.9	10.8
Education (%)	Ph.D.	1.4	1.1	1.1
	Master	9.2	8.7	8.9
	Bachelor's Degree	59.9	61.9	62.1
	Senior High School	23.0	22.2	22.8
	Below Senior High School	6.5	6.1	5.1

4.4 Environmental Protection Expenditure

4.4.1 Total Losses

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in the environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):

None

4.4.2 Countermeasures and Estimate Amount for Future Environmental Protection

As the result of the incident, the Company established wastewater treatment plant to collect the wastewater (sewage) during production. The Company will submit modification to the permit and the equipment at the same time. The estimated cost of commission for a permit modification is nearly NT\$120,000. Each environmental protection equipment has been maintained regularly since its purchase. In addition to complying with government regulations and submitting inspection reports quarterly, the Company tests the equipment aperiodically. The Company will strengthen personnel training, calibrate the instruments, and comply with the updates on environmental regulations.

4.5 Labor Relations

4.5.1 Employee welfare, advanced studying, training, implementation of the retirement system, collective agreement, and protection of employee rights

- A. In order to coordinate labor-management relations, promote labor-management cooperation, and improve work efficiency, especially in terms of labor conditions and employee rights, such as hiring, working hours, attendance, leave, rewards and demerits, promotions, etc., in addition to complying with relevant government laws and regulations, the Company pays labor insurance and national health insurance in accordance with the law, and allocates employee welfare funds and retirement reserves, organizes employee welfare committees and retirement reserve supervision committees, and contributes to employee benefits and retirement services as a whole. Labor-management meeting is held at least once every three months to listen to employee feedback and seek solutions, so labor-management relations have always been harmonious.
- B. To provide employees with financial stability, the Company has complied with the laws: employees who started working on or after July 1, 2005 and the employees who started working before July 1, 2005 that choose the new labor pension system, their pension uses defined contribution plan. The amount of pension allocated by the Company every month shall not be less than six percent of the employee's salary. For an employee who voluntarily contributes to the pension, the Company shall allocate the pension to the Bureau of Labor Insurance according to the employee's instructed percentage of salary and deposit the amount in an individual retirement account. For the employee that was employed before July 1, 2005 and chooses to continue using the old labor pension system after July 1, 2005 and the employee that was employed before July 1, 2005 and converted to the new labor pension system after July 1, 2005, the Company shall contribute to the pension based on their years of employment and deposit it to the account of the Department of Trusts, Bank of Taiwan. The pension shall be calculated in accordance with Labor Pension Act and be given to retired employees when they retire. As of December 31, 2024, the estimated allocation of defined benefit plan within one year is NT\$578 thousand. The foreign subsidiary shall pay for social insurance like healthcare, pension, and retirement every month in accordance with local government regulations.
- C. Other benefits
- (a) Employee benefits
- In addition to regularly holding events for employees' to de-stress at work, Employee Benefits Committee provides the following:

- a. Insurance and health: The Company purchases group insurance for employees, provided regular general health check and special occupational health examinations.
- b. Allowance: Including weddings and funerals, injuries or illnesses, scholarships and grants for employees and their children, employees' activities, and travels.
- c. Bonus and gifts: Providing holiday bonuses, voucher for birthday and Labor Day, and Moon Festival gift box.
- d. Travel aboard: For those employees who work in the office and who work for ten years, twenty years, and thirty years, the Company provides a travel allowance for overseas travel.
- e. The Company holds a monthly conference and dines together aperiodically. Supervisor may invite new employee to a meal or interview and improve inclusiveness. Foreign employee communication forums are held to listen to employees' needs and facilitate communication between labor and management.

(b) Education and training system

The Company encourages employees to continue learning and sharing experiences, also improves technical talent development. Course schedule below:

Training Category		Content of Course	
New Employee Orientation	General Employee	General Training	Occupational safety and health training, Good Manufacturing Practice (PIC/S GMP concept), Regulations on Good Hygiene Practice for Food (GHP), administration, general regulation of the factory, and data integrity.
		Professional Training	Each department provides professional training to new employees before they begin working.
	Sales Representative	General Training	Training for occupational safety and health, administration, salesperson marketing ethics and laws. Visiting and receiving an introduction to factory
		Professional Training	Sales and marketing course, accounting course, fundamental pharmacology, introduction to quality certification, health food and nutritional science, introduction to products, relevant courses of schedule/ client/ product management
	Supervisors	General Training	Occupational safety and health training, PIC/S GMP concept, personnel administration, general management regulation of plant area, relevant courses of environmental safety
		Training for Supervisors	Introduction to group and supervisors, personnel system, official documents handling
On-the-job Training	Internal Training		Annual training plan for each department (implemented monthly), training by equipment manufacturer, annual team building retreat
	External Training		Professional training/ announcement/ seminar/ certification course
	Supervisors		Encourage supervisors to enroll in in-service master's program
Project Training		Large-scale training and law training will be held annually.	

- (c) To protect labor rights and facilitate the communication between labor and management, the Company has established a company union. This strengthens labor-management relations and facilitates changes to workplace conditions and provides benefits to union members. Matters about flexible working hours and women's night work and overtime are brought up to the union and the Company will implement them after approval.
- (d) Over the years, the Company systematically promotes employee health and wellness and provides a healthy workplace. Below are some positive results.
- i. The Company establishes a smoking area and encourages employees to quit smoking and has obtained the tobacco control badge by the Bureau of Health Promotion. Also, the Company provides health checks annually to protect employees' well-being.
 - ii. Continues to promote zero-accident workplace and implement inter-departmental contest for workplace safety awareness.
 - iii. The Company provides recreational facilities such as a gym, a golf driving range, cherry blossom park, crab park, and spirit café. Also, the Company, in partnership with Public Health Bureau, holds walks, provides gift certificates, and sponsors Yilan Marathon to promote employees' and local residence's health.
 - iv. Received an award of excellence for breastfeeding room contest by Public Health Bureau, Yilan County, in 2025.
 - v. The Company cares about every employee and is a healthy sustainable workplace. The Company was a receiver of the national excellence award of the national excellence award for healthy workplace held by the Health Promotion Administration and Council of Labor Affairs.
 - vi. To promote gender equality and implement the principle of respecting gender diversity, the Company has established gender-friendly restrooms to enhance flexibility and convenience in restroom use. In addition, to improve the quality of the working environment, the Company has concurrently implemented an environmental enhancement plan this year, gradually upgrading employee restrooms with smart bidet toilets.
 - vii. To implement family-friendly childcare policies, the Company increased paternity leave to eight days this year, providing benefits that exceed legal requirements to support employees in balancing work and family life. In addition, the Company has entered into partnership agreements with quality childcare institutions and designated parking spaces for pregnant employees to create a more supportive workplace environment.

4.5.2 Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference number, the articles of law violated, and the content of the dispositions)

According to the letter issued by the Bureau of Labor Insurance, Ministry of Labor, Lao Ju Na Zi No. 114101826342 dated February 27, 2025, the Company was found to have violated Article 12 of the Labor Occupational Accident Insurance and Protection Act by failing to complete insurance enrollment and withdrawal procedures for its employees, and was therefore fined NT\$20,000.

4.5.3 Countermeasures and Estimate Amount for Labor Disputes

The aforementioned fine has been duly paid. In accordance with the instructions of the Bureau of Labor Insurance, the Company has strengthened the review of insurance enrollment and withdrawal procedures for employees during the training period of sales personnel. Going forward, the Company will continue to uphold its long-standing management philosophy of maintaining harmonious labor relations and fostering a positive working environment, in order to prevent the recurrence of such incidents.

4.6 Information Security Management

4.6.1 State the information security risk management framework, the information security policy, the specific management plan, and the resources invested in the information security management, etc.

[Information Security Policy]

To improve information security policy, to strengthen and ensure the security of information, system, device, and communication network, and to reduce the risks of information assets being stolen, improperly used, leaked, tempered with, damaged due to human errors and/or natural disaster. The Company has complied with the requirement of Information Security Management System (ISO 27001) to establish relevant organization, management plan, and notification procedure to ensure the confidentiality, integrity, and availability of information assets.



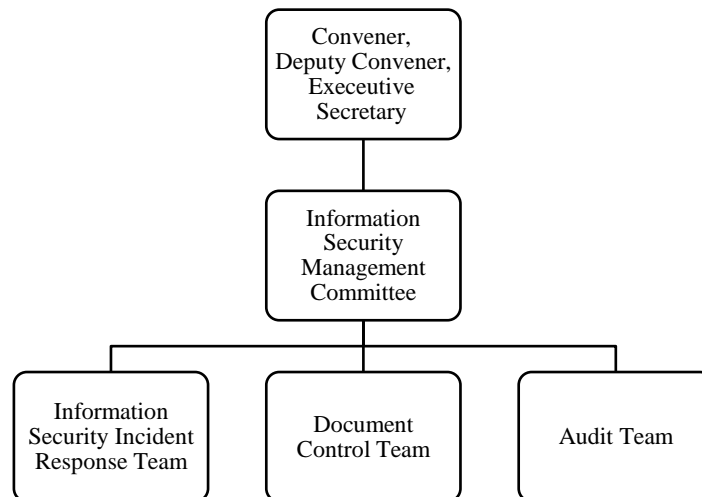
[Information Security Management Organization]

Information Security Management Committee

Responsible for establishing and implementing the information security management system of the Company.

Department of Information Technology

Responsible for implementing the education and training of information security and announcing information security policy.



[Information Security Management Program]

Comply with the laws

The relevant acts and regulations of “Information Standard ISO/IEC 27001” shall be complied with when conducting business.

Establish information security organization

Establish an information security management committee in charge of establishing and implementing the information security management system of the Company.

Implement education and training of information security

Implement education and training of information security related to business to announce information security policy and relevant regulations.

Application of resource

Establish an information security management mechanism that considers information security before utilizing a new service or system, and to optimize the distribution and use of limited resource to prevent danger to system security and resolve key security problems.

Establish physical security monitoring

Establish physical environmental security protective device and maintain it regularly.

Establish authorization management

Clarify the access permission of information systems, internet service, and sensitive information.

Sustainable business operation

Establish a sustainable operation plan of information security and practical exercise for it to ensure the Company can continue to operate after suffering an incident.

Continuous improvement

Formulate and implement an internal audit of information security to implement the information security management system, and implement corrective and preventive

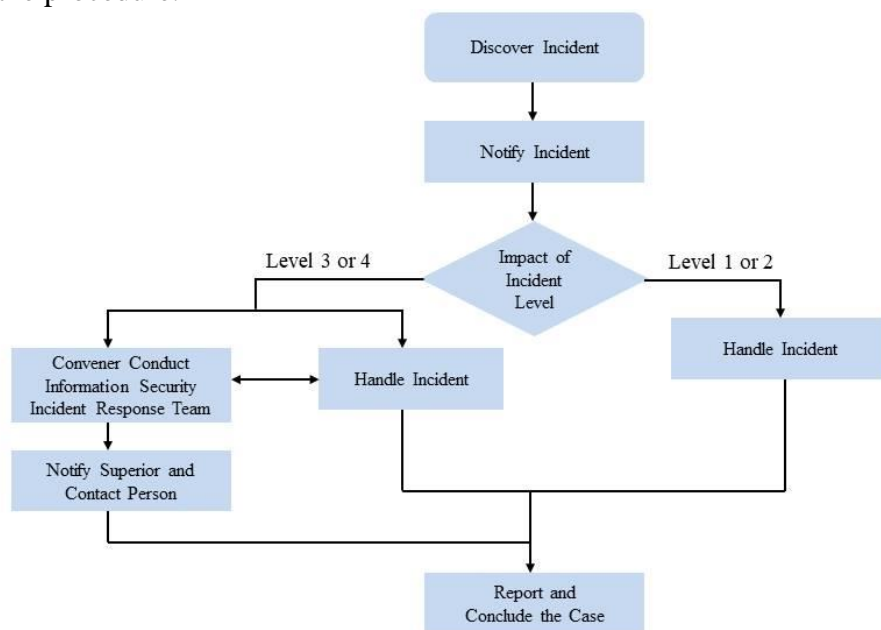
actions for outstanding issues.

Establish information security culture

All personnel have the responsibility to maintain information security and shall comply with the relevant regulations of information security management.

[Information Security Notification Procedure]

The information security notification procedure of the Company is as below. The notification and treatment of information security cases shall comply with the regulation of the procedure.



[Resources Invested in Information Security Management]

Dedicated personnel

Establish an information security management committee that convenes management review meeting regularly to assess information security issues and reports to the Board of Directors regularly.

Relevant certification

The Company obtained the ISO 27001 certificate. There is no significant deficiency in information security auditing.

Education and training

Conduct information security policy announcement for new employees and social engineering drill regularly.

4.6.2 Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant information security cases, its possible influences, and countermeasures. If it can't be reasonably estimated, the factor that can't be reasonably estimated shall be illustrated.

None

4.7 Important Contract

Agreement	Counterparty	Period	Major Contents	Restrictions
Exclusive License Agreement	National Health Research Institutes	August 8, 2008 until the longest term of the granted patents	Authorized global development, sale, and relevant rights of SB01, SB02.	None
Exclusive License Agreement	Medigene AG Germany	May 18, 2011 until 10 years after product launch	Authorized the rights of exclusive manufacturing and sale of Veregen® in Taiwan. Also, increased the exclusive license areas in Asia (excluding China and South Korea), New Zealand, and Australia.	None
Exclusive License Agreement	MacuCLEAR Inc. U.S.	October 27, 2011 until the longest term of the granted patents	Authorized the rights of exclusive manufacturing and sale of SB04 in Asia and Australia.	None
Exclusive License Agreement	AJU Pharm South Korea	May 27, 2015 until terminated by mutual agreement	Authorized exclusive sales rights of SB04 in South Korea and the sole commercialization rights after products are launched.	None
Technology and Intellectual Property Rights Transfer Agreement	Medigene AG Germany	From December 17, 2015	Obtain complete the technology platform and technology and intellectual property rights of EndoTAG® , including developing a different indication of the original item, the new indication of the new item, and development rights of the new technology platform derivative.	None
Co-development Agreement	Y-YBar Switzerland	From November 8, 2016	Co-development of new FLoM-S technology and its commercialization.	None
Topical Ointment Technical Cooperation	Mitsui Pharmaceuticals Inc. Japan	From July 15, 1997	Technology provided by Mitsui	None
Distribution Agreement	Shou Chan Industrial Co., Ltd. Macau	August 18, 2015 until terminated by mutual agreement	Shou Chan Industrial Co., Ltd. Macau is authorized non-exclusive distribution rights of Veregen® in Macau.	None
Distribution Agreement	Watson's Personal Care Stores (Taiwan) Co., Limited	January 1, 2026- Decemeber 31, 2026	Selling functional products	None
Distribution Agreement	President Drugstore Business Corporation	January 1, 2026- Decemeber 31, 2026x	Selling functional product	None
Commission Agreement	Takeda Pharmaceuticals Taiwan Ltd.	From July 1, 2003	Commissioned products	None
Commission Agreement	Company A	From November 1, 2010	Commissioned products	None

Agreement	Counterparty	Period	Major Contents	Restrictions
Commission Agreement	Taiwan Shionogi & Co., Ltd.	From February 7, 2012	Commissioned products	None
Commission Agreement	Company D	From January 1, 2015	Commissioned products	None
Commission Agreement	Company E	From February 12, 2015	Commissioned products	None
Commission Agreement	Company H	From March 31, 2018	Commissioned products	None
Commission Agreement	Company G	From April 15, 2018	Commissioned products	None
Commission Agreement	Company K	From January 5, 2024	Commissioned products	None
Commission Agreement	Company L	From April, 2024	Commissioned products	None
Long-term Loan Agreement	Bank of Taiwan Lou Tung Branch	March 26, 2025- March 26, 2027	Land and construction mortgage loan	None
Long-term Loan Agreement	First Commercial Bank Su'ao Branch	December 6, 2011- December 6, 2026	Land and construction mortgage loan	None
Long-term Loan Agreement	First Commercial Bank Su'ao Branch	March 12, 2026- March 12, 2028	Credit and secured loan	None
Long-term Loan Agreement	Mega International Commercial Bank Yilan Branch	January 30, 2025- January 29, 2027	Land and construction mortgage loan	None
Long-term Loan Agreement	Taiwan Business Bank Co., Ltd. Su'ao Branch	May 06, 2025- May 06, 2027	Land and construction mortgage loan	None

V. Review of Financial Status, Performance, and Risk Related Issues

5.1 Analysis of Financial Status

Significant change of assets, liabilities, and shareholder equality and its illustration within two years

Unit: NT\$ thousand

Item	Year	December 31, 2025	December 31, 2024	Difference	
				Amount	%
Current Assets		2,529,232	2,624,355	(95,123)	-3.62%
Property, Plant and Equipment		3,202,979	3,266,540	(63,561)	-1.95%
Intangible Assets		59,516	72,163	(12,647)	-17.53%
Other Assets		361,323	335,197	26,126	7.79%
Total Assets		6,153,050	6,298,255	(145,205)	-2.31%
Current Liabilities		1,011,481	1,422,809	(411,328)	-28.91%
Non-current Liabilities		1,426,392	1,329,269	97,123	7.31%
Total Liabilities		2,437,873	2,752,078	(314,205)	-11.42%
Capital Stock		1,901,968	1,811,398	90,570	5.00%
Capital Surplus		924,140	924,140	—	—
Retained Earnings		713,016	648,425	64,591	9.96%
Other Equity Interest		(95,251)	(120,762)	25,511	-21.13%
Non-controlling Interest		271,304	282,976	(11,672)	-4.12%
Total Equity		3,715,177	3,546,177	169,000	4.77%

Analysis of changes in financial ratios:

1. The increase in current liabilities was caused by the increase in current portion of long-term debt.
2. The decrease in other equity was mainly due to a reduction in unrealized losses on financial assets measured at fair value through other comprehensive income during the current period.

Individual Financial Status:

Significant change of assets, liabilities, and shareholder equity and its illustration within two years

Unit: NT\$ thousand

Item \ Year	December 31, 2025	December 31, 2024	Difference	
			Amount	%
Current Assets	1,858,357	1,970,209	(111,852)	-5.68%
Property, Plant, and Equipment	2,300,584	2,320,362	(19,778)	-0.85%
Intangible Assets	22,539	28,282	(5,743)	-20.31%
Other Assets	1,622,030	1,593,161	28,869	1.81%
Total Assets	5,803,510	5,912,014	(108,504)	-1.84%
Current Liabilities	948,811	1,342,156	(393,345)	-29.31%
Non-current Liabilities	1,410,826	1,306,657	104,169	7.97%
Total Liabilities	2,359,637	2,648,813	(289,176)	-10.92%
Capital Stock	1,901,968	1,811,398	90,570	5.00%
Capital Surplus	924,140	924,140	—	—
Retained Earnings	713,016	648,425	64,591	9.96%
Other Equity Interest	(95,251)	(120,762)	25,511	-21.13%
Non-controlling Interest	—	—	—	—
Total Equity	3,443,873	3,263,201	180,672	5.54%

Analysis of changes in financial ratio:

1. The decrease in intangible assets was mainly due to the amortization of computer software over its useful life during the current period.
2. The decrease in current liabilities was caused by the decrease in current portion of long-term debt.
3. The decrease in other assets was mainly due to the changes in unrealized losses on financial assets measured at fair value through other comprehensive income during the current period.

5.2 Financial Performance

5.2.1 Comparison and Analysis of Operation Result

Unit: NT\$ thousand

Item	Year		Increase (Decrease) Amount	%
	2025	2024		
Total Operating Revenue	3,734,697	3,487,204	247,493	7.10%
Decrease: Sales Return and Allowance	363,376	336,576	26,800	7.96%
Net Operating Profit	3,371,321	3,150,628	220,693	7.00%
Operating Cost	1,914,430	1,913,612	818	0.04%
Gross Profit	1,456,891	1,237,016	219,875	17.77%
Operating Expenses	1,040,033	943,152	96,881	10.27%
Operating Income (Loss)	416,858	293,864	122,994	41.85%
Non-operating Income and Expenses	(15,334)	13,236	(28,570)	-215.85%
Net Income (Loss) Before Tax from Continuing Operations	401,524	307,100	94,424	30.75%
Income Tax Expenses (Benefit)	47,254	21,883	25,371	115.94%
Net Income After Tax from Continuing Operations	354,270	285,217	69,053	24.21%
Other Comprehensive Income (Income After Tax)	(4,130)	30,808	(34,938)	-113.41%
Total Comprehensive Income	350,140	316,025	34,115	10.80%

Analysis of changes in financial ratios:

1. The decrease in non-operating income and expenses compared with the same period was mainly due to the increase in foreign exchange losses in the current period.
2. Income tax expenses were more than corresponding period due to income tax benefits recognized in this period.
3. Other comprehensive income (income after tax) is more than corresponding period due to the decrease in exchange differences in translation of foreign financial statements and remeasurements of defined benefit plans.

5.2.2 Expected Sales Volume in the Coming Year and Its Basis

Not applicable.

5.2.3 Effect of Company's Future Financial Operation and the Response Action

None

Individual Financial Performance

A. Comparison and Analysis of Operation Result

Unit: NT\$ thousand

Item \ Year	2025	2024	Increase (Decrease) Amount	%
Total Operating Revenue	3,427,361	3,197,650	229,711	7.18%
Decrease: Sales Return and Allowance	361,006	337,335	23,671	7.02%
Net Operating Profit	3,066,355	2,860,315	206,040	7.20%
Operating Cost	1,772,307	1,726,564	45,743	2.65%
Gross Profit	1,294,048	1,133,751	160,297	14.14%
Operating Expenses	877,306	803,146	74,160	9.23%
Operating Profit	414,075	330,405	83,670	25.32%
Non-operating Income and Expenses	(7,592)	(6,511)	(1,081)	16.60%
Net Income Before Tax from Continuing Operations	406,483	323,894	82,589	25.50%
Income Tax Expenses (Benefit)	40,732	19,189	21,543	112.27%
Net Income After Tax from Continuing Operations	365,751	304,705	61,046	20.03%
Other Comprehensive Income (Net Income After Tax)	(3,939)	27,880	(31,819)	-114.13%
Total Comprehensive Income (Loss)	361,812	332,585	29,227	8.79%

Analysis of changes in financial ratios:

1. Income tax expenses were more than corresponding period due to income tax benefits recognized in this period.
2. Other comprehensive income (income after tax) is less than corresponding period due to the decrease in exchange differences in translation of foreign financial statements and remeasurements of defined benefit plans.

B. Expected Sales Volume in the Coming Year and Its Basis: Not applicable

C. Effect of the Company's Future Financial Operation and the Response: None

5.3 Cash Flow

Cash Flow Analysis

A. Cash Flow Analysis for the Current Year

Unit: NT\$ thousand

Cash balance -beginning of period	Net cash flow from operating activities	Net cash flow from investment activities	Net cash flow from financing activities	Exchange rate effect on cash and cash equivalents	Cash balance (shortage) -end of period	Countermeasures for liquidity shortage	
						Investment plans	Financing plans
1,075,672	584,662	(224,626)	(576,026)	4,457	864,139	—	—

Analysis: The changes in cash flow were mainly due to the increase in cash outflow from investment activities and financing activities.

B. Countermeasures and Analysis of Liquidity Shortage

None

C. Cash Flow Analysis for the Coming Year

Unit: NT\$ thousand

Cash balance -beginning of period	Net cash flow from operating activities	Net cash flow from investment activities	Cash balance (shortage) -end of period	Countermeasures for liquidity shortage	
				Investment plans	Financing plans
864,139	589,087	(578,491)	874,735	—	—

(A) Countermeasures and Analysis of Liquidity Shortage

None

5.4 Major Capital Expenditure Items

Unit: NT\$ thousand

Project	Planned Date of Completion	Total Capital Needed	Expected Capital Expenditure	
			2026	2027
Sinphar Health Park	2027 Q4	200,000	20,000	180,000
Refurbishment of Plant and Equipment	2028 Q1	319,500	51,958	208,025
The Second Distribution Center	2028 Q1	580,000	36,500	290,000
Total		1,099,500	108,458	678,025
Expected Benefit		Increase production capacity, increase number of visitors, and business expansion.		

5.5 Cause of the Profit/Loss for Investment in Recent Year and Investment Plans for the Coming Year

5.5.1 Investment Policy in the Most Recent Years

Unit: NT\$ thousand

Remark/Item	Amount	Policy	Reasons for Gains or Loss	Action Plan	Investment Plan in the Future
CANCAP PHARMACEUTICAL LTD.	(2,865)	Assist with collecting information on scientific research	Global raw material sourcing and pricing negotiation	Expand the scope of raw material and negotiation of global material	Actively expand business
ZuniMed Biotech Co., Ltd.	3,931	Strengthen medical devices technology and acquire assets	Improve productivity	Adjust business model with focus on plastic medical containers	Actively expand business
Sinphar Tian-Li Pharmaceutical Co., Ltd.(Hangzhou)	47,535	Establish production of Chinese herbal medicine extracts and global market	Chinese herbal medicine development is in progress on schedule	Expand the production of Chinese herbal medicine extracts, strengthen the R&D capabilities of new products, and expand market	Develop natural products market

Remark/Item	Amount	Policy	Reasons for Gains or Loss	Action Plan	Investment Plan in the Future
Hetian Tianli shasheng Pharmaceutical Development Co., Ltd.	(8,658)	Cooperate with planting base of Chinese herbal medicine development	Mainly for planting demonstration base and focus on planting	Continue to manage planting base to ensure the quality of Chinese herbal medicine	Expand the application scope based on the demand for planting
Hangzhou Vitrum Healthy Food Co., Ltd.	(105)	Responsible for selling health food in China	At the stage of being developed	At the stage of planning and developing	Difficult to register healthy food company, so this company is retained.
SynCore Biotechnology Co., Ltd.	(45,755)	Research and development of drugs	At drug development stage	Focus on new drug development, and search for global collaboration partners	Capital increase per operational demand
SynCore Biotechnology Europe GmbH	19	R&D of new drug and biotechnology services	At the stage of new drug development	Focus on regional new drug development and search for regional partners	None

5.6 Analysis of Risk Management

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

Majority of the Company's products are drugs and functional food. Other than the accounts receivable and payable that was transacted in foreign currency and has been exchanged by the foreign exchange rate and used floating exchange rate, the Company does not hold any financial instrument that is influenced by interest rate and market price. The exchange rate risk is not significant because the Company uses natural hedges to control foreign currency and offset by accounts receivable and payable. When financing, the Company will strive for the prime lending rate to reduce costs. In addition, inflation does not have a significant effect on the Company.

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

The Company has not engaged in the investment activities like high-risk,

high-leveraged investments, derivatives, or lending funds to other parties in recent years. Apart from this, there is no other matter.

The Company provides endorsements and guarantees due to the operating demand of the subsidiary. The endorsement and guarantee amount for ZuniMed Biotech Co., Ltd. in this period is NT\$30 million and the endorsement and guarantee amount for SynCore Biotechnology Co., Ltd. in this period is NT\$200 million. The amount respectively accounts for 0.87% and 5.81% of the net worth in the financial statement as of December 31, 2024. In addition, for operating demand, the subsidiary, ZuniMed Biotech Co., Ltd. provides endorsement and guarantee to the parent company, Sinphar Pharmaceutical Co., Ltd. The endorsement and guarantee amount is NT\$25 million which accounts for 24.50% of the net worth in the financial statement as of December 31, 2025.

5.6.3 Future Research & Development Projects and Estimated R&D Expenses

The major future R&D projects of the group are engaging in generic drugs, natural product extracts, and new drugs development, such as development of new dosage forms and production for cancer drugs, development and agency of API, health supplements, technology of natural product extracts, patented natural products, and improvement projects of products and process. The estimated R&D expenses amount to more than NT\$100 million.

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

After the amendment to Regulations for Registration of Medical Products on September 14, 2021, the extension of a drug permit only needs to follow a simplified procedure as stated in Article 73. The Company will apply for license extension according to the expiration of each drug permit license.

5.6.5 Effects of and Response to Changes in Technology (Including Information Security Risk) and the Industry Relating to Corporate Finance and Sales

(A) Changes in Industry

From 2022, National Health Insurance Administration reduced the drug price of drugs for three-hypers, such as cardiovascular, nervous system, and systemic anti-infective agents. Our company is not be significantly impacted by this change, as the Company has actively expanded sales of health food and health supplements to reduce the impact of domestic NHI drug price reduction.

(B) Changes in Technology (Including Information and Security Risk)

The Company has implemented and maintained the ISO 27001 Information Security Management System certification (valid until March 16, 2029) to ensure the effective operation of our security protocols. Furthermore, we actively participate in the TWCERT information-sharing mechanism to strengthen our

early warning capabilities against external threats. We also conduct regular business continuity planning exercises to enhance the recovery time objective of critical systems, mitigating the potential operational and financial impacts of natural disasters, human error, and cyberattacks.

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

Since listing on the stock exchange, the Company is devoted to quality improvement and highly efficient R&D production technology which has had a positive effect

5.6.7 Expected benefit from, Risk Relating to and Response to Merger and Acquisition Plans

None

5.6.8 Expected Benefits from, Risk Relating to and Response to Factory Expansion Plans

The Company is in the biotechnology pharmaceutical industry which focuses on product validity and safety. Through official accreditation by health institutes of various countries, the Company ensures the validity of the products. The Company adjusts production lines to showcase product advantage and maximize operational profits.

5.6.9 Risks Relating to and Response to Purchase or Sales Concentration

More than 60% of the total operation sales revenue is diversified

5.6.10 Impact, Risks, and Response to Mass Share Transfer of or Change of Directors, Supervisors, or Shareholders Holding More Than 10% of the Company's Share

There are no Directors or major shareholders holding more than 10% of the Company's share or the matters of mass share transfer.

5.6.11 Effect of, Risks Relating to and Response to the Changes in Management Rights

None

5.6.12 Litigation or Non-litigation Matters

None

5.6.13 Other Major Risks

None

5.7 Other Important Matters

None

VI. Special Notes

6.1 Summary of Affiliated Company

Please refer to MOPS (Chinese website) > Single Company > Electronic Document Download > Three Forms and Documents of Related Enterprises (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

6.2 Private Securities in the Most Recent Year and before the Printing Date

None

6.3 Other Supplementary Information

None

VII. The Matters Impacting Shareholder Equity or Securities Price in Accordance with Subparagraph 2, Paragraph 3, Article 36 in the Securities and Exchange Act in the Most Recent Year and Before the Printing Date

None

Sinphar Pharmaceutical Co., Ltd.

Chairman: Chih Wen Lee