

2025 Annual Report

Formosa Laboratories, Inc.

Annual Report available on:

Market Observation Post System Website site: <https://mops.twse.com.tw>

The company's Website: <https://www.formosalab.com>

Printed on Apr. 26, 2026

Notice to readers

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

I. Spokesperson, Deputy Spokesperson

- (I) Spokesperson: Lo, Yu-Chen
Title: Senior Vice President of Corporate Support Division
Tel: (03)324-1072
E-mail: info@formosalab.com
- (II) Deputy Spokesperson : Liou, Shan-Jan
Title: Senior President of Business Division
Tel: (03)324-1072
E-mail: info@formosalab.com

II. Address and Tel of Headquarters, Branches and Plant

- (I) Headquarters
Address: No. 36, Heping St., Luzhu Dist., Taoyuan 338002, Taiwan
Tel: (03)324-0895
- (II) Plant
Luzhu Plant
Address:
No. 36, 36-1 Heping St., Luzhu Dist., Taoyuan 338002, Taiwan
No. 398, Sec. 2, Youguan Rd., Luzhu Dist., Taoyuan 338002, Taiwan
Tel : (03)324-0895
Luzhu No.2 Plant
Address : No. 36, 36-1 Heping St., Luzhu Dist., Taoyuan 338002, Taiwan
Tel : (03)324-0895
- (III) Branches: None.

III. Stock transfer agency

- (I) Name: KGI Securities, Department of Stock Agency
- (II) Address: 5F, No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100502
- (III) Tel: (02)2389-2999
- (IV) Website: <https://www.kgi.com>

IV. Certified Public Accountants (CPAs) who audited the company's annual financial report for the most recent fiscal year

- (I) Name: CPA Teng, Sheng-Wei, Yen, Yu-Fang
- (II) Accounting Firm: PricewaterhouseCoopers Taiwan
- (III) Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City
- (IV) Tel: (02)2729-6666
- (V) Website: <https://www.pwc.com/tw>

V. Name of overseas exchange where securities are listed, and the methods for inquiring the foreign-listed securities: None.

VI. The Company Website: <https://www.formosalab.com>

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Chapter I Letter to Shareholder

I. The 2025 Business Report

(I) Implementation Results of the Business Plan

The Company's consolidated operating revenue for 2025 reached NT\$4,851,357 thousand, setting a new record high, representing a growth of 2.54% compared to 2024. The standalone operating revenue was NT\$4,841,746 thousand, representing a growth of 5.14% compared to 2024. The after-tax net income was NT\$441,107 thousand, with after-tax earnings per share of NT\$3.67.

The revenue growth was driven by increases in Steroids, Anticancer Active Ingredients, and Contract Development and Manufacturing Organization (CDMO) business. Profitability grew by 180% compared to 2024, primarily attributable to the increase in revenue and a significant reduction in losses from non-operating financial asset valuation.

(II) Budget Execution Status

The Company did not disclose financial forecasts for 2025; therefore, this is not applicable.

(III) Analysis on Revenue and Expense and Profitability

Item		Year	2024	2025
Financial Structure	Debt to assets ratio (%)		37.77	37.32
	Long-term fund to fixed assets ratio(%)		189.26	178.58
Debt Servicing Capability	Current ratio (%)		249.09	191.33
	Quick ratio (%)		168.28	126.36
Profitability	Return on total assets (%)		0.56	3.05
	Shareholders' return on total equity (%)		0.76	4.57
	Net margin (%)		1.35	8.16
	Earnings per share (NT\$)		1.31	3.67

(IV) R&D Status

In order to bolster the industry's competitiveness, the Company and its subsidiaries consistently engage in research and development as well as innovation. It is anticipated that expenditures on R&D will continue to exceed a certain threshold in the future. R&D expenses focus on enhancing the Company's API technology upgrades, continuously improving towards automation and reducing environmental impact. This includes expanding Flow Chemistry process development and applications, while extending downstream from existing API research and production into formulation development, and expanding into injectable product research and manufacturing. Currently, the Company currently operates traditional API production lines (including chemical and peptide drugs) and cytotoxic production lines (anti-cancer drugs and ADCs). The Company also continuously monitors products with expiring patents from original drug developers, selecting appropriate items to expand our future generic drug sales markets. Additionally, we are constantly strengthening our customized research and contract manufacturing business (CDMO business), providing clients with not only customized synthesis services for small molecule APIs for clinical use, but also customized development and synthesis services for Antibody-Drug Conjugate (ADC) APIs. Our goal is to leverage the Company's patented technologies to strengthen the competitive barriers of our clients' new drug development programs. The subsidiary Formosa Pharmaceuticals, Inc. focuses on developing therapeutic drugs in clinical stages for ophthalmology, oncology, and other therapeutic areas. Its product lines include 505(b)(2)

improved new drugs and antibody-drug conjugate (ADC) biosimilars, while continuing to refine and deepen the APNT® nanoparticle formulation technology platform and applying this technology to the R&D of drugs in different dosage forms. Through this Double A (APNT & ADC) parallel approach as the R&D backbone, the R&D projects span small-molecule and large-molecule drug areas. In addition to small-molecule drugs to which APNT technology is applicable—such as ophthalmic drugs, inhaled formulations, and local injections—the Company also focuses on ADC technology to develop ADC biosimilars and ADC innovative drugs, as well as other large-molecule drugs. APP13007, an ophthalmic drug under R&D (with indications for post-ocular surgical inflammation and pain treatment), is developed from the APNT nanoparticle formulation technology platform, providing ophthalmologists and patients with a direct, clear medication mode and a more convenient, safer, and more effective medication choice. In terms of out-licensing, APP13007 has completed out-licensing in nearly 90 countries. With respect to drug licenses, drug registration documents have been submitted in 7 countries, and the new drug application reviews in both the United States and Canada have been approved. The Company is currently actively planning supply and advancing commercialization with U.S. and Canadian customers. Another R&D focus is on ADC drugs. The TSY-110 antibody drug conjugate biosimilar project, by virtue of its development progress advantage as the first Kadcyła® biosimilar in the European and U.S. regions, implements project management and risk control. The Company is currently actively preparing for scientific advice meetings with both the EU EMA and U.S. FDA regulatory authorities. After integrating the opinions of both parties to plan the PK/BE clinical plan and the consultation meeting for efficacy clinical waiver, clinical trials will be commenced. TSY-310 is an innovative bispecific Fc-fusion drug conjugate that Formosa Pharmaceuticals licensed from Almac Discovery in May 2025. Process development and scale-up are currently being conducted, with non-clinical pharmacology and toxicology studies expected to commence in the second half of 2026.

II. 2026 Business Plan Outline

(I) Operation Goals

1. Optimize workforce allocation for Active Pharmaceutical Ingredients (APIs), Antibody-Drug Conjugate (ADC), and Injectable products while improving capacity utilization.
2. Strengthen teamwork to expand the business scale of Contract Development and Manufacturing Organization (CDMO) in the most efficient manner.
3. Expand the integration of the geographical advantages and strategic alliances of the U.S. subsidiary and Japanese investee companies to provide customers with convenient, prompt, high-quality, and cost-optimized services in order to enhance business scale.
4. Through more rigorous project management, selectively focus on products and initiate development schedules earlier to strengthen development efficiency and capture new product opportunities in generic drugs.
5. Effectively utilize outsourcing resources and actively develop cooperative partners, optimizing the mix of production items to maintain a niche position.
6. Continuously strengthen talent development and retention, and implement an effective Lessons Learned mechanism to ensure seamless succession at key levels and enable the Company's Sustainable Development.
7. Continue to promote energy-saving and carbon-reduction projects, making appropriate investments and installations for Sustainable Development.

(II) Production Plan

1. Active Pharmaceutical Ingredients (APIs): By optimizing production scheduling, we aim to enhance capacity utilization, maximize output, and consequently, diminish costs while augmenting profits.
2. Injection products: Pursuant to our objective of mitigating deviations, we aim to complete official factory inspections within domestic and international jurisdictions, thereby actively pursuing orders from multinational enterprises.

(III) Research and Development Plan

1. Focus on the development of proprietary generic drug injections utilizing in-house API, thereby elevating the barrier to competitive entry.
2. Continuously accumulate and construct intellectual property assets possessing patentability and utility.
3. Secure customer adoption of at least two new Active Pharmaceutical Ingredients (APIs) products per year for development, strengthening new product development for Generic Drugs.

(IV) Production and Marketing Strategies

The Company has cultivated the customized R&D contract manufacturing field for more than thirty years, with active pharmaceutical ingredient (API) process development as its core competitive advantage. The Company continues to provide customers with high-quality services while continuously optimizing existing product processes. Main products cover the Vit. D Derivatives series, Cholesterol Phosphate Binding Agent, anticancer drugs, Steroids, and Anti-inflammatory and Analgesic Agents, etc. The Company is actively expanding new product lines, including peptide series products. In addition, the Company not only provides customized synthesis services for small-molecule APIs for clinical use, but has also successfully extended its deployment into the fields of drug formulation development and antibody-drug conjugate (ADC).

In terms of antibody-drug conjugate (ADC) technology, after more than a decade of cultivation, the Company has established a mature technology platform. Combined with injection R&D contract services, since 2019 it has successively passed multiple Qualified Person (QP) audit certifications, assisting customers in obtaining Phase I clinical trial approvals from the U.S. FDA, European EMA, and China NMPA, and providing stable supply of ADC clinical drugs. In terms of innovative R&D, by virtue of its long-accumulated synthesis technology experience, the Company has built its own ADC linker and drug (Payload-Linker) platform, providing diverse linker and drug combination candidate solutions, further enhancing the drug-antibody ratio (DAR) to strengthen product efficacy. With its complete and mature ADC technology platform, the Company provides highly customized services, striving to become the most trusted cooperation partner for its customers.

In terms of drug formulation production, the Company's injection production line can simultaneously meet the production needs of small-molecule and large-molecule drugs. The Company currently has three sterile injection production lines with an annual capacity reaching hundreds of millions of doses, and has the capacity to support millions of doses of production from preclinical to clinical stages. In response to market expansion and capacity enhancement needs, the Company has invested in planning the construction of new production lines, in order to seize market opportunities and enhance overall competitiveness.

The Company possesses excellent professional personnel, strong R&D energy, plant facilities meeting international regulatory standards in the United States, Europe, Japan, and other countries, and a comprehensive GMP quality system, providing one-stop contract development and manufacturing (CDMO) services covering APIs to drug formulations and clinical to commercial production. By virtue of excellent quality and stable delivery capability, the Company continues to win customer trust and strives to become the best long-term partner for its customers on their path to success.

III. The Impact of External Competition, Regulations and the General Business Environment

The Company's sales targets are mainly international pharmaceutical companies. The export proportion in the current fiscal year reached more than 90%. The market covers major regions including the Americas, Asia, and Europe, with stable development and growth maintained in each region. As the customer base is distributed globally, this helps the Company continue to expand its market presence and effectively diversify operating risks. By virtue of excellent

international market development capability and smooth sales channels, the Company has become an important API supply partner for many international pharmaceutical companies. Current customers include three of the top three global branded drug manufacturers, five of the top ten generic drug manufacturers in the United States, and three of the top three generic drug manufacturers in Japan, demonstrating the Company's key position in the global supply chain.

In recent years, with the deepening of industry globalization and regional division of labor, the API industry has gradually shifted toward the Asian region in terms of R&D, production, and contract manufacturing. In addition to the advantages of cost efficiency, the rapid growth of the Asia-Pacific market is also an important driving force. On the other hand, the trends of geopolitical changes and supply chain restructuring have become increasingly evident, and international pharmaceutical companies are placing greater emphasis on the security and resilience of the supply chain. Against this backdrop, related policies promoted by the United States, such as the [China and the United States Trade Framework](#), are prompting the industry to develop toward higher standards of regulatory compliance and supply source transparency, and also bringing new development opportunities to manufacturers with high-quality manufacturing capabilities and regulatory compliance experience. The Company, by virtue of its long-term track record of compliance with international regulations in the United States, Europe, and Japan, has the advantage of taking over the transfer of international orders, and helps deepen its cooperation relationships with global customers.

Looking ahead, the Company will continue to uphold rigorous GMP production management, advance the upgrade of API technology and services, strengthen the development of contract development and manufacturing organization (CDMO) business, while actively extending into the downstream drug formulation field, expanding injection R&D and production energy. The Company will also continue to monitor the patent expirations of originator drugs and the trends of new drug launches, carefully screen product items with potential, and deepen its market deployment in antibody-drug conjugate (ADC) and high-end drug formulation markets. Under the opportunity of global supply chain restructuring and industrial upgrading, the Company will continue to strengthen its competitive advantages and steadily advance long-term growth.

Finally, the Company hereby thanks all customers, shareholders—ladies and gentlemen—and all colleagues for their long-term support and efforts. In the future, we will continue to uphold a consistently responsible corporate spirit and a pragmatic and steady operating attitude, continuing to pursue innovation, growth, and breakthroughs. In the rapidly changing global market, we will seize industry trends and development opportunities, in order to give back to shareholders with more outstanding operating performance and create long-term value.

Chairman:
Cheng, Chen-Yu

President:
Cheng, Chen-Yu

Accounting Supervisor:
Lo, Yu-Chen

Chapter II. Corporate Governance Report

I. Directors, Supervisors and Management Team

(I) Directors Information

1. Name, Gender, Age, Nationality or Place of Registration, Experience, Shares Held and Nature

April 26, 2026; Unit: Shares; %

Title	Nationality or registration place	Name	Gender/ Age	Initial appointment Date	Appointment date	Term	Shares held at time of appointment		Current number of shares held		Shares currently held by spouse and minor children		Shares held in the name of others		Experience (Education)	Positions held Concurrently in the Company and Other Companies	Managers, Directors or Supervisors who are Spouses or Within the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relation	
Chairman	R.O.C	Cheng, Chen-Yu	Male / 70~75	1995//12/29	2025/06/20	3	7,746,848	6.44	7,702,848	6.41	3,076,944	2.56	—	—	Ph.D. in Pharmaceutical Chemistry from UC San Francisco Postdoctoral Researcher at the MIT Department of Chemistry, Researcher at DuPont de Nemours, Inc, Professor at the Department of Pharmacy at National Taiwan University, Chairman of L.C. United Chemical Corporation	Note 1	—	—	—	Note 10
Director	R.O.C	Augusta Inc.		2008/07/17	2025/06/20	3	2,269,000	1.89	2,269,000	1.89	—	—	—	—	Doctor at Cathay General Hospital affiliated to the Department of Medicine, National Yang Ming Chiao Tung University, and part-time attending physician at Shin Kong Hospital.	Note 2	—	—	—	—
		Representative: Fang, Pei-Wei	Female / <50				734,934	0.61	734,934	0.61	—	—	—	—						

Title	Nationality or registration place	Name	Gender/ Age	Initial appointment Date	Appointment date	Term	Shares held at time of appointment		Current number of shares held		Shares currently held by spouse and minor children		Shares held in the name of others		Experience (Education)	Positions held Concurrently in the Company and Other Companies	Managers, Directors or Supervisors who are Spouses or the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relation	
Director	R.O.C	Yuan Qing Investment Inc.		2008/07/17	2025/06/20	3	1,257,511	1.05	1,257,511	1.05	-	-	-	-	Master of Science and Technology Management, University of Illinois Urbana-Champaign Senior Manager of Ericsson in Taiwan and Assistant Vice President of Acorn Taiwan Consultant Co., Ltd	Note 3	-	-	-	-
		Representative: Shie, Hung-Min	Male / 50~60				-	-	-	-	53,365	0.04	-	-						
Director	R.O.C	Hygica Biotech Ltd.		2022/06/23	2025/06/20	3	1,690,452	1.41	1,690,452	1.41	-	-	-	-	Department of Pharmacy at National Taiwan University, Ph.D., Graduate Institute of Technology, Innovation & Intellectual Property Management, National Chengchi University President of Pharmastar Inc. and Chairman of the Intellectual Property and Law Committee of the Taiwan Pharmaceutical Manufacture and Development Association	Note 4	-	-	-	-
		Representative: Lee, Chien-Hung	Male / 50~60				395,480	0.33	395,480	0.33	134,902	0.11	-	-						
Director	R.O.C	Heng Lang Limited Corporation.		2010/05/11	2025/06/20	3	483,525	0.40	483,525	0.40	-	-	-	-	MBA from Shanghai Jiao Tong University Project Manager of Marketing & Planning Department of MIGOSOFT Corp. and Project Manager of Division for Innovative Applied Services of Institute for Information Industry	Note 5	-	-	-	-
		Representative: Hu, Yi-Kan	Male / <50				-	-	-	-	-	-	-	-						

Title	Nationality or registration place	Name	Gender/ Age	Initial appointment Date	Appointment date	Term	Shares held at time of appointment		Current number of shares held		Shares currently held by spouse and minor children		Shares held in the name of others		Experience (Education)	Positions held Concurrently in the Company and Other Companies	Managers, Directors or Supervisors who are Spouses or the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relation	
Independent Director	R.O.C	Chen, Yi-Fen	Female / 60~70	2022/06/23	2025/06/20	3	-	-	-	-	-	-	-	-	MBA from University of California, Berkeley; Bachelor from Department of Economics, National Taiwan University CEO of Personal Finance of O-Bank; Chief Marketing Officer of Shin Kong Financial Holding and Senior Vice President of Taiwan Shin Kong Commercial Bank; Independent Director of Primasia Securities Company Limited; President of Far Eastern International Securities; Assistant Vice President of Citibank and Deputy Chief of Today Department Store	Note 6	-	-	-	-
Independent Director	R.O.C	Lu, Ta-Jung	Male / 70~75	2022/06/23	2025/06/20	3	-	-	-	-	-	-	-	-	Ph.D., Department of Chemistry, Yale University; Postdoctoral Research Fellow, Department of Chemistry, Colorado State University; Bachelor, Department of Chemistry, National Taiwan Normal University Independent Director of Savior Lifetec Corporation; Consultant of Maxluck Biotech Co., Ltd.; Consultant of Day	Note 7	-	-	-	-

Title	Nationality or registration place	Name	Gender/ Age	Initial appointment Date	Appointment date	Term	Shares held at time of appointment		Current number of shares held		Shares currently held by spouse and minor children		Shares held in the name of others		Experience (Education)	Positions held Concurrently in the Company and Other Companies	Managers, Directors or Supervisors who are Spouses or the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relation	
														Spring Biotech Co., Ltd.; Professor, Department of Chemistry, National Chung Hsing University; Director, Graduate Institute of Technology Management, National Chung Hsing University						
Independent Director	R.O.C	Chaung, Tza-Zen	Male / 70~75	2012/06/18	2025/06/20	3	—	—	—	—	—	—	—	Ph.D. in Chemical Engineering from Massachusetts Institute of Technology (MIT), USA; Master's in Chemical Engineering from West Virginia University, USA; Bachelor's in Chemical Engineering from National Taiwan University President/Chief Executive Officer of China Chemical & Pharmaceutical Co., Ltd. Research Center, Biotechnology Process Group at Bristol-Myers Squibb Pharmaceutical Company, USA Leader, Assistant Vice President of R&D and Special Gas Plant Manager at Sanfu Chemical Co., Ltd./Air Products, Senior Chemical Engineer at Merck & Company, USA.	Note 8	—	—	—	—	

Title	Nationality or registration place	Name	Gender/ Age	Initial appointment Date	Appointment date	Term	Shares held at time of appointment		Current number of shares held		Shares currently held by spouse and minor children		Shares held in the name of others		Experience (Education)	Positions held Concurrently in the Company and Other Companies	Managers, Directors or Supervisors who are Spouses or the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relation	
Independent Director	R.O.C	Chang, Ting-Jung	Male / 50-60	2019/06/27	2025/06/20	3	-	-	-	-	-	-	-	-	Master's in Quantitative Finance, Master's in Business Administration, and Ph.D. in Accounting from Rutgers University, USA Rutgers Business School Research, Bachelor of Business Administration in Statistics from National Chengchi University Chairman of Rong Wei Investment Co., Chairman of Ace Venture Consulting Corporation, Supervisor of JKO Asset Management Co., Ltd., Director of Foundation of Pacific Basin Financial Research and Development, Analyst/Assistant Manager at Yuanta Consulting Research Center (Foreign Investment Group), Financial and Systems Analyst at Formosa Plastics Management Center, USA, Chief Accountant at Woodtextures/Lifestyle Home, Dayton, New Jersey	Note 9	-	-	-	-

Note 1: President of Formosa Laboratories, Inc, Chairman of Formosa Pharmaceuticals, Inc, Director of Rayoung Chemtech Inc, Director of Epione Investment Cayman Limited, Director of Epione Investment HK Limited, Director of EirGenix, Inc, Chairman and President of Epione Pharmaceuticals, Inc, Chairman of Activus Pharma Co., Ltd, Director of A.R.Z Taiwan Limited, Perennial Consultant of Forward Asset Management Ltd.

Note 2: Attending Physician of Anatomical Pathology Department at Fu Jen Catholic University Hospital, Director of Tsui Hua Investment Co., Ltd., Director of Marigold Therapeutics, Inc (Cayman).

Note 3: Chairman of Yuan Qing Investment Inc., Chairman of JUI-I Investment Ltd., Chairman of Remo Taiwan Inc., Director of RELIANCE INTERNATIONAL CORP., Corporate Representative Director of Strait Capital Co., Ltd., Corporate Representative Chairman of King Dee Musical Instrument Corp., Corporate Representative Director of Panlabs Biologics Inc., Chairman of Tai-I Investment Co., Ltd., Corporate Representative Chairman of Ding Pu Investment Co. Ltd., Chairman of JUI-I Management Ltd., Supervisor of PWY International Corporation, Corporate Representative Director of SynChem-Formosa, Inc.

Note 4: Chairman of Hygica Biotech Ltd., Chairman of Eros Biopharma INC., Chairman of PharmaSTAR Inc., Chairman of Chengdu Gemini Pharmaceutical Co., Ltd., Chairman and President of PharmaStar Investment Cooperative Ventures INC., Corporate Representative Director of Forward Asset Management Ltd., Chairman of Chia La Wei Erh Ltd., Corporate Representative Director of SynChem-Formosa, Inc., Corporate Representative Director of Caravel Oculus INC., Chairman of PharmaStar Investment Cooperative Ventures INC., General Partner of PharmaStar Biomedical Venture Capital Limited Partnership.

Note 5: Director and President of Panlabs Biologics Inc., Director of Hong Ray Corporation, Director of Whitesun International Corp., Director of Protect Biotech Incorporation, Supervisor of Bei Guan Power Corporation, Supervisor of Chung Peng Construction Company, Chairman of Hsin Lan Investment Limited, Director of Taiwan Microloops Corp.

Note 6: Vice Chairman of Anfu Solutions Inc, Adjunct Assistant Professor at National Tsing Hua University Department of Quantitative Finance, Adjunct Assistant Professor at Soochow University Department of Business Administration, Adjunct Assistant Professor at Tainan National University of the Arts, Chairman of HUNG YUN, Inc, Chairman of Jiang Xue-zhu Scholarship Foundation.

Note 7: Honorary Professor at Department of Chemistry, National Chung Hsing University.

Note 8: Chief Technology Officer of SCH LIFE SCIENCES COMPANY LIMITED, Director of HYGEIA TOUCH INC., Director of Hsinchu Kuang-Fu High School, Director of KT Wang Foundation.

Note 9: President of Ensure & Co., CPAs, Director of Foundation of Pacific Basin Financial Research and Development.

Note 10: If the chairperson, president, or an equivalent top manager of the Company is related to another person in any of those positions, either as a spouse or a first-degree relative, the report must include information on the reasons, rationale, necessity, and countermeasures.

The Chairman, Dr. Cheng, Chen-Yu, concurrently serves as the President to improve operational efficiency and implement policies. Dr. Cheng, Chen-Yu holds a Ph.D. in Pharmaceutical Chemistry from the University of California, San Francisco. He previously served as a professor in the School of Pharmacy at National Taiwan University, researcher at DuPont Chemical Company, and postdoctoral research fellow in the Department of Chemistry at Massachusetts Institute of Technology. During his years as the Chairman and General Manager of Formosa Labs, he has accumulated professional capabilities and extensive experience in operational judgment, business management, leadership decision-making, and crisis management, providing professional and comprehensive guidance for the Company's operations management and investment decisions, which has significantly benefited Formosa Labs' operations management. Through close and sufficient communication with directors on the Company's operations and future plans, the directors gain a clearer understanding of the Company's operations. Therefore, it is reasonable and necessary for the Chairman to concurrently serve as the General Manager. In order to implement corporate governance and strengthen the independence of the board of directors, the Company has been actively training suitable candidates for the General Manager position. The specific measures of the Company are as follows:

- (1) Over half of the board members do not serve as employees or managers, thus reinforcing the independence of the Board of Directors.
- (2) Every year, directors attend professional development courses to enhance the operational effectiveness of the Board of Directors.
- (3) Independent directors actively participate in various meetings, including Shareholders' Meetings, board meetings, , and functional committee meetings, and fully engage in discussions while providing suggestions to implement the principles of corporate governance.
- (4) Independent director seats to 4, which can not only enhance the functions of the Board of Directors, but also strengthen the supervisory and management functions.

2. Table 1: Substantial Corporate Shareholders

April 26, 2026

Name of Corporate Shareholder	Major Shareholders of Corporate shareholders	Shareholding Ratio (%)
Augusta Inc.	Li, Hsiu-Hui	57.14
	Cheng, Chen-Yu	14.29
	Cheng, Ta-Jung	14.29
	Cheng, Ta-Yueh	14.28
Yuan Qing Investment Inc.	De Shin Investment Ltd.	29.21
	Shie, Hung-Min	21.43
	Huang, Chen-Wen	21.43
	Chen, I-Hsin	10.86
	JUI-I Management Ltd.	11.57
	Chiu, Shu-Chih	3.00
	Chen, Shao-Hung	2.50
Hygica Biotech Ltd.	Lee, Chien-Hung	100
Heng Lang Limited Corporation.	Liu, Ling-Chun	8.23
	Chao, Heng-Hsueh	2.75
	Chao, Heng-Tzu	2.75
	Chao, Yuan-Chi	0.03
	Hermax Holdings Limited	86.24

3. Table 2: Principal shareholders of legal entities whose principal shareholders are legal entities.

April 26, 2026

Name of Institutional Shareholder	Major Shareholders of the Institutional Shareholder	Shareholding Percentage (%)
De Shin Investment Ltd.	Huang, Chen-Wen	98.00
	Chiu, Shu-Chih	1.00
	Chen, Shao-Hung	1.00
JUI-I Management Ltd.	Shie, Hung-Min	100.00
Hermax Holdings Limited	Liu, Ling-Chun	99.00
	Chao, Yuan-Chi	1.00

4. Director Information

(1) Professional Qualifications of Directors and Information Disclosure on the Independence of Independent Directors

Criteria Name	Professional Qualifications and Working Experience	Independence Criteria	Number of other public companies currently acting as independent director
Cheng, Chen-Yu/Chairman	<ul style="list-style-type: none"> ●Professional Qualifications Ph.D. in Pharmaceutical Chemistry from UC San Francisco. ●Experience Experience: Postdoctoral Researcher at the MIT Department of Chemistry, Researcher at DuPont de Nemours, Inc, Professor at the Department of Pharmacy at National Taiwan University, Chairman of L.C. United Chemical Corporation ●Concurrent Positions: President of Formosa Laboratories, Inc; Chairman of Formosa Pharmaceuticals, Inc; Director of Rayoung Chemtech Inc; Director of Epione Investment Cayman Limited; Director of Epione Investment HK Limited; Director of EirGenix, Inc; Chairman of Epione Pharmaceuticals, Inc; Chairman of Activus Pharma Co., Ltd; Director of A.R.Z Taiwan Limited; Perennial Consultant of Forward Asset Management Ltd. ●Possesses the necessary work experience, professional knowledge, and skills for commercial affairs, finance, accounting, and corporate business. ●Does not meet any descriptions stated in Article 30 of The Company Act. 	Non-independent director.	None

Criteria Name	Professional Qualifications and Working Experience	Independence Criteria	Number of other public companies currently acting as independent director
Fang, Pei-Wei / Director	<ul style="list-style-type: none"> ●Professional Qualifications Department of Medicine, National Yang Ming Chiao Tung University. ●Experience Experience: Doctor at Cathay General Hospital and part-time attending physician at Shin Kong Hospital. ●Concurrent Positions: Attending physician of Pathology Department of Fu Jen Catholic University Hospital., Director of Tsui Hua Investment Co., Ltd. ●Possesses the necessary work experience, professional knowledge, and skills for commercial affairs, finance, accounting, and corporate business. ●Does not meet any descriptions stated in Article 30 of The Company Act. 	Non-independent director.	None
Shie, Hung-Min / Director	<ul style="list-style-type: none"> ●Professional Qualifications Master of Science and Technology Management, University of Illinois Urbana-Champaign. ●Experience Experience: Senior Manager of Ericsson in Taiwan and Assistant Vice President of Acorn Taiwan Consultant Co., Ltd. ●Current positions: Chairman of Yuan Qing Investment Inc., Chairman of JUI-I Investment Ltd., Chairman of Remo Taiwan Inc., Director of RELIANCE INTERNATIONAL CORP., Director of Strait Capital Co., Ltd., Chairman of King Dee Musical Instrument Corp., Director of Panlabs Biologics Inc., Chairman of Tai-I Investment Co., Ltd., Chairman of Ding Pu Investment Co. Ltd., Chairman of JUI-I Management Ltd., Supervisor of PWY International Corporation, Director of SynChem-Formosa, Inc. 	Non-independent director.	None

Criteria Name	Professional Qualifications and Working Experience	Independence Criteria	Number of other public companies currently acting as independent director
	<ul style="list-style-type: none"> ● Possesses the necessary work experience, professional knowledge, and skills for commercial affairs, finance, accounting, and corporate business. ● Does not meet any descriptions stated in Article 30 of The Company Act. 		
Lee, Chien-Hung/ Director	<ul style="list-style-type: none"> ● Professional Qualifications Department of Pharmacy at National Taiwan University; Ph.D., Graduate Institute of Technology, Innovation & Intellectual Property Management, National Chengchi University. ● Experience Experience: President of Pharmastar Inc. and Chairman of the Intellectual Property and Law Committee of the Taiwan Pharmaceutical Manufacture and Development Association ● Current positions: Chairman of Hygica Biotech Ltd., Chairman of Eros Biopharma INC., Chairman of PharmaSTAR Inc., Chairman of Chengdu Gemini Pharmaceutical Co., Ltd., Chairman of PharmaStar Investment Cooperative Ventures INC., Director of Forward Asset Management Ltd., Chairman of Chia La Wei Erh Ltd., Director of SynChem-Formosa, Inc., Director of Caravel Oculus Inc., Chairman of PharmaStar Investment Cooperative Ventures INC., General Partner of PharmaStar Biomedical Venture Capital Limited Partnership ● Possesses the necessary work experience, professional knowledge, and skills for commercial affairs, finance, accounting, and corporate business. ● Does not meet any descriptions stated in Article 30 of The Company Act. 	Non-independent director.	None

Criteria Name	Professional Qualifications and Working Experience	Independence Criteria	Number of other public companies currently acting as independent director
Hu, Yi-Kan / Director	<ul style="list-style-type: none"> ●Professional Qualifications MBA from Shanghai Jiao Tong University ●Experience Experience: Project Manager of Marketing & Planning Department of Migrosoft Corp. and Project Manager of Division for Innovative Applied Services of Institute for Information Industry. ●Current positions Director and President of Panlabs Biologics Inc., Director of Hong Ray Corporation, Director of Whitesun International Corp., Director of Protect Biotech Incorporation, Supervisor of Bei Guan Power Corporation, Supervisor of Chung Peng Construction Company, Chairman of Hsin Lan Investment Limited, Director of Taiwan Microloops Corp. ●Possesses the necessary work experience, professional knowledge, and skills for commercial affairs, finance, accounting, and corporate business. ●Does not meet any descriptions stated in Article 30 of The Company Act. 	Non-independent director.	None
Chen, Yi-Fen / Independent Director	<ul style="list-style-type: none"> ●Professional Qualifications MBA from University of California, Berkeley; Bachelor from Department of Economics, National Taiwan University. ●Experience Experience: CEO of Personal Finance of O-Bank; Chief Marketing Officer of Shin Kong Financial Holding and Senior Vice President of Taiwan Shin Kong Commercial Bank; Independent Director of Primasia Securities Company Limited; President of Far Eastern International Securities; Assistant Vice President of Citibank and Deputy Chief of Today Department Store. 	<p>1.The independent director, his/her spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliated enterprises.</p> <p>2.The independent director, his/her spouse, and relatives within the second degree of kinship (or through the use of another person's name) do not hold any shares of the Company.</p>	None

Criteria Name	Professional Qualifications and Working Experience	Independence Criteria	Number of other public companies currently acting as independent director
	<ul style="list-style-type: none"> ●Current positions Vice Chairman of Anfu Solutions Inc, Adjunct Assistant Professor at National Tsing Hua University Department of Quantitative Finance, Adjunct Assistant Professor at Soochow University Department of Business Administration, Adjunct Assistant Professor at Tainan National University of the Arts, Chairman of HUNG YUN, Inc. ●Possesses the necessary work experience, professional knowledge, and skills for commercial affairs, finance, accounting, and corporate busine ●Does not meet any descriptions stated in Article 30 of The Company Act. 	<p>3.The independent director does not serve as a director, supervisor, or employee of any company that has a specific relationship with the Company.</p> <p>4.The independent director has not provided commercial, legal, financial, accounting, or other services to the Company in the past two years.</p> <p>5.The independent director has not provided audit services to the Company or its affiliated enterprises, nor has he/she provided commercial, legal, financial, accounting, or other related services within the past two years with cumulative remuneration exceeding NT\$500,000.</p>	
Lu, Ta-Jung / Independent Director	<ul style="list-style-type: none"> ●Professional Qualifications Ph.D., Department of Chemistry, Yale University; Postdoctoral Research Fellow, Department of Chemistry, Colorado State University; Bachelor, Department of Chemistry, National Taiwan Normal University. ●Experience Experience: Independent Director of Savior Lifetec Corporation; Consultant of Maxluck Biotech Co., Ltd.; Consultant of Day Spring Biotech Co., Ltd.; Professor, Department of Chemistry, National Chung Hsing University; Director, Graduate Institute of Technology Management, National Chung Hsing University. 	<p>1.The independent director, his/her spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliated enterprises.</p> <p>2.The independent director, his/her spouse, and relatives within the second degree of kinship (or through the use of another person's name) do not hold any shares of the Company.</p>	None

Criteria Name	Professional Qualifications and Working Experience	Independence Criteria	Number of other public companies currently acting as independent director
	<ul style="list-style-type: none"> ●Concurrent Positions Professor Emeritus of Department of Chemistry of National Chung Hsing University. ●Possesses the necessary work experience, professional knowledge, and skills for commercial affairs, finance, accounting, and corporate business. ●Does not meet any descriptions stated in Article 30 of The Company Act. 	<p>3.The independent director does not serve as a director, supervisor, or employee of any company that has a specific relationship with the Company.</p> <p>4.The independent director has not provided commercial, legal, financial, accounting, or other services to the Company in the past two years.</p> <p>5.The independent director has not provided audit services to the Company or its affiliated enterprises, nor has he/she provided commercial, legal, financial, accounting, or other related services within the past two years with cumulative remuneration exceeding NT\$500,000.</p>	
Chaug, Tza-Zen/ Independent Director	<ul style="list-style-type: none"> ●Professional Qualifications Ph.D. in Chemical Engineering, MIT, Massachusetts Institute of Technology. Master of Chemical Engineering, West Virginia University, USA. Bachelor of Chemical Engineering, National Taiwan University. 	1.The independent director, his/her spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliated enterprises.	None

Criteria Name	Professional Qualifications and Working Experience	Independence Criteria	Number of other public companies currently acting as independent director
	<ul style="list-style-type: none"> ●Experience Experience: President/CEO, China Chemical & Pharmaceutical Co., Ltd. Research and Development Center, Taiwan; Biotechnology Production Process Group Leader, Bristol-Myers Squibb Company, USA; Drug Synthesis Process Research Investigator, Hoffmann La Roche, USA; Air Products R&D Assistant Vice President and Special Gas Plant/Plant Manager, Sanfu Chemical Co., Ltd, Taiwan; Senior Chemical Engineer, Merck & Company, USA. ●Concurrent Positions Chief Technology Officer of SCH LIFE SCIENCES COMPANY LIMITED, Independent Director of General Biologicals Corporation, Director of HYGEIA TOUCH INC., Director of Hsinchu Kuang-Fu High School, Director of KT Wang Foundation ●Possesses the necessary work experience, professional knowledge, and skills for commercial affairs, finance, accounting, and corporate business. ●Does not meet any descriptions stated in Article 30 of The Company Act. 	<p>2.The independent director, his/her spouse, and relatives within the second degree of kinship (or through the use of another person's name) do not hold any shares of the Company.</p> <p>3.The independent director does not serve as a director, supervisor, or employee of any company that has a specific relationship with the Company.</p> <p>4.The independent director has not provided commercial, legal, financial, accounting, or other services to the Company in the past two years.</p> <p>5.The independent director has not provided audit services to the Company or its affiliated enterprises, nor has he/she provided commercial, legal, financial, accounting, or other related services within the past two years with cumulative remuneration exceeding NT\$500,000.</p>	
Chang, Ting-Jung / Independent Director	<ul style="list-style-type: none"> ●Professional Qualifications Master of Quantitative Finance, Master of Business Management, Doctoral Program in Accounting, Rutgers University. Bachelor of Commerce, Department of Statistics, Chengchi University. 	<p>1.The independent director, his/her spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliated enterprises.</p>	None

Criteria Name	Professional Qualifications and Working Experience	Independence Criteria	Number of other public companies currently acting as independent director
	<ul style="list-style-type: none"> ●Experience Experience: Chairman, Rong Wei Investment Co; Chairman, Ace Venture Consulting Corporation; Supervisor, JKO Asset Management; Director, Foundation of Pacific Basin Financial Research and Development; Group Leader/Assistant Manager, Traditional Industry, Research Department, Investment Advisory Office, Cathay Futures/Securities; Analyst/Assistant Manager, Yuanta Consulting Research Center (Foreign Investment Group); Senior Researcher/Assistant Manager, Domestic/Foreign Investment Group, Polaris Financial Group Research Center; Financial and Systems Analyst, Formosa Plastics Management Center, USA; Chief Accountant, Woodtextures/ Lifestyle Home, Dayton, New Jersey. ●Concurrent Positions President, Ensure & Co., CPAs. Director, Foundation of Pacific Basin Financial Research and Development. ●Possesses the necessary work experience, professional knowledge, and skills for commercial affairs, finance, accounting, and corporate business. ●Does not meet any descriptions stated in Article 30 of The Company Act. 	<p>2.The independent director, his/her spouse, and relatives within the second degree of kinship (or through the use of another person's name) do not hold any shares of the Company.</p> <p>3.The independent director does not serve as a director, supervisor, or employee of any company that has a specific relationship with the Company.</p> <p>4.The independent director has not provided commercial, legal, financial, accounting, or other services to the Company in the past two years.</p> <p>5.The independent director has not provided audit services to the Company or its affiliated enterprises, nor has he/she provided commercial, legal, financial, accounting, or other related services within the past two years with cumulative remuneration exceeding NT\$500,000.</p>	

(2) The Diversity and Independence of the Board of Directors

A. Diversity of Board of Directors

The company has developed the Corporate Governance Best Practice Principles and Procedures for the Selection of Directors, which advocate for a diverse composition of the Board of Directors. To achieve this goal, the Company will establish diversity guidelines tailored to the specific operational, business, and developmental requirements. These guidelines will include, but not be limited to, the following:

- a. Basic conditions and values: Gender, age, nationality, culture, etc.
 - b. Expertise and skills: Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.
- To achieve ideal corporate governance, the Board of Directors as a whole shall have the following capabilities:
- a. The ability to make judgments about operations.
 - b. Accounting and financial analysis skills.
 - c. Business management ability.
 - d. Crisis management capability.
 - e. Knowledge of the industry.
 - f. An international market perspective.
 - g. Leadership.
 - h. Decision-making ability.

Of the 9 members currently serving on the Board of Directors during the 11th term, 5 (56%) possess a background in pharmaceuticals or chemistry, while 4 (44%) have

expertise in finance or corporate management. The Board also includes 2 female directors, comprising approximately 22% of the total number of directors. Furthermore, the number of directors who concurrently serve as the manager of the Company does not exceed one-third of the total number of directors. These factors demonstrate that the Board of Directors meets the basic conditions and values, provides specialized knowledge and skills to achieve diversity among its members, and takes into account the implementation of gender equality. The Company also continues to arrange diverse training courses for board members to serve as references for their decision-making, improve their supervisory and management capabilities, and further strengthen the functions of the board of directors. Therefore, each director of the Company can provide their professional opinions based on their different expertise and perspectives, which has a significant effect on the Company's business performance and governance decisions.

The Company plans to add one more female director in the future, which will increase the number of female directors to three, accounting for one-third of all board seats. This will not only enhance the diversity of the Board of Directors but also promote the implementation of gender equality.

B. Independence of Board of Director

Currently, the Company has 4 independent directors, accounting for 44% of all (9) directors. The Board of Directors is composed of independent members who are not spouses or relatives within the second degree of kinship. Therefore, there is no violation of Paragraphs 3 and 4 of Article 26 of the Securities and Exchange Act.

(II) President, Vice President, Assistant Vice President and Managers of Each Department and Branch

April 26, 2026 : Unit: Shares : %

Title	Nationality	Name	Gender	Date Elected / Appointed (Note1)	Shareholding		Shares held by spouse and minor children		Shares Held in the Name of Others		Major work experience (educational background)	Current Concurrent Positions in The Company and Other Companies	Other Managers or Directors who are Spouses or within Second-Degree of Kinship to Each Other			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
President	R.O.C	Cheng, Chen-Yu	Male	1996/01/01	7,702,848	6.41	3,067,944	2.56	—	—	Ph.D. in Pharmaceutical Chemistry from the UC San Francisco; Bachelor from the Department of Pharmacy, National Taiwan University; Postdoctoral Researcher at the MIT Department of Chemistry; Researcher at DuPont de Nemours, Inc.; Professor at the Department of Pharmacy, National Taiwan University; Chairman of L. C. United Chemical Corporation.	Note 2	—	—	—	Note 6
Senior Vice President of BD	R.O.C	Liou, Shan-Jan	Female	2024/01/01	230,733	0.19	—	—	—	—	Master, Graduate School of Chemistry, Providence University Deputy Director of R&D Department of SCI Pharmtech Inc.	Note 3	—	—	—	—
Senior Vice President of CSD	R.O.C	Lo, Yu-Chen	Female	2024/01/01	16,503	0.01	—	—	—	—	Department of Accounting, MCU Manager of Financial Department of Lightwave Link, Inc. Vice president of Operating Support and Financial Department of L. C. United Chemical Corporation.	Note 4	—	—	—	—
Senior Vice President of PD	R.O.C	Chen, Chai-Sung	Male	2024/01/01	28,259	0.02	—	—	—	—	Department of Chemistry, Chung Yuan Christian University Head of Production Division of SCI Pharmtech Inc.	Note 5	—	—	—	—
Senior Vice President of Q&RCD	R.O.C	Huang, Hsien-Kuei	Male	2024/01/01	10,796	0.01	—	—	—	—	Graduate Institute of Agricultural Chemistry, National Taiwan University Project Manager of ScinoPharm Taiwan Ltd.	—	—	—	—	—
Vice President of OS	R.O.C	Yang, Ling-Fang	Female	2020/10/19	13,500	0.01	9,000	0.01	—	—	Master, School of Management, National Central University Rong Cheng Trading LLC(USA) COO of Purchasing and Sales/Warehouse Department	—	—	—	—	—
Vice President of R&D	R.O.C	Hsieh, Yih-Huang	Male	2021/07/05	—	—	37,000	0.03	—	—	Ph.D. in Chemistry, Simon Fraser University.; Chief of Chemical Pharmacy, R&D Division, OBI Pharma.; Consultant of Taiwan Sunpan Biotechnology Development Co., LTD.; Examiner/Researcher of the Center for Drug Evaluation, Taiwan	—	—	—	—	—

Title	Nationality	Name	Gender	Date Elected / Appointed (Note1)	Shareholding		Shares held by spouse and minor children		Shares Held in the Name of Others		Major work experience (educational background)	Current Concurrent Positions in The Company and Other Companies	Other Managers or Directors who are Spouses or within Second-Degree of Kinship to Each Other			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
Vice President of EN	R.O.C	Wang, Szu-Ching	Male	2021/09/27	-	-	4,000	-	-	-	Master, Department of Chemical Engineering, National Taiwan University of Science and Technology Chief of Factory Affairs Division, ScinoPharm Taiwan Ltd. Vice President of Chemical Production Department of China American Petrochemical Co., Ltd.	-	-	-	-	-
Vice President of L& SP	R.O.C	Tsay, Chai-Ling	Female	2025/03/03	2,000	-	-	-	-	-	Master of Law from Indiana University Bloomington Legal Affairs Division Head of Foxconn Technology Co., Ltd., Senior Legal Manager of Savior Lifetec Corporation, Senior Legal and Intellectual Property Manager of ScinoPharm Taiwan Ltd.	-	-	-	-	-
Senior Assistant Vice President of INJ	R.O.C	Lin, Ming-Fa	Male	2024/05/01	-	-	-	-	-	-	Department of Chemical Engineering, National United University Deputy Plant Manager of PharmaEssentia Corporation. Vice President of Savior Lifetec Corporation Tainan Plant	-	-	-	-	-
Senior Assistant Vice President of QC	R.O.C	Wu, Chun-Li	Male	2025/08/04	-	-	-	-	-	-	Master of Science in Life Science, National Tsing Hua University Deputy Director, Quality Control Department, PHARMADAX INC. Manager, Quality Control Department, Orient Pharma Co., Ltd. Manager, Quality Control Department, OP NANOPHARMA CO., LTD.	-	-	-	-	-
Assistant Vice President of MSD	R.O.C	Juan, Yueh-Tse	Male	2014/02/01	17,516	0.01	-	-	-	-	Department of Chemical Engineering, Feng Chia University Manager of Sales Department of Formosa Laboratories, Inc.	-	-	-	-	-
Assistant Vice President of P & PM	R.O.C	Tseng, Yu-Fang	Female	2015/04/01	-	-	-	-	-	-	Department of Chemistry, Fu Jen Catholic University Manager Responsible for Quality System and Specifications, Quality Assurance Department, Bora Pharmaceutical Laboratories Inc.	-	-	-	-	-

Title	Nationality	Name	Gender	Date Elected / Appointed (Note1)	Shareholding		Shares held by spouse and minor children		Shares Held in the Name of Others		Major work experience (educational background)	Current Concurrent Positions in The Company and Other Companies	Other Managers or Directors who are Spouses or within Second-Degree of Kinship to Each Other			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
Assistant Vice President of RA	R.O.C	Hsu, Jen-Chuan	Male	2016/03/01	1,572	-	-	-	-	-	Department of Chemical and Materials Engineering, Tamkang University Quality Control Director, Sterling Products International Inc.	-	-	-	-	-
Assistant Vice President of PD	R.O.C	Hsu, Shih-Wei	Male	2019/11/11	-	-	-	-	-	-	Department of Chemical Engineering, Cheng Shiu University Manager of E Plant and ABK Plant, the First Production Department, Formosa Laboratories, Inc. Factory Manager of Prince Pharmaceutical Co., Ltd.	-	-	-	-	-
Assistant Vice President of PD	R.O.C	Ng, Chze-Siong	Male	2020/04/01	452	-	-	-	-	-	Institute of Food Science, National Chung Hsing University Research Assistant, Department of Pharmacy, National Taiwan University	-	-	-	-	-
Assistant Vice President of R&D	R.O.C	Kao, Tzu-Chiao	Male	2021/04/01	-	-	-	-	-	-	Ph.D. in Chemistry, National Tsinghua University Manager of R&D Department, Formosa Laboratories, Inc. Assistant Manager of R&D Department, Formosa Laboratories, Inc.	-	-	-	-	-
Assistant Vice President of R&D	R.O.C	Kuo, Lung-Huang	Male	2022/04/01	-	-	-	-	-	-	Ph.D. in Organic Chemistry, University of Pittsburgh Postdoctoral Researcher at Ohio State University Vice President of Research and Development, Savior Lifetec Corp. Senior Director of Research and Development, ScinoPharm Taiwan Ltd. Manager of Research and Development, Standard Chem & Pharm Co., Ltd.	-	-	-	-	-
Assistant Vice President of QC	R.O.C	Hung, Chih-Sheng	Male	2022/04/06	1,053	-	1,000	-	-	-	Department of Applied Chemistry, Chaoyang University of Technology Assistant Vice President, Analysis and R&D Section, Formosa Laboratories, Inc. Manager of Quality Control Division, Formosa Laboratories, Inc.	-	-	-	-	-

Title	Nationality	Name	Gender	Date Elected / Appointed (Note1)	Shareholding		Shares held by spouse and minor children		Shares Held in the Name of Others		Major work experience (educational background)	Current Concurrent Positions in The Company and Other Companies	Other Managers or Directors who are Spouses or within Second-Degree of Kinship to Each Other			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
Assistant Vice President of IT	R.O.C	Lin, Chien-Fei	Female	2023/01/01	-	-	-	-	-	-	EMBA, Royal Roads University Bachelor, Institute of Information Management, Fu Jen Catholic University Manager of Information Department, Formosa Laboratories, Inc. Assistant Manager of Information Section, Operation Support Department, Formosa Laboratories, Inc. Director of MIS Division, Syntek Semiconductor Co., Ltd.	-	-	-	-	-
Assistant Vice President of QA	R.O.C	Hsu, Chao-Hsien	Female	2024/01/01	-	-	-	-	-	-	Bachelor, Department of Chemical Engineering, NCHU Engineer, Department of Quality Assurance, Unimicron Technology Corp. Manager, Department of Quality Assurance, Formosa Laboratories, Inc.	-	-	-	-	-
Assistant Vice President of SHE	R.O.C	Chen, Shang-Hung	Male	2024/05/20	-	-	-	-	-	-	Ph.D. in Chemistry from National Chung Cheng University Assistant Vice President of Production Department, Formosa Laboratories, Inc. Manager of Generic Drug Development Division, ScinoPharm Taiwan Ltd.	-	-	-	-	-
Assistant Vice President of MSD	R.O.C	Tseng, Hui-Yuan	Male	2025/04/01	3,000	-	230	-	-	-	Ph.D. in Molecular Medicine / Medical Chemistry, Max Planck Institute (Germany) Sales Manager, Formosa Laboratories, Inc. Investor Relations Officer, TCI Co., Ltd.	-	-	-	-	-
Assistant Vice President Of EN	R.O.C	Chen, Hung-Cheng	Male	2025/10/08	3,099	-	13,000	0.01	-	-	Master of Science in Chemical Engineering, Tunghai University Engineering Manager, Formosa Laboratories, Inc. Engineer, LCY Chemical Corp.	-	-	-	-	-

Note 1: Indicates the date on which the person assumed their position.

Note 2: President of Formosa Laboratories, Inc, Chairman of Formosa Pharmaceuticals, Inc, Director of Rayoung Chemtech Inc, Director of Epione Investment Cayman Limited, Director of Epione Investment HK Limited, Director of EirGenix, Inc, Chairman and President of Epione Pharmaceuticals, Inc, Chairman of Activus Pharma Co., Ltd, Director of A.R.Z Taiwan Limited, Perennial Consultant of Forward Asset Management Ltd.

Note 3: Director of Epione Pharmaceuticals, Inc; Director of A.R.Z Taiwan Limited.

Note 4: Supervisor of Epione Pharmaceuticals, Inc; Supervisor of A.R.Z Taiwan Limited; Supervisor of Activus Pharma Co., Ltd.

Note 5: Director of Epione Pharmaceuticals, Inc

Note6: If the chairperson, president, or an equivalent top manager of the Company is related to another person in any of those positions, either as a spouse or a first-degree relative, the report must include information on the reasons, rationale, necessity, and countermeasures.

The Chairman, Dr. Cheng, Chen-Yu, concurrently serves as the President to improve operational efficiency and implement policies. Dr. Cheng, Chen-Yu holds a Ph.D. in Pharmaceutical Chemistry from the University of California, San Francisco. He previously served as a professor in the School of Pharmacy at National Taiwan University, researcher at DuPont Chemical Company, and postdoctoral research fellow in the Department of Chemistry at Massachusetts Institute of Technology. During his years as the Chairman and General Manager of Formosa Labs, he has accumulated professional capabilities and extensive experience in operational judgment, business management, leadership decision-making, and crisis management, providing professional and comprehensive guidance for the Company's operations management and investment decisions, which has significantly benefited Formosa Labs' operations management. Through close and sufficient communication with directors on the Company's operations and future plans, the directors gain a clearer understanding of the Company's operations. Therefore, it is reasonable and necessary for the Chairman to concurrently serve as the General Manager. In order to implement corporate governance and strengthen the independence of the board of directors, the Company has been actively training suitable candidates for the General Manager position. The specific measures of the Company are as follows:

- (1) Over half of the board members do not serve as employees or managers, thus reinforcing the independence of the Board of Directors.
- (2) Every year, directors attend professional development courses to enhance the operational effectiveness of the Board of Directors.
- (3) Independent directors actively participate in various meetings, including Shareholders' Meetings, board meetings, , and functional committee meetings, and fully engage in discussions while providing suggestions to implement the principles of corporate governance.
- (4) Independent director seats to 4, which can not only enhance the functions of the Board of Directors, but also strengthen the supervisory and management functions

II. Remuneration to Directors, Supervisors, President and Vice President in the Latest Year (2025)

(I) Remuneration Paid to Directors (including Independent Directors)

Unit: NTD thousand

Title	Name	Directors' remuneration								Sum of A, B, C, and D and the sum as a percentage of net income (Note10)		Remuneration as an employee								Sum of A, B, C, D, E, F and G and the sum as a percentage of net income (note10)		Remuneration from investors other than subsidiaries, or parent company (Note11)
		Remuneration (A) (Note2)		Pension upon retirement(B)		Directors' remuneration (C) (Note3)		Service expenses(D) (Note4)				Salaries, bonuses, special allowances, etc.(E) (Note5)		Pension upon retirement(F)		Employees' compensation(G) (Note6)						
		The Company	All companies contained in the financial report (Note7)	The Company	All companies contained in the financial report (Note7)	The Company	All companies contained in the financial report (Note7)	The Company	All companies contained in the financial report (Note7)	The Company	All companies contained in the financial report (Note7)	The Company	All companies contained in the financial report (Note7)	The Company		All companies contained in the financial report (Note7)		The Company	All companies contained in the financial report (Note7)			
Director	Cheng, Chen-Yu	-	-	-	-	2,400	2,400	100	136	2,500	2,536	6,848	6,848	-	-	628	-	628	-	9,976	10,012	40
	Augusta Inc. Representative: Fang, Pei-Wei	-	-	-	-	1,200	1,200	100	100	1,300	1,300	-	-	-	-	-	-	-	-	1,300	1,300	-
	Yuan Qing Investment Inc. Representative: Shie, Hung-Min	-	-	-	-	1,200	1,200	100	100	1,300	1,300	-	-	-	-	-	-	-	-	1,300	1,300	-
	Hygica Biotech Ltd. Representative: Lee, Chien-Hung	-	-	-	-	1,200	1,200	100	100	1,300	1,300	-	-	-	-	-	-	-	-	1,300	1,300	-
	Heng Lang Limited Corporation. Representative: Hu, Yi-Kan	-	-	-	-	1,200	1,200	100	100	1,300	1,300	-	-	-	-	-	-	-	-	1,300	1,300	-
Independent Director	Chen, Yi-Fen	600	600	-	-	-	-	140	140	740	740	-	-	-	-	-	-	-	-	740	740	-
	Lu, Ta-Jung	600	600	-	-	-	-	140	140	740	740	-	-	-	-	-	-	-	-	740	740	-
	Chaug, Tza-Zen	600	600	-	-	-	-	140	140	740	740	-	-	-	-	-	-	-	-	740	740	-
	Chang, Ting-Jung	600	600	-	-	-	-	140	140	740	740	-	-	-	-	-	-	-	-	740	740	-

1. Please describe the policy, systems, standards and structure of remuneration of independent directors; also, describe the relationship with the amount of remuneration according to the responsibilities, risks and invested time: The remuneration of the directors of the company shall be determined in accordance with the articles of association of the company and the regulations on the payment of remuneration to directors and supervisors.

2. Compensation received by director for providing service to all companies included in the financial statements (e.g. consultancy service without the title of an employee) in the last year, except those disclosed in the above table: None.

- Note 1: The names of directors shall be listed separately (for corporate shareholder, the name of the corporate shareholder and its representative shall be listed respectively) and summarized for disclosure of each paid amount.
- Note 2: Refer to the remuneration paid to directors in the most recent year (including wage, position bonus, severance pay, and each kind of bonus and reward, etc.)
- Note 3: The amount of directors' remuneration that the Board has approved as part of the latest earnings appropriation.
- Note 4: The compensations for services rendered in the most recent year (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other in-kind benefits). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount in salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries.
- Note 5: Any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles and in-kind benefits that the director received in the last year for assuming the role of the Company's employee (including President, Vice President, manager or other employees). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount in salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS 2 - "Share-based Payment." Amounts including employee stock options, RSAs and subscription to cash issues are treated as compensation.
- Note 6: If the directors who acted as employees concurrently (including President, vice president, managerial officer and employee) received employee remuneration (including stocks and cash) in the most recent year, please disclose the employee remuneration approved by the Board of Directors prior to the motion for earnings distribution submitted to the shareholders' meeting in the most recent year. If it is impossible to attribute the same, the amount to be distributed this year shall be based on that actual distributed amount last year. Please also complete Table 1-3.
- Note 7: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's directors.
- Note 8: The aggregate of the compensation to directors by the Company, and the names of such directors, should be disclosed in the relevant space of the table.
- Note 9: The aggregate of the compensation to directors of the Company from the companies included in the consolidated financial reports (including the Company), and the names of such directors, should be disclosed in the relevant space of the table.
- Note 10: Net income refers to that in the most recent year. If IFRSs have been adopted, net income shall refer to the amount of after-tax profit shown in the most recent parent company only or consolidated report.
- Note 11: (1) This field represents all forms of compensation the director has received from the Company's invested businesses other than subsidiaries.
(2) For directors who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses should be added to column I in the table of remuneration ranges, and please change the column name into "All invested businesses" in such cases.
(3) Compensation refers to any remuneration or return (including compensations received as an employee, director and supervisor) and professional service fees which the Company's directors received for serving as directors, supervisors or managers in invested businesses other than subsidiaries.

(II) Remuneration for the President and Vice President

Unit: NTD thousand

Title	Name	Remuneration(A)		Severance pay and pensions (B)		Bonus and special allowances, et c. (C)		Amount of employee compensation (D)				Total remuneration (A+B+C+D) and as a percentage of net income (%)		Remuneration from investees other than subsidiaries, or parent company
		The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company		All companies contained in the financial report		The Company	All companies contained in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Cheng, Chen-Yu	30,465	30,465	1,057	1,057	12,144	12,144	3,999	—	3,999	—	47,665 10.80	47,665 10.80	40
Senior Vice President of BD	Liou, Shan-Jan													
Senior Vice President of CSD	Lo, Yu-Chen													
Senior Vice President of PD	Chen, Chai-Sung													
Senior Vice President of Q&RCD	Huang, Hsien-uei													
Vice President of OS	Yang, Ling-Fang													
Vice President of R&D	Hsieh, Yih-Huang													
Vice President of EN	Wang, Szu-Ching													
Vice President of QC	Xu, Chuan-Bin													
Vice President of L& SP	Tsay, Chai-Ling													

Table of Remuneration Range

Range of Remunerations paid to various Presidents and Vice Presidents	Names of the President and the Vice Presidents	
	The Company	Parent company and all invested businesses
<NTD1,000,000		
NTD1,000,000~2,000,000(exclusive)	Xu, Chuan-Bin	Xu, Chuan-Bin
NTD 2,000,000~3,500,000(exclusive)		
NTD 3,500,000~5,000,000(exclusive)	Yang, Ling- Fang, Hsieh, Yih-Huang, Wang, Szu-Ching, Tsay, Chai-Ling	Yang, Ling- Fang, Hsieh, Yih-Huang, Wang, Szu-Ching, Tsay, Chai-Ling
NTD 5,000,000~10,000,000(exclusive)	Cheng, Chen-Yu, Liou, Shan-Jan, Chen, Chai-Sung, Lo, Yu-Chen, Huang, Hsien-Kuei,	Cheng, Chen-Yu, Liou, Shan-Jan, Chen, Chai-Sung, Lo, Yu-Chen, Huang, Hsien-Kuei,
NTD 10,000,000~15,000,000(exclusive)		
NTD 15,000,000~30,000,000(exclusive)		
NTD 30,000,000~50,000,000(exclusive)		
NTD 50,000,000~100,000,000(exclusive)		
>NTD 100,000,000		
Total	10 persons	10 persons

Note: Xu, Chuan-Bin, Vice President, resigned in February 2025.

(III) Names of Managerial Personnel Provided With Employee's Compensation and State of Distribution

Unit: NTD thousand; %

Title	Name	Stock Amount	Cash Amount	Total	Total Amount as a Percentage of Net Income (%)
President	Cheng, Chen-Yu	—	7,056	7,056	1.60
Senior Vice President of BD	Liou, Shan-Jan				
Senior Vice President of CSD	Lo, Yu-Chen				
Senior Vice President of PD	Chen, Chai-Sung				
Senior Vice President of Q&RCD	Huang, Hsien-Kuei				
Vice President of OS	Yang, Ling Fang				
Vice President of R&D	Hsieh, Yih-Huang				
Vice President of EN	Wang, Szu-Ching				
Vice President of L& SP	Tsay, Chai-Ling				
Senior Assistant Vice President of INJ	Lin, Ming-Fa				
Senior Assistant Vice President of QC	Wu, Chun-Li				
Assistant Vice President of MSD	Juan, Yueh-Tse				
Assistant Vice President of P&PM	Tseng, Yu-Fang				
Assistant Vice President of RA	Hsu, Jen-Chuan				
Assistant Vice President of PD	Hsu, Shih-Wei				
Assistant Vice President of PD	Ng, Chze-Siong				
Assistant Vice President of R&D	Kao, Tzu-Chiao				
Assistant Vice President of R&D	Kuo, Lung-Huang				
Assistant Vice President of QC	Hung, Chih-Sheng				
Assistant Vice President of IT	Lin, Chien-Fei				
Assistant Vice President of QA	Hsu, Chao-Hsien				
Assistant Vice President of SHE	Chen, Shang-Hung				
Assistant Vice President of MSD	Tseng, Hui-Yuan				
Assistant Vice President Of EN	Chen, Hung-Cheng				

(IV) Separately Compare and Describe Total Remuneration, as a Percentage of net Income Stated in the Parent Company Only Financial Reports or Individual Financial Reports, as Paid by the Company and by Each Other Company Included in the Consolidated Financial Statements During the Past two Fiscal Years to Directors, Supervisors, President, and Vice Presidents, and Analyze and Describe Remuneration Policies, Standards, and Packages, the Procedure for Determining Remuneration, and its Linkage to Operating Performance and Future Risk Exposure

1. Analysis of the total remuneration paid by the Company and all companies in the consolidated statements to the Company's directors, supervisors, general manager, and deputy general managers as a percentage of net income after tax in the parent company only or individual financial reports for the most recent two years

Unit: NTD thousand; %

Item Title	The Company				All Companies Included in the Financial Statements			
	2024		2025		2024		2025	
	Amount	Proportion of net profit after tax (%)	Amount	Proportion of net profit after tax (%)	Amount	Proportion of net profit after tax (%)	Amount	Proportion of net profit after tax (%)
Director	9,710	6.17	10,660	2.42	9,758	6.20	10,696	2.42
President and Vice President	56,384	35.85	51,307	11.63	56,384	35.85	51,307	11.63
Net income after tax	157,268		441,107		157,268		441,107	

Description: The total remuneration for directors in 2025 increased compared to 2024 due to the increase in net income after tax. The total remuneration for the President and Vice Presidents decreased compared to 2024 due to the departure of managers, resulting in reduced salary payments.

2. The policies, standards, and remuneration payment combinations, as well as the procedures for determining remuneration, are relevant to business performance and future risks.

(1) Directors: In accordance with the provisions of the Articles of Incorporation, if there is profit in the year, the Board of Directors shall resolve to allocate director remuneration of no more than 2%. Independent directors do not participate in the annual earnings distribution. Regardless of the Company's operating profit or loss, each independent director shall be paid a monthly salary of NT\$50,000.

(2) President and Vice Presidents: Employee remuneration is allocated from the Company's earnings distribution based on the profitability of the relevant year and the allocation ratio for employee remuneration as prescribed in the Company's Articles of Incorporation. The amount of such remuneration is subject to approval by the Board of Directors and shall be reported to the Shareholders' Meeting.

3. Relationship between Performance Evaluation and Compensation of Directors and Managers

(1) Director:

If the Company makes a profit, the Board of Directors shall allocate not less than 5% of the profit as the remuneration of employees and not more than 2% of the profit as

the remuneration of directors.

The Company has established the "Board Performance Evaluation Measures" which stipulate that internal performance evaluations of board members shall be conducted at least once a year. The measurement indicators include the grasp of the company's goals and tasks, understanding of directors' responsibilities, level of participation in the company's operations, internal relationship management and communication, directors' professionalism and continuing education, and internal control.

In addition, the distribution of individual directors' remuneration is based on the "Remuneration Measures for Directors (Supervisors), Members of Various Functional Committees, and Managers". According to their level of participation in and contribution to the company's operations, the following weights are given and the weighted results are used for distribution:

- A. The basic weight for serving as a director or supervisor is 1.
- B. Serving as Chairman, the weight is increased by 1.
- C. Serving as joint endorser and guarantor due to financing needs, the weight is increased by 1.
- D. For other important contributions, after a proposal by the Remuneration Committee is discussed and passed by the Board of Directors, the weight is increased by 1.
- E. Annual payment is adopted. If the term of office is less than one year, the weight is calculated based on the term of office.

The director remuneration of individual directors is calculated using the following formula:

Total amount of director remuneration resolved by the Board of Directors × (individual director's weight / total sum of weights of all directors participating in the distribution)
If a director concurrently serves as an employee, the salary determination method is the same as the compensation standards for the managers listed below.

(2) Managerial Officer

A. Remuneration

- a. Changes in Managerial officers' salary determination, annual salary adjustment, promotion, etc. are handled by the President in accordance with the Company's "Salary Management Measures", approved and sent to the Chairman for approval, and reported to the Board of Directors for resolution after being reviewed by the most recent Remuneration Committee meeting.
- b. The Remuneration Committee may review the reasonableness of Managerial officers' salaries based on their level of participation in and contribution to the company's operations, using the salary levels of the industry as a basis ranging from 0% to 150%.

B. Bonuses

- a. The distribution of various bonuses for Managerial officers' is handled by the President in accordance with the Company's "Employee Performance Evaluation Measures", "Performance Bonus Distribution Measures", "Year-end Bonus Distribution Management Measures", and other salary management related measures, approved and sent to the Chairman for approval, and reported to the Board of Directors for resolution after being reviewed by the most recent Remuneration Committee meeting.
- b. The total amount received by Managerial officers shall not exceed 40% of the total amount of that bonus. For those with special contributions, after being reviewed by the Remuneration Committee and reported to the Board of Directors for resolution, they may not be subject to the above bonus distribution ratio limit.

C. The Remuneration of Employees

- a. The distribution of various bonuses for Managerial officers' is handled by the President in accordance with the Company's "Employee Performance Evaluation Measures", "Performance Bonus Distribution Measures", "Year-end Bonus Distribution Management Measures", and other salary management related measures, approved and sent to the Chairman for approval, and reported to the Board of Directors for resolution after being reviewed by the most recent Remuneration Committee meeting.
- b. The total amount of employee remuneration received by all Managerial officers shall not exceed 40% of the total amount of employee remuneration distributed; individual Managerial officer shall not exceed 50% of the total employee remuneration for managers. For those with special contributions, after being reviewed by the Remuneration Committee and reported to the Board of Directors for resolution, they may not be subject to the above employee remuneration distribution ratio limit.

D. Retirement Pension

The Company allocates employee retirement pensions in accordance with relevant laws and regulations such as the Labor Standards Act and the Labor Pension Act.

E. Housing, Accommodation, Vehicles

This refers to the purchase or lease of housing and accommodation for managers' use due to work needs; vehicles are handled in accordance with the Company's "Executive Vehicle Management Measures".

F. Employee Stock Options, Employee Stock Subscription in Cash Capital Increase, Transfer of Treasury Shares to Employees

These are handled in accordance with current laws and regulations and the Company's relevant measures such as the "Measures for Issuance and Subscription of Employee Stock Option Certificates" and "Cash Capital Increase Employee Stock Subscription Management Measures". The number of shares that Managerial officers can subscribe to will be determined by the President based on factors such as seniority, rank, work performance, overall contribution or special performance, approved and sent to the Chairman for approval, and reported to the Board of Directors for resolution after being reviewed by the most recent Remuneration Committee meeting.

(V) Succession Planning for Board Members and Middle to Senior Management Personnel

1. The company has implemented a candidate nomination system for electing directors, whereby shareholders select from a list of candidates. To ensure effective succession planning for board members, it is necessary to have a diverse pool of nominees. Therefore, appropriate diversity guidelines will be established based on operational requirements, business patterns, and development needs. These guidelines will include, but not be limited to, the following:

- (1) Basic Conditions and Values: Gender, age, nationality, culture, etc.
- (2) Expertise and Skills: Professional background, professional skills and industrial experience.

The Board of Directors of the Company as a whole shall have the following capabilities:

- (1)The ability to make judgments about operations;
- (2)Accounting and financial analysis skills;
- (3)Business management ability;
- (4)Crisis management capability;

(5) Knowledge of the industry; (6) An international market perspective; (7) Leadership; (8) Decision-making ability.

The Company has established the “Board Performance Evaluation Measures”. Through the measurement items of performance evaluation, including six major aspects of grasping the company’s goals and tasks, understanding directors’ responsibilities, level of participation in the company’s operations, internal relationship management and communication, directors’ professionalism and continuing education, and internal control, it ensures the effective operation of the Board of Directors and evaluates the performance of directors as a reference for future selection of directors.

2. To cultivate management talent and ensure smooth and sustainable operations, the Company has implemented an organization and talent development project. This approach closely aligns talent development with organizational needs, facilitating the achievement of our goals. The following are the main consideration:

(1) Talent diversity: Various operational and management functions should be covered by professionals to enhance the diversity of the company’s talent pool.

(2) Urgency of demand: Based on the current needs for organizational growth and the importance of key positions, the Company has prioritized the cultivation and development of talent at specific public institutions and organizational levels.

(3) Qualifications and conditions of candidates: High-potential employees in an organization typically demonstrate exceptional performance in professional competence, work commitment, and career aspirations, as well as other important qualifications and selection criteria.

(4) Culture/values: Corporate culture and core values should be solidified as essential criteria for talent selection, defining the necessary characteristics and functional qualifications for potential hires.

3. The regular work evaluation will include the achievement of work objectives assigned to candidates as the main reference basis for employee promotion. This will be done by expanding the scope of responsibilities, making necessary organizational adjustments, and increasing the experience of management, in accordance with the Rules for Performance Evaluations of Employees.

III. Implementation of Corporate Governance

(I) Operation of the Board of Directors

The Board of Directors held 6 meetings (A) in the most recent fiscal year (2025), and the attendance of the directors is as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Chairman	Cheng, Chen-Yu	6	0	100%	
Director	Augusta Inc. (Representative: Fang, Pei-Wei)	6	0	100%	
Director	Yuan Qing Investment Inc. (Representative: Shie, Hung-Min)	6	0	100%	
Director	Hygica Biotech Ltd. (Representative:	6	0	100%	

	Lee, Chien-Hung)				
Director	Heng Lang Limited Corporation. (Representative: Hu, Yi-Kan)	6	0	100%	
Independent Director	Chen, Yi-Fen	6	0	100%	
Independent Director	Lu, Ta-Jung	6	0	100%	
Independent Director	Chaung, Tza-Zen	6	0	100%	
Independent Director	Chang, Ting-Jung	6	0	100%	

Other items to be stated:

1. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:

(1) On issues stated in Article 14-3 of the Securities and Exchange Act:

Date /Term	Agendas	Independent Director's Opinion
March 12, 2025 (10th Session 13th Meeting)	Proposal for the GLP-1 production line establishment.	All the independent directors present passed without objection.
	Proposal for the proposed signing of a lease agreement with Formosa Pharmaceuticals Inc.	All the independent directors present passed without objection.
	Proposal for the proposed signing of a contract for commissioned inspection services with Formosa Pharmaceuticals Inc.	All the independent directors present passed without objection.
	Proposal for the proposed signing of a supplementary agreement to the supply contract with Formosa Pharmaceuticals Inc.	All the independent directors present passed without objection.
	Proposal for the proposed fund lending to Synchem-Formosa, Inc.	All the independent directors present passed without objection.
	Proposal for amendments to certain provisions of the Company's "Articles of Incorporation".	All the independent directors present passed without objection.
	Proposal for the Amendment of the "Seal Management Procedures"	All the independent directors present passed without objection.
	Proposal to Release the Non-Competition Restrictions on the Company's Newly Elected 11th-term Directors and Their Representatives.	All the independent directors present passed without objection.

	Proposed to approve in advance the provision of non-assurance services to the Company and its subsidiaries by CPAs, their firms, and their affiliates and allied firms.	All the independent directors present passed without objection.
	Proposal for the change of CPA due to internal adjustments in the accounting firm, the evaluation of their independence and competence, and the approval of their compensation.	All the independent directors present passed without objection.
May 8, 2025 (10th Session 14th Meeting)	Proposal for the proposed signing of a lease agreement with Formosa Pharmaceuticals Inc.	All the independent directors present passed without objection.
August 14, 2025 (11th Session 3rd Meeting)	Proposal for Fund Lending to Synchem-Formosa, Inc.	All the independent directors present passed without objection.
	Proposal for amendments to the "Seal Usage Management Measures".	All the independent directors present passed without objection.
	Proposal for entering into a TSY-310 drug product (DP) manufacturing contract with Formosa Pharmaceuticals, Inc.	All the independent directors present passed without objection.
November 13, 2025 (11th Session 4th Meeting)	Proposal to amend the "Employee Compensation Management Procedures."	All the independent directors present passed without objection.
	Proposal for Signing of a Patent and Intellectual Property Service Agreement with Formosa Pharmaceuticals Inc.	All the independent directors present passed without objection.
	Proposal for the proposed signing of a lease agreement with Formosa Pharmaceuticals Inc.	All the independent directors present passed without objection.
	Proposal for Fund Lending to Synchem-Formosa, Inc.	All the independent directors present passed without objection.
	Proposal for amendments to the "Seal Usage Management Measures".	All the independent directors present passed without objection.

(2) Except for the aforementioned matters, the resolutions reached by the Board of Directors with the objections or reservations of the independent directors documented or declared in writing: None.

2. Regarding recusals of directors due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified: See

Appendix 1 for details.

3. A TWSE/TPEX listed company shall disclose information such as the period and duration of the evaluation, the scope and method of the evaluation, and the content of the evaluation conducted by the Board of Directors, and shall fill in the implementation status of the evaluation by the Board of Directors.

The Company has completed the 2025 Board of Directors performance self-evaluation and reported the self-evaluation results at the Board of Directors meeting on March 12, 2026, as described below :

(1) Implementation of the Board of Directors' Evaluation:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content
Once a year	2025.01.01 ~ 2025.12.31	1.Board of Directors 2.Board Members 3.Audit Committee 4.Remuneration Committee	1. Self-assessment of the Board of Directors by the agenda working group 2.Self-assessment of board members 3.Self-assessment of Audit Committee and Remuneration Committee by the agenda working group	The results of the performance evaluation have been reported to the Board of Directors on March 12, 2026. Please refer to (2) for the results of the performance evaluation of the Board of Directors.

(2) Results of Board of Directors Performance Evaluation

A. Performance Evaluation of the Board of Directors

The Board of Directors' performance evaluation indicators encompass five aspects, with an average score of 4.97, signifying good evaluation results.

Evaluation items	Board of Directors
Self-assessment	1. Degree of involvement in corporate operation 2. Improvement in the quality of decision making by the Board of Directors 3. Composition and structure of the Board of Directors 4. Selection and continuing education of directors 5. Internal control
Evaluation results	Good

B. Performance Evaluation of Individual Board Members

The evaluation of individual board members' performance encompasses six aspects, with an average score of 4.91, indicating good overall results.

Evaluation items	Board members
Self-assessment	1. Understanding of the Company's

	<ul style="list-style-type: none"> objectives and tasks 2. Directors' awareness of duties 3. Degree of involvement in corporate operation 4. Internal relationship management and communication 5. Directors' professional competence and continuing education 6. Internal control
Evaluation results	Good

C. Operational performance evaluation of the Audit Committee

The performance evaluation of the Audit Committee encompasses five aspects, with an average score of 5, indicating good results.

Evaluation items	Audit Committee
Self-assessment	<ul style="list-style-type: none"> 1. Degree of involvement in corporate operation 2. Audit Committee members' awareness of duties 3. Improvement in the quality of decision making by the Audit Committee 4. Composition of the Audit Committee and election of its members 5. Internal control
Evaluation results	Good

D. Evaluation of Remuneration Committee Operational Performance

The performance evaluation of the Remuneration Committee encompasses four aspects, with an average score of 5, indicating good results.

Evaluation items	Remuneration Committee
Self-assessment	<ul style="list-style-type: none"> 1. Degree of involvement in corporate operation 2. Remuneration Committee members' awareness of duties 3. Improvement in the quality of decision making by the Remuneration Committee 4. Composition of the Remuneration Committee and election of its members
Evaluation results	Good

Conclusions:

The overall performance evaluation of 2025 of the Board of Directors, individual board members, the Audit Committee, and the Remuneration Committee is satisfactory.

In addition, according to the provisions of the Company's "Board Performance Evaluation Measures", the Company shall appoint an external professional independent organization or an external expert and scholar team to conduct a board performance evaluation at least every three years. The Company completed an external board performance evaluation by the independent professional organization, Taiwan Investor Relations Institute, in 2023.

4. Assess the objectives and performance of strengthening the functions of the Board of Directors, including the establishment of the Audit Committee and the enhancement of information transparency, in the current and recent years.

- (1) The company has assigned personnel to collect and disclose corporate information in a timely and appropriate manner, ensuring compliance with all relevant laws and regulations. This commitment to transparency enhances the dissemination of information.
- (2) The Audit Committee was established by the Company with a professional division of labor and an independent stance, the committee assists the Board of Directors in decision-making, enhances the supervisory function, and strengthens corporate governance.
- (3) The Company's Board of Directors has sanctioned the creation of the Remuneration Committee and developed the Organizational Regulations of the Remuneration Committee. Furthermore, the Remuneration Committee convened twice during the latest fiscal year (2025) to deliberate on remuneration policies and pertinent recommendations for directors, supervisors, and managers.
- (4) During their term in office, the current Board of Directors will be required to attend refresher courses on corporate governance as outlined in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies.

5. The communication between the independent directors and the internal audit supervisor and CPAs, including the methods, matters, and results of communications regarding the Company's financial reports and financial and business conditions.

- (1) Methods of Communication between Independent Directors and Internal Audit Supervisor.

The internal audit supervisor is required to attend quarterly meetings of the Audit Committee to present and discuss the business audit with the independent directors in compliance with regulations. The Audit Report must be submitted monthly to the Audit Committee convener for review and to all independent directors. Communication between the internal audit supervisor and independent directors has been effective. In the fiscal year 2025, their communication was as follows

Date	Communication highlights	Handling of opinions
March 12, 2025	<ol style="list-style-type: none"> 1. Audit Report for Q1 2025 2. Report on the Implementation of the 2024 Annual Internal Audit Plan. 	After the explanation by the Chief Internal Auditor, the independent directors had no opinions.
May 8, 2025	<ol style="list-style-type: none"> 1. Audit Report for Q2 2025 2. Report on Declaration of Internal Control System in 2024. 	After the explanation by the Chief Internal Auditor, the independent

		directors had no opinions.
August 14, 2025	1. Audit Report for Q3 2025 2. Report on the Improvement of the Deficiencies and Abnormalities of Internal Control System in 2024	After the explanation by the Chief Internal Auditor, the independent directors had no opinions.
November 13, 2025	1. Audit Report for Q4 2025 2. Discussion on the 2026 Annual Audit Work Plan.	After the explanation by the Chief Internal Auditor, the independent directors had no opinions.

(2) Communication between Independent Directors and CPAs

During the quarterly communication meeting, the CPAs will present their audit findings and results of the financial statements to the independent directors. They will also gain an understanding of the Company's operating conditions, including financial and business conditions, and engage in effective communication with the independent directors. The communication between the Independent Director and independent directors during the most recent fiscal year (2025) was as follows:

Date	Communication highlights	Handling of opinions
March 12, 2025	The CPAs explained and communicated with the governance unit regarding the audit results of the 2024 standalone and consolidated financial reports, the audit results of the financial statements, the updates of laws and regulations and the amendments to the Corporate Governance Evaluation, and the questions raised by the independent directors.	Independent directors had no objections to the CPAs' explanations.
May 8, 2025	Regarding the review results of the Q1 2025 financial report, the CPAs provided explanations and communicated with those charged with governance on the financial report review results, updates on laws and regulations, and questions raised by independent directors.	Independent directors had no objections to the CPAs' explanations.
August 14, 2025	Report on matters of explanation and communication with those charged with governance regarding the review results of the Q2 2025 financial report,	Independent directors had no objections to the CPAs'

		including the financial report review results, updates on laws and regulations, and questions raised by independent directors, presented by the CPAs.	explanations.
	November 13, 2025	Regarding the 3rd Quarter 2025 Financial Report audit results, the CPAs provided an explanation and communicated with the governing body regarding the financial statements and questions raised by independent directors.	Independent directors had no objections to the CPAs' explanations.

Note1: If directors and supervisors hold shares in the Company, the names of the corporate shareholders and their representatives must be disclosed.

Note2: (1) If a director or supervisor resigns before the end of the year, the date of resignation will be noted in the "Remarks" column, and the actual attendance rate (%) will be calculated based on the number of Board of Directors meetings held during their term of office and their actual attendance.

(2) If directors and supervisors are re-elected before the end of the year, the list should include both newly-appointed and former directors and supervisors. The "Remarks" column should indicate whether the individual is a former, newly-appointed, or reappointed director or supervisor, along with the date of re-election. The actual attendance rate (%) will be calculated by dividing the number of Board of Directors meetings attended by each member during their term of office by the total number of meetings held.

Appendix 1: Implementation of Directors' Recusal from Conflict-of-Interest Agenda Items

Board Meeting Date	Content of proposal	Name of Director(s) Recused Due to Conflict of Interest	Reasons for Recusal	Participation in Voting
March 12, 2025	Proposal for the proposed signing of a lease agreement with Formosa Pharmaceuticals Inc.	Cheng, Chen-Yu	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and designated a director to serve as the acting chairperson.
	Proposal for the proposed signing of a contract for commissioned inspection services with Formosa Pharmaceuticals Inc.	Cheng, Chen-Yu	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and designated a director to serve as the acting chairperson.

	Proposal for the proposed signing of a supplementary agreement to the supply contract with Formosa Pharmaceuticals Inc.	Cheng, Chen-Yu	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and designated a director to serve as the acting chairperson.
	Proposal for the proposed fund lending to Synchem-Formosa, Inc.	Cheng, Chen-Yu, Lee, Chien-Hung, Shie, Hung-Min	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and designated a director to serve as the acting chairperson.
	Proposal for the Board of Directors' nomination of candidates for the 11th term Directors.	First-stage recused directors: Chen, Yi-Fen; Lu, Ta-Jung; Chuang, Che-Jen; Chang, Ting-Jung Second-stage recused directors: Cheng, Cheng-Yu; Fang, Pei-Wei; Hsieh, Hung-Min; Lee, Chien-Hung; Hu, Yi-Kan	Involved the director's own interests	Discussion and voting were conducted in two stages: In the first stage, when reviewing the list of independent director nominations, the independent directors recused themselves and did not participate in the discussion and voting. In the second stage, when reviewing the list of non-independent director nominations, the general directors recused themselves and did not participate in the discussion and voting, and an independent director was designated by the chair to serve as the acting chair.
May 8, 2025	Proposal for the proposed signing of a lease agreement with Formosa	Cheng, Chen-Yu	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and

	Pharmaceuticals Inc.			designated a director to serve as the acting chairperson.
August 14, 2025	Proposal for Fund Lending to Synchem-Formosa, Inc.	Cheng, Chen-Yu, Lee, Chien-Hung, Shie, Hung-Min	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and designated a director to serve as the acting chairperson.
	Proposal for entering into a TSY-310 drug product (DP) manufacturing contract with Formosa Pharmaceuticals, Inc.	Cheng, Chen-Yu	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and designated a director to serve as the acting chairperson.
November 13, 2025	Proposal for the proposed signing of patent intellectual property service agreement with Formosa Pharmaceuticals Inc.	Cheng, Chen-Yu	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and designated a director to serve as the acting chairperson.
	Proposal for the proposed signing of a lease agreement with Formosa Pharmaceuticals Inc.	Cheng, Chen-Yu	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and designated a director to serve as the acting chairperson.
	Proposal for Fund Lending to Synchem-Formosa, Inc.	Cheng, Chen-Yu, Lee, Chien-Hung, Shie, Hung-Min	Involved the director's own interests	Recused himself from the discussion and voting on this proposal, and designated a director to serve as the acting chairperson.

(II) Operation of Audit Committee

The Audit Committee held 4 meetings (A) in the most recent fiscal year (2025). The independent directors present were as follows:

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)(Note1 and 2)	Notes
Convener	Chen, Yi-Fen	4	0	100%	
Commissioner	Lu, Ta-Jung	4	0	100%	
Commissioner	Chaung, Tza-Zen	4	0	100%	
Commissioner	Chang, Ting-Jung	4	0	100%	

Other remarks:

1. If the Audit Committee encounters any of the following circumstances during its operations, it must record the date and period of the meeting, the motion's content, any objections, reservations, or significant recommendations made by independent directors, the Audit Committee's resolution, and the Company's response to the Audit Committee's opinion.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act.

Date and term of the Audit Committee	Content of proposal	Resolution result	The Company's handling of the Audit Committee's opinions
March 12, 2025 (1st Session 11th Meeting)	The 2024 Business Report and Financial Statements.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
	The 2024 Earnings distribution.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
	2024 Employees' and Directors' and Supervisors' Remuneration.	After the chair canvassed all attending committee members, this proposal was passed	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to

			unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	pass as proposed.
		Proposal for the GLP-1 production line establishment.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
		Proposal for the proposed signing of a lease agreement with Formosa Pharmaceuticals Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
		Proposal for the proposed signing of a contract for commissioned inspection services with Formosa Pharmaceuticals Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
		Proposal for the proposed signing of a supplementary agreement to the supply contract with Formosa Pharmaceuticals Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.

		Proposal for the proposed fund lending to Synchem-Formosa, Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
		Proposal for amendments to certain provisions of the Company's "Articles of Incorporation".	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
		Proposal for amendments to the "Seal Usage Management Measures".	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
		Proposal for issuing the 2024 "Statement of Internal Control System".	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
		Proposed to approve in advance the provision of non-assurance services to the Company and its subsidiaries by	After the chair canvassed all attending committee members, this proposal was passed unanimously without	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.

		CPAs, their firms, and their affiliates and allied firms.	objection as proposed, and was submitted to the Board of Directors for resolution.	
		Proposal for the change of CPA due to internal adjustments in the accounting firm, the evaluation of their independence and competence, and the approval of their compensation.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on March 12, 2025, agreeing to pass as proposed.
May 8, 2025 (1st Session 12th Meeting)		Adopted the consolidated financial report of the Company for 1st Quarter 2025.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on May 8, 2025, agreeing to pass as proposed.
		Proposal for the amendment of the Company's 2024 earnings distribution.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on May 8, 2025, agreeing to pass as proposed.
		Proposal for distributing cash from capital surplus.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on May 8, 2025, agreeing to pass as proposed.

		Proposal for the proposed signing of a lease agreement with Formosa Pharmaceuticals Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on May 8, 2025, agreeing to pass as proposed.
August 14, 2025 (2nd Session 1st Meeting)		Adopted the consolidated financial report of the Company for Q2 2025.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on August 14, 2025, agreeing to pass as proposed.
		Proposal for Fund Lending to Synchem-Formosa, Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on August 14, 2025, agreeing to pass as proposed.
		Proposal for amendments to the "Seal Usage Management Measures".	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on August 14, 2025, agreeing to pass as proposed.
		Proposal for adjusting the comprehensive credit line for derivative financial instruments	After the chair canvassed all attending committee members, this proposal was passed	This proposal was passed by resolution of the Board of Directors on August 14, 2025, agreeing to

		applied for from banks.	unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	pass as proposed.
		Proposal for entering into a TSY-310 drug product (DP) manufacturing contract with Formosa Pharmaceuticals, Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on August 14, 2025, agreeing to pass as proposed.
November 13, 2025 (2nd Session 2nd Meeting)		Adopted the consolidated financial report of the Company for Q3 2022.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on November 13, 2025, agreeing to pass as proposed.
		Proposal for the 2026 operating plan.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on November 13, 2025, agreeing to pass as proposed.
		The 2026 total bank financing limit proposal.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the	This proposal was passed by resolution of the Board of Directors on November 13, 2025, agreeing to pass as proposed.

			Board of Directors for resolution.	
		Proposal for the proposed signing of patent intellectual property service agreement with Formosa Pharmaceuticals Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on November 13, 2025, agreeing to pass as proposed.
		Proposal for entering into a lease contract with Formosa Pharmaceuticals, Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on November 13, 2025, agreeing to pass as proposed.
		Proposal for Fund Lending to Synchem-Formosa, Inc.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on November 13, 2025, agreeing to pass as proposed.
		Proposal for the definition of the scope of the Company's grassroots employees.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on November 13, 2025, agreeing to pass as proposed.
		Proposal for amendments to the "Seal Usage	After the chair canvassed all attending committee	This proposal was passed by resolution of the Board of

	Management Measures".	members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	Directors on November 13, 2025, agreeing to pass as proposed.
	The 2026 internal audit work plan proposal.	After the chair canvassed all attending committee members, this proposal was passed unanimously without objection as proposed, and was submitted to the Board of Directors for resolution.	This proposal was passed by resolution of the Board of Directors on November 13, 2025, agreeing to pass as proposed.

(2) Other resolutions not approved by the Audit Committee but agreed upon by more than two-thirds of all directors: None.

2. When an independent director abstains due to being a stakeholder in certain proposals, the name of the independent director, the content of motion, reasons for abstentions, and the results of vote counts shall be stated: None.

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

(1) The independent directors reviewed the monthly internal audit reports and the quarterly audit follow-up reports.

(2) The audit supervisor attended 4 meetings of the Audit Committee in 2025 and presented business reports to the independent directors. They also provided comprehensive updates on the implementation and effectiveness of the audit work.

(III) The State of the Company's Implementation of Corporate Governance, Any Departure from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Such Departure

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
1. Has the Company established and disclosed a corporate governance best-practice principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"?	✓		The company has established its Corporate Governance Best Practice Principles and disclosed them on the Market Observation Post System and its official website.	No discrepancy.
2. Company Equity Structure and Shareholders' Equity (1) Has the Company established internal operating procedures to deal with shareholders' suggestions, concerns, disputes and litigation matters, and implement them accordingly?	✓		In addition to holding annual shareholders' meetings in compliance with regulations, the company has established an effective and timely communication mechanism with investors. The Company has also appointed a spokesperson and acting spokesperson to address matters related to shareholders' inquiries and concerns.	No discrepancy.
(2) Does the Company have a list of the names of the major shareholders who actually control the company and the ultimate controllers of the major shareholders?	✓		The company has engaged a professional shareholder services agency and assigned a dedicated officer to manage related affairs. The Company identifies significant shareholders and their ultimate controllers through the shareholder services agency's register of shareholders.	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
(3) Does the Company establish and implement risk management and firewall mechanisms between related companies?	✓		The company clearly delineates the management rights and responsibilities of personnel, assets, and finance between itself and its affiliate enterprises. Financial and business operations are independently conducted in accordance with the company's internal control system and related management measures.	No discrepancy.
(4) Has the Company established internal rules prohibiting Company insiders from trading securities using information not disclosed to the market?	✓		The Company has formulated the Rules of Procedure for Preventing Insider Trading to prohibit insiders from trading securities by using undisclosed information.	No discrepancy.
3. The composition and responsibilities of the board of directors (1) Has the board of directors drawn up policies on diversity of its members and implemented them?	✓		The company has developed the Corporate Governance Best Practice Principles and Procedures for the Selection of Directors, which advocate for a diverse composition of the Board of Directors. To achieve this goal, the Company will establish diversity guidelines tailored to the specific operational, business, and developmental requirements. These guidelines will include, but not be limited to, the following:	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>1. Basic conditions and values: gender, age, nationality, and culture, etc.</p> <p>2. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.</p> <p>To achieve the ideal goal of corporate governance, the overall capabilities that the board of directors should possess are: (1) Operational judgment ability; (2) Accounting and financial analysis skills; (3) Business management ability; (4) Crisis management capability; (5) Knowledge of the industry; (6) An international market perspective; (7) Leadership; (8) Decision-making ability.</p> <p>Among the 9 Directors of the Company's current (11th) Board of Directors, 5 (56%) have pharmaceutical (medical) or chemical backgrounds, and 4 (44%) have expertise in finance or business management, demonstrating that the Company's Board composition already possesses the basic qualifications, values, professional knowledge, and skills. Additionally, the</p>	

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>Company has 2 female Directors, accounting for approximately 22% of all Director seats. The Company plans to add one more female Director in coming future, bringing the total number of female Directors to three, which will represent 1/3 of all Director seats. This will not only enhance the diversity of Board members but also implement gender equality. Furthermore, Directors who concurrently serve as managers of the Company do not exceed one-third of all Director seats. The company also arranges various refresher courses for board members to enhance their decision-making abilities. The company will increase the number of independent director seats to four, which can not only enhance the functions of the Board of Directors, but also strengthen the supervisory and management functions. In summary, the Company's directors offer valuable professional advice from diverse perspectives, greatly enhancing the Company's operational performance and governance decisions. The diversity of board members is as follows:</p>	

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	<table border="1"> <thead> <tr> <th rowspan="3">Name</th> <th rowspan="3">Core Diversity Items</th> <th colspan="3">Basic Composition</th> <th colspan="7">Expertise and Skills Required of Directors</th> </tr> <tr> <th rowspan="2">Nationality</th> <th rowspan="2">Concurrently Serving as an Employee of the Company</th> <th colspan="3">Age</th> <th rowspan="2">The Ability to Make Judgments about Operations</th> <th rowspan="2">Accounting and Financial Analysis Skills</th> <th rowspan="2">Business Management Ability</th> <th rowspan="2">Crisis Management Capability</th> <th rowspan="2">Knowledge of the Industry</th> <th rowspan="2">An International Market Perspective</th> <th rowspan="2">Leadership</th> <th rowspan="2">Decision-Making Ability</th> </tr> <tr> <th><50</th> <th>50-60</th> <th>60-75</th> </tr> </thead> <tbody> <tr> <td>Cheng, Chen-Yu</td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Fang, Pei-Wei</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Shie, Hung-Min</td> <td></td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Lee, Chien-Hung</td> <td></td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Hu, Yi-Kan</td> <td>R.O.C.</td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Chen, Yi-Fen</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Lu, Ta-Jung</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Chaug, Tza-Zen</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Chang, Ting-Jung</td> <td></td> <td></td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table>											Name	Core Diversity Items	Basic Composition			Expertise and Skills Required of Directors							Nationality	Concurrently Serving as an Employee of the Company	Age			The Ability to Make Judgments about Operations	Accounting and Financial Analysis Skills	Business Management Ability	Crisis Management Capability	Knowledge of the Industry	An International Market Perspective	Leadership	Decision-Making Ability	<50	50-60	60-75	Cheng, Chen-Yu		✓			✓			✓	✓	✓	✓	✓	✓	Fang, Pei-Wei			✓						✓	✓	✓	✓	✓	Shie, Hung-Min				✓	✓	✓	✓	✓		✓	✓	✓	✓	Lee, Chien-Hung				✓	✓		✓	✓	✓	✓	✓	✓	✓	Hu, Yi-Kan	R.O.C.		✓		✓	✓	✓	✓	✓		✓	✓	✓	Chen, Yi-Fen					✓	✓	✓	✓	✓		✓	✓	✓	Lu, Ta-Jung					✓				✓	✓	✓	✓	✓	Chaug, Tza-Zen					✓				✓	✓	✓	✓	✓	Chang, Ting-Jung			✓		✓	✓	✓	✓	✓		✓	✓	✓
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(2) Other than the Remuneration Committee and the Audit Committee which are required by law, has the company voluntarily established other functional committees?	✓		The Company has established the Remuneration Committee, the Audit Committee, and the Sustainable Development Committee. In the future, the Company may establish additional functional committees based on operational requirements.	No discrepancy.																																																																																																																																																																	
(3) Has the company established a performance evaluation method and its evaluation method for the Board of Directors, conducted performance evaluations annually and regularly, and reported the results of	✓		The Company has established the “Board Performance Evaluation Measures” and has completed the performance evaluation of the Board of Directors, board members, Audit Committee and Remuneration Committee	No discrepancy.																																																																																																																																																																	

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
the performance evaluations to the Board of Directors, and applied them to reference the remuneration of individual directors and their nomination for re-election?			for the year 2025. The evaluation results were reported to the Board of Directors meeting on March 12, 2026 and used as a reference for the remuneration of individual directors and their nomination for re-election. The performance evaluation results have also been reported to the competent authority by March 19, 2026 in accordance with regulations.	
(4) Does the Company regularly evaluate the independence of its CPAs?	✓		1. The Company's CPA, at the Audit Committee and Board of Directors meetings held on March 12, 2026, explained the Audit Quality Indicators (AQIs) of PricewaterhouseCoopers Taiwan, reporting on the firm's annual audit quality indicator information according to five dimensions, specifically (1) Dimension One: Professionalism (audit experience, training hours, turnover rate, and professional support). (2) Dimension 2: Quality control (CPA workload, audit investment, case quality control review, and quality management support capability). (3) Dimension 3:	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>Independence (proportion of non-audit service fees and customer familiarity). (4) Dimension 4: Supervision (external inspection deficiencies and penalties, and improvement requests issued by the competent authority). (5) Dimension 5: Innovation capability. Through the above report, it is expected that by providing quantitative indicators of audit quality, it can assist the company, Audit Committee and Board of Directors to objectively evaluate the ability and commitment of the accounting firm and audit team in improving audit quality.</p> <p>2. Our company convened an Audit Committee and Board of Directors meeting on March 12, 2026, to discuss the independence and suitability of the certified public accountant. In addition to obtaining the "Statement of Independence of Certified Public Accountant" and evaluating based on the Statement of Professional Ethics No. 10 - "Integrity, Fairness, Objectivity and Independence", the attending members and directors also referred to</p>	

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>the Annual Audit Quality Indicators (AQIs) report provided by the certified public accountant, and resolved to approve the appointment and remuneration of the certified public accountant.</p> <p>3. The Company has not engaged the same signing certified public accountants for seven consecutive years. Furthermore, the signing certified public accountants have not been subject to any disciplinary sanctions, nor have there been any circumstances that would impair their independence.</p>	
4. Does the TWSE/TPEX listed company have an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer to be in charge of corporate governance affairs (including but not limited to providing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and	✓		<p>1. The Company appointed the Vice President of the Finance Department as the chief corporate governance officer by resolution of the Board of Directors on May 12, 2022.</p> <p>2. The main responsibilities of the corporate governance officer are to handle matters related to the board of directors and shareholders' meetings in accordance with the law, prepare minutes of the board of directors and shareholders' meetings, assist directors in taking office and continuing education, provide</p>	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
shareholders meetings according to laws, producing minutes of board meetings and shareholders meetings, etc.)?			directors with the information needed to carry out their duties, assist directors in complying with laws and regulations, report to the board of directors the results of reviewing whether the qualifications of independent directors meet the relevant laws and regulations during their nomination, election and tenure, handle matters related to changes of directors, and other matters stipulated in the company's articles of incorporation or contracts.	
5. Has the company established communication channels and a dedicated section for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) on its website to appropriately respond to important corporate social responsibility issues of concern to stakeholders?	✓		For shareholders and investors, the Company has set up a stakeholder section on its website which includes contact windows for various stakeholders, including investor relations and media contact persons, customer section, supplier section, employee section, corporate social responsibility mailbox, and reporting mailbox for violations of professional ethics. If there are any changes, they are updated immediately to ensure smooth communication channels with stakeholders. The Company conducts regular labor-management meetings for its internal employees and has established an opinion and	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			proposal mailbox on its intranet to facilitate communication channels for all employees to express their opinions or offer suggestions. These channels are managed by designated personnel.	
6. Does the company engage a professional shareholder services agency to handle shareholders meeting matters?	✓		The Company has delegated the Shareholder Services Department of KGI Securities to handle various shareholder services of the Company.	No discrepancy.
7. Information Disclosure (1) Has the Company set up a website to disclose financial, business and corporate governance information?	✓		The Company has established both Chinese and English websites and regularly updates information relating to its financial and business operations, as well as corporate governance matters, for reference by shareholders and the general public.	No discrepancy.
(2) Does the Company adopt other information disclosure methods (such as setting up an English website, designating a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, and placing the process of investor conferences	✓		The Company has set up a website in Chinese and English, and designated personnel are responsible for regularly updating the latest financial and business information, including material information, revenue information, annual reports and financial reports, and investor conference materials, for reference by shareholders and investors.	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
on the company website)?			The Company has appointed official spokespersons and designated acting spokespersons to ensure consistent communication protocols. Additionally, management and employees are required to maintain confidentiality regarding financial and business matters, and are prohibited from sharing information without proper authorization. The Company has displayed all pertinent information from previous investor conferences on its website for the benefit of investors and the general public.	
(3) Has the Company announced and filed its annual financial statements within two months after the end of the year, and announced and filed its first, second, and third quarterly financial statements and monthly operating conditions before the prescribed deadlines?		✓	The Company has yet to disclose and submit its annual financial report within the prescribed two-month period following the conclusion of the fiscal year. The company has reported financial statements and monthly operating conditions in a timely manner in compliance with the List of Business Matters for Issuers of Securities of Public Companies.	The company will continue to assess the possibility of publishing and submitting the annual financial report within two months following the conclusion of the fiscal year.
8. Does the Company have any other important information that helps to understand the operation of corporate governance	✓		The company has established an opinion and proposal mailbox on its intranet to allow all employees to express their	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
(including but not limited to employee benefits, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?			<p>opinions and offer suggestions. Furthermore, the company's website features a dedicated section for interested parties, complete with contact windows for investor relations and news inquiries, as well as separate sections for clients, suppliers, and employees. The website also includes a corporate social responsibility mailbox and a reporting mailbox for professional ethics violations</p> <p>The Company has also taken out liability insurance for its directors to effectively cover any losses the Company may suffer.</p>	
<p>9. Please describe the improvements made based on the latest Corporate Governance Evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange, and provide priority improvement measures and plans for items yet to be improved:</p> <p>(1) In the most recent Corporate Governance Evaluation (2025), the Company was ranked within the top 11%~20% among companies with a market capitalization between NT\$5 billion and NT\$10 billion. The items for which the Company did not receive full scores were primarily due to the shareholders' meeting not being convened by the end of May and the annual financial report not being announced within two months after the end of the fiscal year, among other factors.</p> <p>(2)The Company will continue to assess the feasibility of implementing the items that did not meet the required standards in 2026.</p>				

(IV) Remuneration and the Composition, Responsibilities and Operation Status of Nomination Committee:

1. Information about remuneration committee members

April 26, 2026

Criteria Name		Professional Qualifications and Experience	Independence Status	Number of positions as a Remuneration Committee Member in other public listed companies
Independent Director (convener)	Lu, Ta-Jung	Please refer to Page 16 (directors' information) of the Annual Report.	1. The independent director, his/her spouse, and relatives within the second degree of kinship do not serve as a director, supervisor, or employee of the Company or of an affiliate of the Company: None.	None
Independent Director	Chen, Yi-Fen	Please refer to Page 15 (directors' information) of the Annual Report.	2. The number and proportion of shares of the Company held by the independent director, his/her spouse, and relatives within the second degree of kinship or in the name of others: None.	None
Independent Director	Chang, Ting-Jung	Please refer to Page 18 (directors' information) of the Annual Report.	3. The independent director is not a director, supervisor, or employee of an enterprise that has a specific relationship with the Company: None. 4. The independent director has not provided commercial, legal, financial, accounting and other services to the Company or its affiliated enterprises in the last two years: None.	None

2. Information on the Operations of the Remuneration Committee

(1) The company's Compensation and Remuneration Committee consists of 3 members.

(2) The term of the commissioners: Committee members is from Jun 20, 2025 until Jun 20, 2028. The Committee has convened 2 meetings (A) during the most recent year (2025). The qualification and participation of the commissioners are listed below:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Convener	Lu, Ta-Jung	2	0	100%	
Commissioner	Chen, Yi-Fen	2	0	100%	
Commissioner	Chang, Ting-Jung	2	0	100%	

Other matters that should be recorded:

1. If the board meeting does not adopt or revise the Remuneration committee’s proposals, the board meeting’s date, period, motion contents, and resolution decisions as well as the method in which the company handles the Remuneration committee’s opinions shall be disclosed in detail (e.g., if the salary rate adopted by the board committee is superior to that proposed by the remuneration committee, the differences and reasons shall be explained): None.

2. If there are objections or reservations by the members that have been recorded in writing during the Remuneration Committee resolution, the Remuneration Committee meeting’s date, period, motion content, the opinions of all members, and treatment of the member’s opinions must be disclosed in detail: None.

3. Terms of Reference of the Remuneration Committee

The Committee members must exhibit due diligence as competent managers to carry out the following responsibilities and present their proposals to the Board of Directors for deliberation:

- (1) Evaluate and supervise the Company’s overall remuneration policies.
- (2) Establish and periodically review policies, systems, standards, and structures for the performance evaluation and remuneration of directors, supervisors, and managers.
- (3) Evaluate and determine the remuneration of directors, supervisors, and managers on a regular basis.

The Committee shall perform the above duties in accordance with the following principles:

- (1) When assessing the performance and compensation of the Company’s directors, supervisors, and managers, the Committee will consider the pay levels of similar companies and evaluate the appropriateness of the correlation between compensation and individual performance, the Company’s business performance, and future risk exposure.
- (2) It shall not incentivize directors or managers to engage in activities that pursue remuneration beyond the Company’s risk tolerance.
- (3) When determining the ratio of bonus payout based on the short-term performance of its directors and senior management, as well as the time for payment of the variable part of remuneration, the Company shall take into consideration the characteristics of the industry and the nature of its business.

(4) Discussion reasons and decision results of the Remuneration Committee, as well as the Company's response to members' feedback:

Session / Date	Content of proposal	Resolution result:	The Company's handling of the Remuneration Committee's recommendations
5th Session 7th Meeting / May 8, 2025	Proposal for the appointment of Vice President Tsai, Chia-Ling of the Legal Department and the promotion of	After deliberation by all members present, this motion was approved as proposed without objection and submitted to the Board of Directors for	Submitted to the 10th meeting of the 10th-term Board of Directors on May 8, 2025, this proposal was unanimously approved by all directors present

	Tseng, Hui-Yuan, Section Manager of the Sales Department's Pharmaceutical and Contract Manufacturing Business Development Section to Associate Vice President.	resolution.	without objection.
	Proposal for the Distribution of Business Bonuses for the API Team Managers for Q4 2024	After deliberation by all members present, this motion was approved as proposed without objection and submitted to the Board of Directors for resolution.	Submitted to the 10th meeting of the 10th-term Board of Directors on May 8, 2025, this proposal was unanimously approved by all directors present without objection.
	Proposal for the review of directors' performance evaluation and 2024 directors' remuneration distribution plan.	After deliberation by all members present, this motion was approved as proposed without objection and submitted to the Board of Directors for resolution.	Submitted to the 10th meeting of the 10th-term Board of Directors on May 8, 2025, this proposal was unanimously approved by all directors present without objection.
	Reviewed the proposed plan for the payment of remuneration to managers in 2024.	After deliberation by all members present, this motion was approved as proposed without objection and submitted to the Board of Directors for resolution.	Submitted to the 10th meeting of the 10th-term Board of Directors on May 8, 2025, this proposal was unanimously approved by all directors present without objection.
6th Session 1st Meeting /November 13, 2025	Proposal for the appointment of Wu, Chun-Lien, Senior Associate Vice President of the Quality Control Department, and the promotion of Chen, Hung-	After deliberation by all members present, this motion was approved as proposed without objection and submitted to the Board of Directors for resolution.	This proposal was reported to the 11th Session 4th Meeting (November 13, 2025) of the Board of Directors.

	Cheng of the Engineering Department's Engineering Section to Associate Vice President.		
	Proposal for the distribution of bonuses to managers for the 2024 CDMO business, the Q1 and Q2 2025 API Team business, and the H1 2025 CDMO business.	After deliberation by all members present, this motion was approved as proposed without objection and submitted to the Board of Directors for resolution.	This proposal was submitted to the 11th Session 4th Meeting (November 13, 2025) of the Board of Directors for discussion, and was approved as proposed without objection by all directors present.
	Proposal for the distribution of R&D bonuses to managers for the Mifepristone NDSRI project.	After review by all attending committee members, this proposal was passed unanimously without objection as proposed.	Not applicable.
	Performance evaluation and year-end bonus plan for managers.	After deliberation by all members present, this motion was approved as proposed without objection and submitted to the Board of Directors for resolution.	This proposal was submitted to the 11th Session 4th Meeting (November 13, 2025) of the Board of Directors for discussion, and was approved as proposed without objection by all directors present.
	Proposed annual salary adjustment plan for managers.	After deliberation by all members present, this motion was approved as proposed without objection and submitted to the Board of Directors for resolution.	This proposal was submitted to the 11th Session 4th Meeting (November 13, 2025) of the Board of Directors for discussion, and was approved as proposed without objection by all directors present.
	Proposal to amend the "Employee Compensation	After deliberation by all members present, this motion was	This proposal was submitted to the 11th Session 4th Meeting

	Management Procedures."	approved as proposed without objection and submitted to the Board of Directors for resolution.	(November 13, 2025) of the Board of Directors for discussion, and was approved as proposed without objection by all directors present.
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3. Information on the Members and Operation of the Nomination Committee: Not applicable as the Company has not established a Nomination Committee.

(V)Departure from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure

1.Deviations from the Sustainable Development Best Practice Principles, and the reasons therefore:

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
1.Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, which is managed by senior executives as authorized by the board of directors, and supervised by the board of directors?	✓		<p>1. In order to implement energy conservation and carbon reduction, fulfill corporate social responsibility, and strengthen corporate governance, the Company has established a Sustainable Development Committee by resolution of the Board of Directors on May 12, 2022. The Sustainable Development Committee currently has three members, including two independent directors.</p> <p>2. The functional teams of the Sustainable Development Committee: In line with the spirit of sustainable development, the Committee designates relevant personnel to form executive teams such as the ESG Team, Risk Management Team, and Integrity Management Team in accordance with the resolutions or instructions of the Sustainable Development Committee to serve as the main promotion units for sustainable development. Their scope of work covers the three major aspects of sustainable environment (E, Environmental), social welfare (S,</p>	No discrepancy.

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>Social) and corporate governance (G, Governance).</p> <p>3. Supervision of the Board of Directors The ESG Team reported to the Board of Directors on March 12, May 8, August 14, and November 13, 2025, regarding the status of the Company's sustainability initiatives, including greenhouse gas inventory and verification. In addition to expressing their agreement with the implementation of the sustainability initiatives as presented, the attending directors also provided specific and constructive recommendations.</p>	
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		In order to establish a robust risk management system, mitigate operational risks, ensure sustainable and stable development, and achieve our goal of sustainability, our Company has developed Risk Management Policies and Procedures. These policies are based on the principle of materiality and include risk identification, analysis, evaluation, response, and supervision and review related to the economic, environmental, social, and other aspects of our operations. The policies were submitted to the Board of Directors for approval.	No discrepancy.
3. Environmental Issues (1) Does the Company establish a suitable environmental management system based on the characteristics of its	✓		1. In order to attain optimal environmental performance, comply with relevant laws and regulations, adhere to the Company's environmental policies, and strive for	No discrepancy.

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
industry?			<p>continuous improvement, the Company has implemented an environmental management system modeled after the ISO14000 environmental management system.</p> <p>2. The company has implemented a comprehensive environmental management system tailored to the industry's unique characteristics and operational requirements. This system has been verified by ISO14001 and ISO45001 (latest valid period: 2026.07).</p> <p>3. The establishment of an appropriate environmental management system by the Company based on the characteristics of the relevant industry.</p> <p>4. The Company maintains the work environment and natural environment in accordance with relevant environmental, health and safety laws and regulations such as the Occupational Safety and Health Act, Building Act, Fire Services Act, and Toxic and Concerned Chemical Substances Control Act, and reports in accordance with the law.</p>	
(2) Is the Company committed to improving resource utilization efficiency and using recycled materials with low environmental impact?	✓		The Company continues to promote energy conservation and carbon reduction, and is committed to improving the efficiency of various resource utilization, such as re-zoning the lighting throughout the plant, gradually replacing traditional lighting	No discrepancy.

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure																								
	Yes	No	Abstract																									
			fixtures with LED lights, replacing old chilled water units in the plant area to improve equipment efficiency, replacing inverter air conditioners, changing aeration tank blowers to air flotation type, and implementing clean room energy-saving measures and solar panel green electricity installations.																									
(3) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures to address climate-related issues?	✓		The greenhouse effect has caused significant changes to the global climate, and its impact is becoming more severe. This poses potential risks to the sustainable operation of enterprises. To address this issue, our Company has implemented various measures to save energy, reduce carbon emissions, and optimize the use of energy equipment. These efforts aim to lower the potential risks caused by climate change.	No discrepancy.																								
(4) Does the Company collect data on greenhouse gas emissions, water consumption, and total weight of waste over the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?	✓		<p>1. The following are the Company's statistics on greenhouse gas emissions, water consumption, and total waste weight over the past two years. The disclosed information pertains solely to the Company and excludes any reinvestment companies.</p> <p>(1) Greenhouse gas emissions</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Category</th> <th>Total (tCO₂e)</th> <th>Carbon emission intensity (tCO₂e/turnover of NT\$1,000,000)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">113</td> <td>Scope 1</td> <td>9,592.5913</td> <td>2.0830</td> </tr> <tr> <td>Scope 2</td> <td>27,536.7456</td> <td>5.9795</td> </tr> <tr> <td>Total</td> <td>37,129.3369</td> <td>8.0625</td> </tr> <tr> <td rowspan="3">114</td> <td>Scope 1</td> <td>9,018.4167</td> <td>1.8627</td> </tr> <tr> <td>Scope 2</td> <td>26,688.8544</td> <td>5.5122</td> </tr> <tr> <td>Total</td> <td>35,707.2711</td> <td>7.3749</td> </tr> </tbody> </table>	Year	Category	Total (tCO ₂ e)	Carbon emission intensity (tCO ₂ e/turnover of NT\$1,000,000)	113	Scope 1	9,592.5913	2.0830	Scope 2	27,536.7456	5.9795	Total	37,129.3369	8.0625	114	Scope 1	9,018.4167	1.8627	Scope 2	26,688.8544	5.5122	Total	35,707.2711	7.3749	No discrepancy.
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Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure																					
	Yes	No	Abstract																						
			<p>Note: For Scope 2 indirect emissions in 2023 and 2024 shown in the above table, the electricity emission factor for 2024 was used for calculation.</p> <p>(2) Total water consumption</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water consumption (m³)</th> <th>Recovery rate (%)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>542,421</td> <td>31.53</td> </tr> <tr> <td>2025</td> <td>435,397</td> <td>36.04</td> </tr> </tbody> </table> <p>Currently, the Company utilizes tap water as its primary source of water. This water is primarily used for process water, replenishing cooling water towers, producing pure water, providing boiler water, and supplying domestic water. Through process water recycling and reuse, the Company's recycled and reused water amount in 2024 was 171,025 m³ per year, accounting for 31.53% of the annual water consumption. In 2025, the recycled and reused amount was 156,742 m³ per year, accounting for 36.04% of the annual water consumption. The water recycling rate increased by 4.51% compared with 2024.</p> <p>(3) Total weight of waste</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Hazardous waste (metric ton)</th> <th>Non-hazardous waste (metric ton)</th> <th>Total (metric ton)</th> </tr> </thead> <tbody> <tr> <td>113</td> <td>540.37</td> <td>1,006.07</td> <td>1,546.44</td> </tr> <tr> <td>114</td> <td>389.69</td> <td>957.26</td> <td>1,346.95</td> </tr> </tbody> </table> <p>The Company enhances effective resource reuse and continues to adopt waste reduction management measures to decrease waste output. Despite the increase in main product orders and higher production line operation rates in 2025, there is a decreasing trend in</p>	Year	Total water consumption (m ³)	Recovery rate (%)	2024	542,421	31.53	2025	435,397	36.04	Year	Hazardous waste (metric ton)	Non-hazardous waste (metric ton)	Total (metric ton)	113	540.37	1,006.07	1,546.44	114	389.69	957.26	1,346.95	
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Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>waste output compared to 2024.</p> <p>2. The Company is committed to reducing the environmental impact of its operations and implements company-wide energy conservation and carbon reduction programs, linking them with the key performance indicators (KPIs) of each department and setting targets and implementing projects. Implementation plan and specific measures for energy conservation and carbon reduction:</p> <ul style="list-style-type: none"> ▪Rezone and optimize the factory lighting by gradually replacing conventional lamps with LED tubes. ▪Setting the air-conditioning temperature at 26°C or installing circulating fans to reduce air-conditioning use; inspecting the air-conditioning status of the plant area and replacing with inverter-type air conditioners. ▪Reduce the number of stops made by some elevators in the factory. ▪Check and confirm the efficiency of water chillers. ▪Strengthen the inspection of laboratories and close the ventilation cabinets and the external doors of each section. ▪Replace the outdated water chillers in the factory to enhance equipment efficiency and achieve energy savings and carbon reduction. ▪Installing inverters on the water-cooled air compressors at the fermentation plant to reduce operating load and save electricity. 	

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<ul style="list-style-type: none"> ▪The first phase of the solar power generation system was completed and commissioned in mid-June 2023, and the second phase was commissioned in January 2025. Annually, 863,472 kWh of green electricity is used, reducing carbon emissions by 427.4186 metric tons CO2e. ▪The Company applied for the Ministry of Environment's "Voluntary Reduction Plan," which was approved by the competent authority in November 2025. The reduction project is currently being implemented, and in the future, this will substantially reduce the Company's carbon fee burden. 	
<p>4. Social Issues</p> <p>(1) Does the Company formulate appropriate management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	✓		<p>The Company adheres to the Labor Standards Act and other applicable labor laws and regulations. Additionally, we have established the Measures for the Prevention of Illegal Infringement in the Workplace to safeguard the labor rights, workplace safety, and work rights of our employees. Furthermore, the Company ensures equal and fair treatment of all employees in regards to employment, terms and conditions, compensation, benefits, training, performance evaluations, and promotion opportunities. We do not discriminate based on sex, nationality, race, socio-economic status, age, marital or family status.</p> <p>The Company supports and respects the protection of internationally</p>	No discrepancy.

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>recognized human rights. In addition to strictly abiding by relevant government regulations, based on the understanding of international human rights norms, it refers to internationally recognized human rights norms, including the Universal Declaration of Human Rights, The United Nations Global Compact (UNGC), and the Declaration of Fundamental Principles and Rights at Work of the International Labour Organization, to formulate human rights policy guidelines and require supply chain partners to follow the same principles, treating and respecting all stakeholders fairly and with dignity.</p> <p>The Company regularly holds labor-management coordination meetings every quarter, and ad hoc meetings can be held when necessary to conduct two-way communication and consultation on topics such as promoting labor-management cooperation, harmonious labor relations, and labor welfare planning. The results of the meeting communication apply to all employees. In 2025, a total of 4 regular labor-management meetings were held.</p> <p>The Company and its suppliers are not exposed to any significant risks or situations involving discrimination, child labor, forced labor, or other violations of labor rights.</p>	
(2) Does the Company	✓		1. The Company places great	No

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
formulate and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect operating performance or results in employee remuneration?			<p>importance on gender equality. Presently, female employees comprise 33% of the total workforce, and 8 of the senior executives are women, representing 47%.</p> <p>2. The Company has closely integrated its corporate visions and strategies, department management objectives, individual work responsibilities, and performance output based on its organizational culture and management system. To achieve this goal, the Company has formulated numerous employee reward schemes and appropriately associated business performance or results with employee remuneration to motivate and reward its staff.</p> <p>(1) Relationship between Performance Grade and Employees' Annual Performance The Company has established "Employee Performance Evaluation Measures" as a reference basis for employee promotion, salary adjustment, and bonus distribution. Employees set personal goals at the end of the previous year or the beginning of the current year, which are reviewed by supervisors and then implemented. Performance goals may be adjusted quarterly as needed. At the end of the period, employees conduct self-evaluations on their annual performance achievement and competency demonstration, which are then reviewed by supervisors. The Human Resources Department compiles the annual performance evaluation data for review and</p>	discrepancy.

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>approval by department managers and the President, which serves as a reference basis for the distribution of annual performance bonuses.</p> <p>(2) Relationship between Performance Bonus and Revenue Targets The Company has formulated the Rules for the Payment of Performance Bonus to motivate all employees to achieve revenue targets, ensure product quality and improve production efficiency, which is applicable to the staff of the Company. The Rules stipulates that at the end of each quarter, the Finance Department shall settle the revenue status and allocate 3% - 10% of net operating profit as performance bonus for all employees, based on the ratio of the revenue achieved to the revenue target.</p> <p>(3) Relationship between Employee Stock Ownership Plans (ESOP) and Business Growth of the Company. The company has established the Employee Stock Ownership Plans Committee, which regular employees are eligible to join. Employees may withdraw 3% or more of their remuneration from their monthly salary accounts, and the Company also makes a monthly contribution equivalent to 3% of employees' salaries as an incentive into the employee stock ownership trust account.</p>	
(3) Does the Company provide a safe and healthy work	✓		1. In order to prevent occupational accidents, ensure the safety of all	No discrepancy.

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
environment for employees and regularly implement employee safety and health education?			<p>employees and all contractors and partners, and provide a safe and healthy work environment, the Company has passed ISO45001:2018, CNS45001:2018 and ISO14001:2015 certification in December 2023.</p> <p>2. The Company provides employees with the following work safety and health items:</p> <p>(1) Safe working environment</p> <p>A. Self-testing</p> <p>Prepare implementation plans. In addition to conducting regular self-inspections for noise every six months and illuminance inspections once per year, the Company will promptly conduct inspections after evaluating any changes in the manufacturing process and if there are noticeable abnormalities in the working environment, employee discomfort, workplace leaks, or abnormal odors during work.</p> <p>B. Outsourced testing</p> <p>The inspection will be carried out every six months, following the legal requirements outlined in the Implementation Measures for Environmental Monitoring of Labor Operations. If there are any noticeable abnormalities in the working environment or if employees are experiencing discomfort due to changes in the</p>	

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>manufacturing process, an outsourcing inspection should be conducted promptly following an evaluation.</p> <p>(2) Annual employee health examinations are conducted, with additional examination items added for personnel engaged in special operations and personnel in high-toxicity plants. This urges employees to engage in self-health management and analyzes abnormal trends in employee health indicators. In addition to fitness-for-work review and assessment, corresponding health promotion activities (at least one session) are held annually for items with abnormally high ratios.</p> <p>(3) Professional nursing personnel and resident plant physicians are stationed on site to provide employees with prevention and treatment of occupational and general injuries and diseases, health consultation, and first aid and emergency handling.</p> <p>(4) Fire drill education (including independent emergency response drills, advanced emergency response equipment training, emergency evacuation drills) and fire alarm testing are regularly conducted every year.</p> <p>(5) Annual occupational safety and health education and training courses</p>	

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>are held to establish crisis awareness and ensure that employees pay attention to their own personal safety when performing their duties.</p> <p>(6) Annual respiratory protective equipment education and training and fit testing are conducted to ensure that the face shapes of employees using respiratory protective equipment match the masks they wear, providing effective protection.</p> <p>3. Occupational disaster status and response planning</p> <p>(1) 2025 Occupational Disaster Status In 2025, the Company experienced a total of 14 occupational accident incidents, with 14 injured personnel (including those with work injury leave \leq 1 day), accounting for 1.54% of the annual monthly average of 909 employees.</p> <p>(2) Strategic Planning for 2026 Promoting the zero-disaster billboard to challenge the goal of zero disasters: In addition to occupational disaster education and training and strengthening patrol and audit, risk management uses VOC and fire source management reduction, and damage prevention (strengthening firefighting facilities, reducing fire load/centralized fire load control, and preventing fire spread) as countermeasures to achieve targets.</p>	

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			<p>4. Fire Incidents in 2025 and Improvement Measures</p> <p>(1) Fire incidents The types were combustion (alcohol lamp rupture causing ignition, flash combustion when cleaning vessels with water-reactive substance residues, electrical panel short-circuit fire caused by water leakage in the building, smoldering of incompatible experimental waste (2 cases), and static electricity igniting E-HEX), for a total of 6 cases.</p> <p>(2) Improvement measures</p> <p>A. The daily inspection items at fire source locations were updated to add the appearance of alcohol lamps and regular replacement.</p> <p>B. The cleaning of vessels with water-reactive substance residues was changed to closed operations (glove boxes), and cleaning operations were strengthened with ventilation and static electricity protection management.</p> <p>C. The expansion joints of the building were filled, and a plant-wide inventory of existing buildings was conducted, with the schedule arranged for building waterproofing works.</p> <p>D. Safe waste handling procedures have been established.</p>	

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			E. Ventilation efficiency was strengthened and explosion-proof electrical equipment was replaced.	
(4) Does the Company establish an effective career development training program for employees?	✓		<p>The Company is committed to cultivating talent and refining employee capabilities. From new employee training, professional skills required for each position, to mid-to-senior management leadership capability training, dedicated personnel design empowerment projects. Through diversified learning channels such as classroom teaching, online learning videos, and digital learning platforms, supplemented by a teaching satisfaction feedback mechanism, the Company continues to refine and manage its training plans.</p> <p>In 2025, a total of 560 internal training courses and external education and training courses applied by employees were held, with a total of 3,236 participants in internal education and training courses and 255 participants in external training courses subsidized by the company, totaling 3,491 participants in education and training courses. The average training hours per employee was 3.17 hours, with an average of 3.17 hours for male employees and 3.16 hours for female employees.</p>	No discrepancy.
(5) Regarding issues such as customer health and safety for products and services, customer privacy, marketing and labeling, does the company follow relevant regulations and	✓		The Company regards customer feedback as an important basis for refining the development of relationships, and understands customer needs through multiple channels, including video conferences, business visits, and exhibitions. From customer visits, customer needs are	No discrepancy.

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
international standards, and formulate relevant policies and complaint procedures to protect consumer or customer rights and interests?			<p>first investigated. If there are service deficiency issues, the related units are consulted for understanding, and Corrective and Preventive Actions (CAPA) are provided to explain to customers.</p> <p>To provide complete customer service and maintain good product quality, when customer complaint cases occur, the Company conducts a two-stage investigation plan, investigation results, and investigation conclusions, clarifying issues at each stage to establish subsequent preventive measures, stabilizing product quality and reducing the risk of problem occurrence. In addition, for related activities conducted by the Company in accordance with GMP operating procedures, if abnormal situations occur and customer complaints are initiated by the customer, they are all handled in accordance with operating procedures.</p>	
(6) Does the Company formulate supplier management policies to require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and what is the implementation status?	✓		<p>The Company requires its main raw material suppliers to sign the "Hazardous Substances Use Declaration" and the "Conflict Minerals Non-Use Declaration," conducts supplier qualification and assessment in accordance with SOP, and incorporates this policy as a mandatory item in supplier procurement management, requiring main raw material suppliers to commit that the products or components they supply, their corporate governance, and their worker human rights protection comply with the Company's ESG management philosophy. For suppliers that fail to meet the requirements, the</p>	No discrepancy.

Promoting Item	Implementation Status			Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			Company also actively assists them in implementing improvement plans. If there is a violation of the relevant regulations, the Company may assert termination or rescission of the contract to reduce supply chain risks.	
5. Does the Company refer to internationally accepted reporting standards or guidelines to prepare reports that disclose non-financial information such as sustainability reports? Has the aforementioned report obtained the assurance or verification opinion of a third-party verification unit?	✓		<p>The Company has compiled and issued a 2024 sustainability report. This report is compiled in accordance with the 2021 version of the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards), and a GRI content index is provided in the appendix</p> <p>The Company's 2024 sustainability report has obtained assurance from the verification company (AFNOR Asia Ltd) based on the AA 1000 Assurance Standard, using Type 1 and Moderate Assurance level as the verification basis, ensuring that the contents of this report comply with the GRI Standards and the AA1000AP (2018) Accountability Principles.</p>	No discrepancy.
6. If the Company has established its own sustainable development code in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the established code: The Board of Directors has approved the Sustainable Development Best Practice Principles which the Company formulated. The implementation of corporate social responsibility aligns with the Principles without any significant deviation.				
7. Other important information that helps to understand the implementation of sustainable development: For the Company's sustainable development promotion, please refer to the Company's website - Implementation of Sustainable Development and Sustainability Report: (https://www.formosalab.com/tw/sustainability)				

2. Climate-related Information for TWSE/TPEX Listed Companies

Item	Execution Status
<p>1. Describe the Board of Directors' and management's supervision and governance of climate-related risks and opportunities.</p>	<p>The Sustainable Development Committee collaborates with senior executives from various departments to jointly assess the risks posed to the Company by climate change and global warming. The Committee prioritizes these risks based on materiality, formulates corresponding response strategies, management guidelines, and implementation plans, and conducts regular reviews of the results.</p>
<p>2. Describe how the identified climate risks and opportunities affect the enterprise's business, strategy, and finances (short-term, medium-term, and long-term).</p>	<p>Risks and opportunities focus more on policy and regulatory requirements, including content on energy resources and carbon reduction requirements, and their impact on the Company's business, strategy and finance, as described below:</p> <ol style="list-style-type: none"> 1. Business Pressure and requirements from customers, focusing on disclosure of carbon emissions and carbon footprint, the Company has successively established related operations and obtained third-party verification statements in 2023. Reduce customer impact. 2. Strategy <ol style="list-style-type: none"> (1) Initial introduction of carbon inventory to understand own carbon emissions. (2) Medium and long term goal - Set reduction targets, implement reduction strategies, and achieve carbon neutral operations. (3) Current operations: To achieve the goal of energy conservation and carbon reduction, the Company has assessed the changes in plant electricity consumption and electricity prices, and has built renewable energy power generation equipment. 3. Finance Due to the implementation of relevant energy conservation and carbon reduction countermeasures, it will directly or indirectly increase the Company's operating costs.
<p>3. Describe the impact of extreme climate events and transition actions on finances.</p>	<p>Extreme weather events, such as droughts, floods, heatwaves, and cold snaps, can significantly affect the Company's sustainable operations. Additionally, the risks associated with transitioning to a low-carbon economy are as follows:</p> <ol style="list-style-type: none"> 1. Policy and Regulatory Risks With the increasing global focus on

Item	Execution Status
	<p>environmental issues, low-carbon initiatives are becoming more prevalent. As a result, policies, climate-related lawsuits, and regulations related to climate change are emerging more frequently.</p> <p>(1) Recent initiatives such as the U.S. Clean Competition Act (CCA) and the European Union's Carbon Border Adjustment Mechanism (CBAM) will inevitably change operational costs for businesses.</p> <p>(2) In 2026, the first batch of carbon tax will be levied on domestic enterprises (taxing full-year carbon emissions for 2025), which will inevitably increase operating costs.</p> <p>(3) Regarding energy and resources, domestic water resources are occasionally at risk of shortage; electricity costs also show an increasing trend year by year. Water resource and electricity usage and management will inevitably impact business operations and increase costs.</p> <p>2. Technology Risk Renewable energy technology remains a popular topic. However, the Company's investment in solar power has not yielded the expected conversion efficiency, likely due to climate or other factors, resulting in sunk costs.</p> <p>3. Market Risk Due to the increasing global focus on low-carbon initiatives, shifts in supply and demand, and evolving consumer preferences, investors and clients are now seeking low-carbon products. In order to remain competitive, companies must adapt their offerings to meet these market demands. This requires a transformation of commodities.</p> <p>4. Reputation Risk Clients and communities are increasingly concerned with whether enterprises are committed to low-carbon transformation. If our Company appears indifferent to our contribution to global warming, we risk being perceived as a destroyer of the environment and ecology, which could have a negative impact on our reputation.</p>
4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	The Company's internal risk management system includes risk identification, analysis, assessment, response monitoring, and review operations. Each operation clearly specifies the

Item	Execution Status
	scope direction, quantitative assessment mechanism, and direction formulation that can be adopted for risk response. Finally, through the Sustainable Development Committee's review and explanation of the management operation status at the annual Board of Directors meeting, all of these can meet the practical operational needs of climate risk management processes and methods, and have been integrated into the Company's "Risk Management Policy and Procedures."
5. If scenario analysis is used to assess resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used should be explained.	The form used for climate change risk evaluation employs a situational approach and hypothetical evaluation, taking into account potential risk measurement. This method provides a quantitative and analytical basis for the parameters, allowing for assessment of the financial impact of the risk level and subsequent response.
6. If there is a transition plan to respond to and manage climate-related risks, the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks should be explained.	<p>Climate change will first affect the use of energy resources. For this reason, the Company will invest in renewable energy solar power systems with low-carbon technology for energy acquisition. The description is as follows:</p> <ol style="list-style-type: none"> 1. Indicators and targets for transition risks: <ol style="list-style-type: none"> (1) Goal: low-carbon transformation of energy resources. (2) Indicate: Power above 600KW shall be supplied by renewable energy. 2. Physical risks: <ol style="list-style-type: none"> (1) Regulatory requirements, carbon tax collection (cap-and-trade), increasing operating costs. (2) Imbalance in electricity supply and demand, affecting production and reducing competitiveness. (3) Large carbon emissions; without energy efficiency management measures, investor willingness is low. 3. Transition Plan <ol style="list-style-type: none"> (1) Short-term <p>The first phase of the solar power generation system was completed and commissioned in mid-June 2023, and the second phase was commissioned in January 2025. Annually, 863,472 kWh of green electricity is used, reducing carbon emissions by 427.4186 metric tons CO₂e, conducting energy efficiency management on energy reduction</p>

Item	Execution Status
	<p>and reducing environmental impact.</p> <p>(2) Medium and long-term Based on the carbon inventory and carbon footprint, the Company has calculated its carbon emissions and has increased its demand for solar energy system power generation. Despite the increased capital investment, the Company will reduce operating costs and lower risks in the long run, thereby enhancing competitiveness and improving its corporate image. Completed the 2022 - 2024 greenhouse gas inventory and carbon footprint inventory, and obtained third-party verification statements.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.</p>	<p>In order to effectively address the impact of climate change, our Company has implemented programs related to greenhouse gas inventory and product environmental footprint. These initiatives allow us to collect and analyze data on our carbon emissions and product carbon footprint. Moving forward, we plan to gradually implement internal carbon pricing, promote low-carbon production processes, conduct technology research and development, and adjust our internal supply chain to support the transition to a low-carbon economy.</p>
<p>8. If climate-related targets have been set, the activities covered, the greenhouse gas emission scopes, the planning timeline, and the annual progress achieved should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of the carbon reduction credits offset or the quantity of renewable energy certificates (RECs) should be explained.</p>	<p>Climate change-related targets</p> <p>1. Related Goals and Timeline</p> <p>(1) Short-term goal: Implement carbon inventory to understand our own carbon emissions.</p> <p>(2) Medium and long term goal - Set reduction targets, implement reduction strategies, and achieve carbon neutral operations. The current reduction target is an annual electricity savings rate of 1%. The first phase of the solar power generation system was completed and commissioned in mid-June 2023, and the second phase was commissioned in January 2025. Annually, 863,472 kWh of green electricity is used, reducing carbon emissions by 427.4186 metric tons CO₂e.</p> <p>2. Greenhouse Gas Emission Scopes The greenhouse gas emission scopes are primarily based on the requirements of the government's Ministry of Environment and the Financial Supervisory Commission, and refer to ISO-14064 and related regulations.</p>

Item	Execution Status
	Currently, we disclose Scope 1, which refers to direct emissions from processes or facilities; and Scope 2, which refers to indirect emissions from energy use, primarily from purchased electricity, heat, or steam.
9. Greenhouse gas inventory and verification status, reduction targets, strategies and specific action plans	Please see the following table

3. The Company's Greenhouse gas Inventory and Verification Status for the Most Recent two Years

(1) Greenhouse Gas Inventory Information

<p>Basic Information of the Company</p> <input type="checkbox"/> Companies, steel business, and cement business with paid-in capital of more than NT\$10 billion <input type="checkbox"/> Companies with a paid-in capital of NT\$5-10 billion. <input checked="" type="checkbox"/> Companies with a paid-in capital of less than NT\$5 billion	<p>Pursuant to the requirements of the Sustainable Development Roadmap of TWSE/TPEX Listed Companies, the following shall be disclosed</p> <input checked="" type="checkbox"/> Parent company individual inventory <input type="checkbox"/> Consolidated financial report subsidiary inventory <input type="checkbox"/> Parent company individual verification <input type="checkbox"/> Consolidated financial report subsidiary verification
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Year	2024			
Scope 1	Total emissions (tCO ₂ e)	Density (tCO ₂ e/turnover of NT\$1,000,000) (Note 2)	Assurance organization	Statement of assurance (Note 3)
Formosa Laboratories, Inc.	9,592.5913	2.0830	SGS Taiwan Ltd.	Completed verification in June 2025
Total	9,592.5913	2.0830		
Scope 2	Total emissions (tCO ₂ e)	Density (tCO ₂ e/turnover of NT\$1,000,000) (Note 2)	Assurance organization	Statement of assurance (Note 3)
Formosa Laboratories, Inc.	27,536.7456	5.9795	SGS Taiwan Ltd.	Completed verification in June 2025
Total	27,536.7456	5.9795		
Scope 3	Total emissions (tCO ₂ e)	Density (tCO ₂ e/turnover of NT\$1,000,000) (Note 2)	Assurance organization	Statement of assurance (Note 3)

Formosa Laboratories, Inc.	115,491.9382	25.0787	SGS Taiwan Ltd.	Completed verification in June 2025
Total	115,491.9382	25.0787		
Year	2025			
Scope 1	Total emissions (tCO ₂ e)	Density (tCO ₂ e/turnover of NT\$1,000,000) (Note 2)	Assurance organization	Statement of assurance (Note 3)
Formosa Laboratories, Inc.	9,018.4167	1.8627	SGS Taiwan Ltd.	Validation is expected to take place in June 2026
Total	9,018.4167	1.8627		
Scope 2	Total emissions (tCO ₂ e)	Density (tCO ₂ e/turnover of NT\$1,000,000) (Note 2)	Assurance organization	Statement of assurance (Note 3)
Formosa Laboratories, Inc.	26,688.8544	5.5122	SGS Taiwan Ltd.	Validation is expected to take place in June 2026
Total	26,688.8544	5.5122		
Scope 3	Total emissions (tCO ₂ e)	Density (tCO ₂ e/turnover of NT\$1,000,000) (Note 2)	Assurance organization	Statement of assurance (Note 3)
Formosa Laboratories, Inc.	20,359.3952	4.2050	SGS Taiwan Ltd.	Validation is expected to take place in June 2026
Total	20,359.3952	4.2050		

Note1: For Scope 2 indirect emissions in 2024 and 2025 shown in the above table, the electricity emission factor for 2024 was used for calculation.

Note2: Direct emissions (Scope 1, i.e., direct emissions from emission sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions from imported electricity, heat or steam), and other indirect emissions (Scope 3, i.e., emissions generated by the Company's activities that are not energy indirect emissions but come from emission sources owned or controlled by other companies).

Note3: The scope of data covered by direct emissions and energy indirect emissions shall be handled in accordance with the timeline stipulated in Article 10, Paragraph 2 of these Principles, and the other indirect emissions information can be disclosed voluntarily.

Note 4: Greenhouse gas inventory standards: the Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note5: Greenhouse gas emissions can be measured per unit of product or service, or based on turnover. However, it is mandatory to disclose the data calculated based on turnover (in NT\$ million) to determine the intensity of emissions. (Note 2).

(2) Greenhouse Gas Verification Information

Year	2024	2025
Name		
Scope of assurance (verification)	Formosa Laboratories, Inc.	Formosa Laboratories, Inc.
Assurance (verification) organization	SGS Taiwan Ltd.	SGS Taiwan Ltd.
Assurance (verification) criteria	ISO 14064-3 : 2019	ISO 14064-3 : 2019
Assurance (verification) Opinion	After verification conducted by SGS Taiwan Ltd. in accordance with ISO 14064-3:2019, revised verification opinions were issued, confirming compliance with the requirements of ISO 14064-1:2018.	Complete verification information will be disclosed in the sustainability report.

Note 1: It shall be handled in accordance with the timeline stipulated in Article 10, Paragraph 2 of these Principles. If the company has not obtained a complete greenhouse gas verification opinion before the date of printing the annual report, it should be noted that “complete verification information will be disclosed in the sustainability report”. If the Company does not prepare a sustainability report, it should be noted that “complete verification information will be disclosed on the Market Observation Post System”, and the complete verification information should be disclosed in the following year’s annual report.

Note2: The assurance organization must adhere to the applicable regulations of the Taiwan Stock Exchange Corporation and the Taipei Exchange Market with respect to ensuring sustainable development reports.

Note 3: The disclosed content can refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

4. Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans

(1) Reduction Targets

Moving towards the goal of net zero emissions by 2050.

(2) Strategies

A. Initial stage: Introduce greenhouse gas inventory and environmental carbon footprint inventory to understand own carbon emissions.

B. Medium and long-term goals: Set reduction targets, implement reduction strategies, and move towards Net zero emission corporate sustainable operations.

(3) Specific Action Plans

A. Launch greenhouse gas and environmental carbon footprint inventory in 2023, adopt third-party verification, and analyze carbon emission hotspots to gradually propose countermeasures.

B. In line with medium and long-term goals, implement reduction strategies and move towards Net zero emission.

(VI) Implementation of Ethical Corporate Management and Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
<p>1. Establishment of Ethical Corporate Management Policies and Programs</p> <p>(1) Has the Company established an ethical corporate management policy that has been approved by the board of directors, and clearly specified in its rules and external documents the ethical corporate management policies and practices, as well as the commitment of the board of directors and senior management to actively implement the management policies</p>	✓		<p>The Company has established the “Code of Ethical Corporate Management,” “Guidelines for Establishment and Operation of the Integrity Management Committee,” and “Whistleblowing Procedures for Ethical Management,” all of which have been approved by the Board of Directors. These documents explicitly state the Company’s policies on ethical business practices and the Board and management’s commitment to implementing these policies. Additionally, the Company actively promotes and advocates for integrity and ethical conduct, ensuring that all employees comply with the relevant regulations.</p>	No discrepancy.
<p>(2) Has the Company established a risk assessment mechanism for unethical conduct, regularly analyzed and assessed business activities within its business scope which are at a higher risk of being involved in unethical conduct,</p>	✓		<p>To ensure sound management of ethical corporate management, the Company has set up an Integrity Management Team under the Sustainable Development Committee to supervise the prevention of unethical conduct, review the effectiveness and make continuous improvements, and report to the Board of Directors at least once a year on the implementation of ethical</p>	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
and established prevention programs accordingly and covered at least the preventive measures specified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?			corporate management.	
(3) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and reviewed the prevention programs on a regular basis?	✓		The Company has established the “Ethical Corporate Management Best Practice Principles”, “Integrity Management Team Establishment and Operation Measures”, and “Integrity Management Reporting Management Measures”, and has set up an Integrity Management Team under the Sustainable Development Committee to implement ethical corporate management policies and regularly review and revise them.	No discrepancy.
2. Implementation of Ethical Corporate Management (1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		The Board of Directors has adopted the Code of Ethical Corporate Management, which prohibits directors, managers, employees, and those with substantial control over the Company from offering or accepting unreasonable gifts, entertainment, or other	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
			illegitimate benefits in the course of conducting business.	
(2) Has the Company set up a dedicated unit under the board of directors to promote ethical corporate management and regularly (at least once a year) report to the board of directors on its ethical corporate management policies and prevention programs and their supervision and implementation?	✓		To ensure sound management of ethical corporate management, the Company has set up an Integrity Management Team under the Sustainable Development Committee to supervise the prevention of unethical conduct, review the effectiveness and make continuous improvements. The Company's promotion of ethical corporate management policies and prevention programs for unethical conduct and their supervision and implementation in 2025 have been reported to the Board of Directors on November 13, 2025.	No discrepancy.
(3) Has the Company established policies to prevent conflicts of interest and provided appropriate communication channels, and implemented them?	✓		The Company's Rules of Procedure for Board Meetings explicitly state that any director with a vested interest in Board matters must refrain from engaging in discussions and voting. The company has established an opinion and proposal mailbox on its intranet to provide internal employees with channels to express their opinions or offer suggestions. These channels are managed by designated personnel.	No discrepancy.
(4) Has the Company established effective accounting systems and internal control	✓		The Company has established the "Ethical Corporate Management Best Practice Principles", "Integrity Management Team Establishment and Operation Measures", and "Integrity	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
systems to implement ethical corporate management, and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?			Management Reporting Management Measures”, and has set up an Integrity Management Team under the Sustainable Development Committee to supervise the prevention of unethical conduct, review the effectiveness and make continuous improvements.	
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	✓		The Company’s HR department conducts education and training related to ethical corporate management every year. In 2025, education and training courses related to ethical corporate management (including corporate governance, Accounting Supervisor, sustainability, trade secrets, special health and safety education, transaction contract confidentiality agreements and order risk control) were held, with 547 trainees and 659 training hours.	No discrepancy.
3. Operation of the Company’s Whistleblowing System				

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
(1) Has the Company established a specific whistleblowing and reward system, set up conveniently accessible whistleblowing channels, and appointed appropriate personnel dedicated to handling whistleblowing matters?	✓		The company has established an opinion and proposal mailbox on its intranet to allow all employees to express their opinions and offer suggestions. Additionally, the company's website has created a dedicated section for interested parties and employees, as well as a mailbox for reporting violations of professional ethics, to provide channels for making suggestions and reporting any illegal acts. The relevant competent authority will maintain the confidentiality of the whistleblower's identity and the contents of the report.	No discrepancy.
(2) Has the Company established standard operating procedures for investigating the reported matters, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?	✓		The Company's website also features a dedicated stakeholder and employee section, as well as a reporting mailbox for violations of professional ethics. These channels are provided for submitting suggestions and reporting any illegal activities. The responsible units handling such reports will keep the identity of the whistleblower and the content of the report strictly confidential.	No discrepancy.
(3) Does the Company adopt measures to protect whistleblowers from improper treatment due to whistleblowing?	✓		The relevant unit(s) shall keep confidential the content of the report and the identity of any employee or whistleblower who makes a suggestion or report any illegal affair.	No discrepancy.
4. Strengthening Information Disclosure	✓		The Company has established the "Ethical Corporate Management Best Practice	No discrepancy.

Evaluation Item	Implementation Status			Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Departure
	Yes	No	Abstract	
Does the Company disclose the content of its ethical corporate management best practice principles and the effectiveness of promotion on its website and the Market Observation Post System?			Principles”, “Integrity Management Establishment and Operation Measures”, and “Integrity Management Reporting Management Measures”, which have been approved by the Board of Directors and disclosed on the Market Observation Post System and the Company’s website.	
5. If the Company has established its own ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the principles and their implementation: No Material discrepancy.				
6. Other important information that helps to understand the company's integrity management practices.: To demonstrate its determination to implement ethical corporate management, in 2025, the Company issued a “Declaration of Ethical Corporate Management” for 2025 to directors and managers at the associate level (inclusive) and above, with a total of 33 copies issued and a 100% issuance rate. The content mainly declares “In order to comply with relevant laws and regulations of the Republic of China and meet the requirements of the Company’s ‘Ethical Corporate Management Best Practice Principles’ and ‘Code of Ethical Conduct’, the signatory declares their willingness to strictly abide by them. In case of violation, the signatory is willing to bear relevant legal responsibilities and accept the Company’s disciplinary actions.”.				

(VII) Other Significant Information That Will Provide a Better Understanding of the State of the Company’s Implementation of Corporate Governance May Also Be Disclosed
The company has disclosed significant and pertinent information regarding investor conferences in a timely manner on its official website. This ensures that shareholders and the public are fully informed about the Company’s operations.

(VIII) Implementation Status on Internal Control System

1. The Company's Internal Control System Statement can be found on the Market Observation Post System (MOPS) public information platform. Query path: Market Observation Post System > Individual Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement (<https://mops.twse.com.tw/mops/#/web/t06sg20>).

2. While Entrusting an Accountant to Review the Internal Control System on Project Basis, the Review Report Shall Be Disclosed: None.

(IX) Important Resolutions of Board Meetings and Shareholders' Meetings and the Execution Status of the Resolved Matters of Shareholders' Meetings in the Most Recent Year and up to the Publication Date of the Annual Report.

1. Resolutions of the 2025 Shareholders' Meeting and implementation(Jun 20, 2025)

	Proposal	Execution Status
Matters for Ratification	1. The 2024 Business Report and Financial Statements.	This motion was adopted as originally proposed.
	2. The 2024 Earnings distribution	This motion was adopted as originally proposed. This proposal passed the distribution of a shareholder cash dividend of NT\$157,535,312 (a distribution of NT\$1.31 per share), with August 28, 2025 set as the ex-dividend record date, fully distributed on September 25, 2025.
Discussion Items	1. Proposal for amendments to certain provisions of the Company's "Articles of Incorporation".	This motion was adopted as originally proposed.
	2. Distribution of Cash from Capital Surplus.	This motion was adopted as originally proposed. This proposal distributed cash from capital surplus of NT\$203,232,577 (a distribution of NT\$1.69 per share), with August 28, 2025 set as the ex-dividend record date, fully distributed on September 25, 2025.

2. Important resolutions of the Board of Directors

Date/Session	Important Resolutions
March 12, 2025 (10th Session 13th Meeting)	<ol style="list-style-type: none"> 1. The 2024 Business Report and Financial Statements. 2. The 2024 Earnings distribution 3. The 2024 Employees' and directors' remuneration 4. The 2024 Directors' Remuneration. 5. Proposal for the GLP-1 production line establishment. 6. Proposal for the proposed signing of a lease agreement with Formosa Pharmaceuticals Inc. 7. Proposal for the proposed signing of a contract for commissioned inspection services with Formosa Pharmaceuticals Inc. 8. Proposal for the proposed signing of a supplementary agreement to the supply contract with Formosa Pharmaceuticals Inc. 9. Proposal for the proposed fund lending to Synchem-Formosa, Inc. 10. Proposal for amendments to certain provisions of the Company's "Articles of Incorporation". 11. Proposal for amendments to the "Seal Usage Management Measures". 12. Proposal for issuing the 2024 "Statement of Internal Control System" 13. Proposal for the election of the 11th term Directors of the Company and acceptance of the list of Director candidates nominated by Shareholders. 14. Proposal for the Board of Directors' nomination of candidates for the

Date/Session	Important Resolutions
	<p>11th term Directors.</p> <p>15. Proposal to Release the Non-Competition Restrictions on the Company's Newly Elected 11th-term Directors and Their Representatives.</p> <p>16. Proposal for convening the 2025 Annual Shareholders' Meeting.</p> <p>17. Proposed to approve in advance the provision of non-assurance services to the Company and its subsidiaries by CPAs, their firms, and their affiliates and allied firms.</p> <p>18. Proposal for the change of CPA due to internal adjustments in the accounting firm, the evaluation of their independence and competence, and the approval of their compensation.</p>
<p>May 8, 2025 (10th Session 14th Meeting)</p>	<p>1. Proposal for the appointment of Vice President Tsai, Chia-Ling of the Legal Department and the promotion of Tseng, Hui-Yuan, Section Manager of the Sales Department's Pharmaceutical and Contract Manufacturing Business Development Section to Associate Vice President.</p> <p>2. Reviewed the proposed plan for the payment of remuneration to managers in 2024.</p> <p>3. Proposal for the review of directors' performance evaluation and 2023 directors' remuneration distribution plan.</p> <p>Proposal for the Distribution of Business Bonuses for the API Team Managers for Q4 2024</p> <p>5. Adopted the consolidated financial report of the Company for 1st Quarter 2025.</p> <p>6. Amended proposal for the Company's 2024 earnings distribution</p> <p>7. Distribution of Cash from Capital Surplus.</p> <p>8. Proposal for the proposed signing of a lease agreement with Formosa Pharmaceuticals Inc.</p> <p>9. Proposal to convene the 2025 Annual General Shareholders' Meeting (added proposal).</p>
<p>June 20, 2025 (11th Session 1st Meeting)</p>	<p>Election of the Chairman of the 11th Board of Directors of the Company.</p>
<p>June 20, 2025 (11th Session 2nd Meeting)</p>	<p>1. Election of the Convener and Chairman of the Company's Second Audit Committee. °</p> <p>2. Appointment of Members of the Company's Sixth Remuneration Committee and Election of the Convener and Chairman.</p> <p>3. Appointment of Members of the Company's Second Sustainability Development Committee and Election of the Convener and Chairman.</p>
<p>August 14, 2025 (11th Session 3rd Meeting)</p>	<p>1. Adopted the consolidated financial report of the Company for 2nd Quarter 2025.</p> <p>2. Proposal for the proposed fund lending to Synchem-Formosa, Inc.</p> <p>3. Proposal for amendments to the "Seal Usage Management Measures".</p> <p>4. Proposal for adjusting the comprehensive credit line for derivative financial instruments applied for from banks.</p> <p>5. Proposal for entering into a TSY-310 drug product (DP) manufacturing contract with Formosa Pharmaceuticals, Inc.</p> <p>6. Approval of the 2024 Sustainability Report.</p>

Date/Session	Important Resolutions
November 13, 2025 (11th Session 4th Meeting)	<ol style="list-style-type: none"> 1. Proposal for the distribution of bonuses to managers for the 2024 CDMO business, the Q1 and Q2 2025 API Team business, and the H1 2025 CDMO business. 2. Performance evaluation and year-end bonus plan for managers. 3. Proposed annual salary adjustment plan for managers. 4. Proposal to amend the "Employee Compensation Management Procedures." 5. Proposed Work Plan of the Remuneration Committee for 2026. 6. Adopted the consolidated financial report of the Company for Q3 2025. 7. The 2026 operational plan proposal. 8. The 2026 total bank financing limit proposal. 9. Proposal for the proposed signing of patent intellectual property service agreement with Formosa Pharmaceuticals Inc. 10. Proposal for Signing of a Lease Agreement with Formosa Pharmaceuticals Inc. 11. Proposal for Providing a Loan to Synchem-Formosa, Inc. 12. Proposal for the definition of the scope of the Company's grassroots employees. 13. Proposal for amendments to the "Seal Usage Management Measures". 14. The 2026 internal audit work plan proposal.
March 12, 2026 (11th Session 5th Meeting)	<ol style="list-style-type: none"> 1. The 2025 Business Report and Financial Statements. 2. The 2025 Earnings distribution 3. The 2025 Employees' and directors' remuneration 4. Proposal for the assessment and adjustment of the definition of the Company's "scope of grassroots employees." 5. Proposal for the additional budget for the GLP-1 production line construction. 6. Proposal for the proposed fund lending to Synchem-Formosa, Inc. 7. Proposal for the cash capital increase of Synchem-Formosa, Inc. and the Company's subscription. 8. Proposal for the expansion of the Synchem-Formosa, Inc. plant. 9. Proposal for entering into the first supplementary agreement to the TSY-310 drug contract manufacturing agreement with Formosa Pharmaceuticals, Inc. 10. Proposal to amend certain provisions of the Company's "Articles of Incorporation." 11. Proposal to amend the Company's "Position Authorization and Deputy System." 12. Proposal to issue the 2025 "Internal Control System Statement." 13. Proposal to release the non-competition restrictions on the Company's directors and their representatives. 14. The 2025 Directors' Remuneration. 15. Proposal to convene the Company's 2026 Annual General Shareholders' Meeting. 16. Proposal for the pre-approval of non-assurance services to be provided by the Certifying CPAs, their accounting firm, the affiliates of the firm, and the alliance firms to the Company and its subsidiaries. 17. Proposal for the change of the Certifying CPAs due to the internal adjustment of the accounting firm, and the assessment of their independence and suitability and the assignment compensation.

(X) In the most recent fiscal year and up to the date of printing this annual report, there have been no recorded or written dissenting opinions from any directors or supervisors regarding material resolutions passed by the Board of Directors: None.

IV. Disclosure of CPA's Remuneration

(I) The amount of audit fees and non-audit fees paid to the CPA, the accounting firm to which the CPA belongs, and its affiliates, as well as the content of non-audit service

Unit: NTD thousand

Name of the Accounting Firm	Name of the CPA	Audit Period of CPA	Audit Fee (Note1)	Non-Audit Fee (Note1)	Total	Notes
PwC Taiwan	Teng, Sheng-Wei, Yen, Yu-Fang,	2025.01.01 ~ 2025.12.31	6,010	810	6,820	

Note1: Regular audit fees for the financial attestation.

Note2: Mainly for the attestation of tax compliance, Overseas investment and IPO guidance fees for subsidiary Formosa Pharmaceuticals, Inc.

(II) Whether There Is any Change of Accounting Firm and the Audit fee Paid in the Replacement Year Is Less Than That Paid in the Preceding Year: None.

(III) Whether the Ratio of Audit fee for the Preceding Year Decreases by 10% or More: None.

V. Information on Change of CPAs

(I) Regarding the Former Certified Public Accountant

Date of replacement	Approved by the Board of Directors on March 12, 2026.		
Reason of replacement and explanation	In compliance with relevant regulatory requirements on rotation, the former engagement partner Yen, Yu-Fang was replaced by Tsai, Pei-Hua.		
Statement on whether the Company or the accountant terminate or not accept the appointment	Parties	CPA	Commissioner
	Contracting Condition		
	Voluntarily terminated the appointment	Not applicable	Not applicable
	Not accept (continuing) the appointment	Not applicable	Not applicable
The opinions and reasons in audit reports other than unqualified opinion in the last two years	Not applicable		
Different opinions with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Scope or procedure of auditing
			Others
	None	✓	
Statement: None.			

Other disclosures (Matters covered in Item 1-4, Item 1-7, Subparagraph 6, Article 10 of the Guidelines shall be disclosed)	None.
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Note: The Board of Directors' date of resolution.

(II) Regarding the Successor Certified Public Accountant

Name of the accounting firm	PwC Taiwan
Name of the CPA	Teng, Sheng-Wei, Tsai, Pei-Hua.
Date of appointment	March 12, 2026 (Note)
Matters and results of consultation on the accounting treatment methods or accounting principles for specific transactions and on the possible issuance of opinions on financial statements before the appointment	No discrepancy
Written opinion of the successor CPA on matters on which the former CPA has different opinions	None.

Note: The Board of Directors' date of resolution

(III) Former CPAs' Reply to Disclosures under Items 1 and 2-3, Subparagraph 6, Article 10 of the Guidelines: None.

VI. The Chairman of the Board of Directors, the General Manager, and the Manager in Charge of Financial or Accounting Matters of the Company, Who Have Worked in the Firm of the Certified Public Accountant or its Affiliates Within the Last Year : None.

VII. Changes in the Shareholding of Directors, Supervisors, Managers and Shareholders Holding More Than 10% of the Shares and Pledges of Shares in the Most Recent Year and up to the Date of Printing of the Annual Report

(I) Equity Changes of Directors, Managers and Major Shareholder

Please refer to the MOPS Market Observation Post System announcement information. Stock transfer inquiry path, Market Observation Post System > Individual Company > Equity Changes/Securities Issuance > Stock Transfer Data Inquiry > Insider Holdings Change Post-Transaction Filing Form (https://mops.twse.com.tw/mops/#/web/query6_1); Stock pledge change inquiry path, Market Observation Post System > Individual Company > Equity Changes/Securities Issuance > Insider Pledge/Release > Insider Pledge/Release Announcement (https://mopsov.twse.com.tw/mops/web/STAMAK03_1).

(II) Information on the Counterpart of Equity Transfer Being a Related Party of the Company's Directors, Supervisors, Managers and Major Shareholders: None.

(III) Information on the Counterpart of Equity Pledge Being a Related Party of the Company's Directors, Supervisors, Managers and Major Shareholders: None.

VIII. Information on the Top Ten Shareholders who Are Related to Each Other or Are Spouses or Relatives Within the Second Degree of Consanguinity

April 26, 2026 Unit: Shares; %

Name	Shares Held by the Individual		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Names and Relationships of the Top Ten Shareholders Who Are Related Parties, Spouses, or Relatives Within the Second Degree of Kinship to Each Other		Note
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name (or Full Name)	Relationship	
Cheng, Chen-Yu	7,702,848	6.41	3,076,944	2.56	—	—	Li, Hsiu-Hui	Spouse	None
							Moraga Inc. Representative: Li, Hsiu-Hui	Spouse	None
							Augusta Inc. Representative: Li, Hsiu-Hui	Spouse	None
Ding Li Development Limited. Representative: Hu Ting-Wu	3,633,329	3.02	—	—	—	—	None	None	None
	—	—	—	—	—	—			
Li, Hsiu-Hui	3,076,944	2.56	7,702,848	6.41	—	—	Cheng, Chen-Yu	Spouse	None
							Moraga Inc. Representative: Li, Hsiu-Hui	Principal	None
							Augusta Inc. Representative: Li, Hsiu-Hui	Principal	None
Moraga Inc. Representative: Li, Hsiu-Hui	2,794,043	2.32	—	—	—	—	Cheng, Chen-Yu	Spouse of person in charge	None
	3,076,944	2.56	7,702,848	6.41	—	—	Augusta Inc. Representative: Li, Hsiu-Hui	Principal	None
Augusta Inc. Representative: Li, Hsiu-Hui	2,269,000	1.89	—	—	—	—	Cheng, Chen-Yu	Spouse of person in charge	None
	3,076,944	2.56	7,702,848	6.41	—	—	Moraga Inc. Representative: Li, Hsiu-Hui	Principal	None
Taishin Life Insurance Co., Ltd. Representative: Tsai, Kang	2,127,000	1.77	—	—	—	—	None	None	None
	—	—	—	—	—	—			
Hygica Biotech Ltd. Representative: Lee, Chien-Hung	1,690,452	1.41	—	—	—	—	None	None	None
	395,480	0.33	—	—	—	—			

Wang, Li-Li	1,627,000	1.35	—	—	—	—	None	None	None
TransGlobe Life Insurance (Taiwan) Inc. Representative: Lin, Wen-Hui	1,500,000	1.25	—	—	—	—	None	None	None
	—	—	—	—	—	—			
Tsai, Chang-Jen	1,497,213	1.25	—	—	—	—	None	None	None

IX. The Number of Shares Held by the Company, Its Directors, Supervisors, Managers, and Businesses Directly or Indirectly Controlled by the Company in the Same Investee Company, and the Consolidated Percentage of Shareholding

March 27, 2026 Unit: share; %

Re-Invested Business (Note 1)	The Company's Investment		Investment by directors, managers and directly- or indirectly-controlled businesses		Comprehensive Investment	
	Share Number	Shareholding Ratio	Share Number	Shareholding Ratio	Share Number	Shareholding Ratio
Formosa Pharmaceuticals, Inc.	61,387,653	40.66%	2,409,385	1.60%	63,797,038	42.26%
Epione Pharmaceuticals, Inc.	4,000,000	100.00%	—	—	4,000,000	100.00%
A.R.Z Taiwan Limited	271,620	45.00%	—	—	271,620	45.00%
Epione Investment Cayman Limited	619,000	100.00%	—	—	619,000	100.00%
Epione Investment HK Limited	—	—	544,500	100.00%	544,500	100.00%
Activus Pharma. Co., Ltd.	—	—	1,942	99.23%	1,942	99.23%
Shanghai Epione Enterprise Co., Ltd	—	—	—(note 2)	100.00%	—	100.00%
Formosa Laboratories Japan, Inc.	400	40.00%	—	—	400	40.00%
SynChem-Formosa, Inc.	311,996	100.00%	—	—	311,996	100.00%

Note1: The investment made with Equity Method by the Company.

Note2: A Limited Company.

Chapter III. Capital Overview

I. Capital and Outstanding Shares

(I) Equity Capital Sources

1. Capital Formation

Apr. 26, 2026 Unit: NTD thousand; thousand share

Month/ Year	Issuing Price (NTD)	Authorized Capital		Paid-In Capital		Remarks			
		Shares	Amount	Shares	Amount	Equity Capital Sources	Paid Properties Other Cash	in Than	Others
Dec. 1995	10	1,000	10,000	100	1,000	The paid-in capital is NT\$1,000,000	—		Note 1
Feb. 1998	10	1,000	10,000	1,000	10,000	Issuance of common stock for cash: NT\$9,000,000	—		Note 2
Jun. 1999	10	2,000	20,000	2,000	20,000	Issuance of common stock for cash: NT\$10,000,000	—		Note 3
Jul. 2000	10	4,000	40,000	4,000	40,000	Issuance of common stock for cash: NT\$20,000,000	—		Note 4
May. 2001	10	7,000	70,000	7,000	70,000	None	Increase capital by debt-for-equity swap NT\$30,000,000		Note 5
Aug. 2001	13.2	10,000	100,000	8,311	83,111	Issuance of common stock for cash: NT\$10,838,000	Increase capital by debt-for-equity swap NT\$2,273,000		Note 6
May. 2002	12	10,000	100,000	10,000	100,000	Issuance of common stock for cash: NT\$10,000,000	Increase capital by debt-for-equity swap NT\$6,889,000		Note 7
Nov. 2003	10	12,579	125,787	19,879	198,787	Issuance of common stock for cash: NT\$98,787,000 Issuance of common stock for cash: NT\$73,000,000	—		Note 8

Dec. 2007	16	25,000	250,000	14,079	140,787	Issuance of common stock for cash: NT\$15,000,000	—	Note 9
Feb. 2008	20	25,000	250,000	18,079	180,787	Issuance of common stock for cash: NT\$40,000,000	—	Note 10
Sep. 2008	10	65,000	650,000	53,631	536,307	Capital increase in connection with a merger: NT\$355,520,000	—	Note 11
Jun. 2009	10	88,000	880,000	56,500	565,000	Surplus profit distributed in the form of new shares: NT\$28,693,000 (of which NT\$3,623,000 was transferred from employee bonus)	—	Note 12
Jun. 2009	50	88,000	880,000	60,000	600,000	Issuance of common stock for cash: NT\$35,000,000	—	Note 13
Jul. 2010	26	88,000	880,000	60,932	609,320	Stock options: NT\$9,320,000	—	Note 14
Feb. 2011	78	88,000	880,000	67,057	670,570	Issuance of common stock for cash: NT\$61,250,000	—	Note 15
Apr. 2013	48.2	88,000	880,000	67,264	672,645	Convertible bond: NT\$2,075,000	—	Note 16
Jul. 2013	48.2	88,000	880,000	67,269	672,686	Convertible bond: NT\$41,000	—	Note 17
Oct. 2013	48.2	88,000	880,000	80,632	806,316	Issuance of common stock for cash: NT\$100,000,000 Convertible bond: NT\$33,630,000	—	Note 18
Jan. 2014	48.2	88,000	880,000	84,059	840,589	Convertible bond: NT\$34,273,000	—	Note 19
Apr. 2014	48.2	88,000	880,000	84,335	843,349	Convertible bond: NT\$2,759,000	—	Note 20

Jul. 2014	48.2	88,000	880,000	84,409	844,095	Convertible bond: NT\$747,000	—	Note 21
Oct. 2014	48.2	88,000	880,000	84,412	844,116	Convertible bond: NT\$21,000	—	Note 22
Apr. 2015	48.2	88,000	880,000	85,138	851,378	Convertible bond: NT\$7,262,000	—	Note 23
Nov. 2015	48.2	88,000	880,000	85,354	853,537	Convertible bond: NT\$2,159,000	—	Note 24
Jan. 2016	48.2	88,000	880,000	87,468	874,682	Convertible bond: NT\$21,145,000	—	Note 25
Jan. 2017	80.1	120,000	1,200,000	88,633	886,331	Convertible bond: NT\$11,649,000	—	Note 26
Jan. 2017	80.1	120,000	1,200,000	88,717	887,167	Convertible bond: NT\$836,000	—	Note 27
Apr. 2017	80.1	120,000	1,200,000	89,229	892,286	Convertible bond: NT\$5,119,000	—	Note 28
Jul. 2017	80.1	120,000	1,200,000	89,923	899,227	Convertible bond: NT\$6,941,000	—	Note 29
Sep. 2017	80.1	120,000	1,200,000	93,013	930,126	Convertible bond: NT\$30,899,000	—	Note 30
Aug. 2018	50.0	120,000	1,200,000	99,013	990,126	Issuance of common stock for cash: NT\$60,000,000	—	Note 31
May. 2020	37.0	120,000	1,200,000	108,313	1,083,126	Issuance of common stock for cash: NT\$93,000,000	—	Note 32
Jul. 2020	—	160,000	1,600,000	108,313	1,083,126	Increase the authorized capital to NT\$1,600,000,000	—	Note 33
Jul. 2021	58.4	160,000	1,600,000	108,364	1,083,639	Convertible bond: NT\$513,000	—	Note 34
Sep. 2021	58.4	160,000	1,600,000	120,256	1,202,560	Convertible bond: NT\$118,921,000	—	Note 35

Note 1: 1995.12.29 Jian-Yi-Zi No. 01054251

Note 2: 1998.02.06 Jian-Yi-Zi No. 87257083.

Note 3: 1999.06.21 Jian-Yi-Zi No. 88301844.

Note 4: 2000.07.21 Bei-Shi-Jian-Shang-Er-Zi No. 89312686.

Note 5: 2001.05.14 Bei-Shi-Jian-Shang-Er-Zi No. 90278117.

Note 6: 2001.08.07 Fu-Jian-Shang-Zi No. 90294407.

Note 7: 2002.05.20 Jing-Shou-Shang-Zi No. No. 09101167070.

Note 8: 2003.11.06 Fu-Jian-Shang-Zi No. 09223554900.

Note 9: 2007.12.17 Fu-Chan-Ye-Shang-Zi No. 09693228220.

Note 10: 2008.02.29 Fu-Chan-Ye-Shang-Zi No. 09781878000.

Note 11: 2008.09.16 Jing-Shou-Shang-Zi No. 09701225180.
 Note 12: 2009.06.03 Jing-Shou-Shang-Zi No. 0981106900.
 Note 13: 2009.07.01 Jing-Shou-Shang-Zi No. 0981136100.
 Note 14: 2010.07.08 Jing-Shou-Shang-Zi No. 09901145140.
 Note 15: 2011.03.31 Jing-Shou-Shang-Zi No. 10001048120.
 Note 16: 2013.04.16 Jing-Shou-Shang-Zi No. 10201067110.
 Note 17: 2013.07.18 Jing-Shou-Shang-Zi No. 10201139850.
 Note 18: 2013.10.08 Jing-Shou-Shang-Zi No. 10201206640.
 Note 19: 2014.01.20 Jing-Shou-Shang-Zi No. 10301007340.
 Note 20: 2014.04.14 Jing-Shou-Shang-Zi No. 10301066440.
 Note 21: 2014.07.21 Jing-Shou-Shang-Zi No. 10301144680.
 Note 22: 2014.10.15 Jing-Shou-Shang-Zi No. 10301215730.
 Note 23: 2015.04.13 Jing-Shou-Shang-Zi No. 10401066020.
 Note 24: 2015.11.10 Jing-Shou-Shang-Zi No. 10401237190.
 Note 25: 2016.01.13 Jing-Shou-Shang-Zi No. 10501006430.
 Note 26: 2017.01.09 Jing-Shou-Shang-Zi No. 10601001710.
 Note 27: 2017.01.17 Jing-Shou-Shang-Zi No. 10601007540.
 Note 28: 2017.04.20 Jing-Shou-Shang-Zi No. 10601047880.
 Note 29: 2017.07.24 Jing-Shou-Shang-Zi No. 10601100250.
 Note 30: 2017.09.11 Jing-Shou-Shang-Zi No. 10601124020.
 Note 31: 2018.08.22 Jing-Shou-Shang-Zi No. 10701099270.
 Note 32: 2020.05.07 Jing-Shou-Shang-Zi No. 10901069990.
 Note 33: 2020.07.14 Jing-Shou-Shang-Zi No. 10901132480.
 Note 34: 2021.07.12 Jing-Shou-Shang-Zi No. 11001118920.
 Note 35: 2021.09.07 Jing-Shou-Shang-Zi No. 11001160460.

2. Types of Shares

Apr. 26, 2026 Unit: shares

Share Type	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Registered common stock	120,255,963	39,744,037	160,000,000	Listed stocks

3. Relevant Information of Summary Reporting System: Not applicable.

(II) Main Shareholders List

Apr 26, 2026 Unit: shares; %

Name of Major Shareholders	Shares	%
Cheng, Chen-Yu	7,702,848	6.41
Ding Li Development Limited.	3,633,329	3.02
Li, Hsiu-Hui	3,076,944	2.56
Moraga Inc.	2,794,043	2.32
Augusta Inc.	2,269,000	1.89
Taishin Life Insurance Co., Ltd.	2,127,000	1.77

Hygica Biotech Ltd.	1,690,452	1.41
Wang, Li-Li	1,627,000	1.35
TransGlobe Life Insurance Inc.	1,500,000	1.25
Tsai, Chang-Jen	1,497,213	1.25

(III) Implementation Status on Company Dividend Policy

1. The Company's dividend policy is in accordance with Article 24 of the Articles of Incorporation, with relevant provisions as follows:

If the Company records a profit for the year, the Board of Directors shall resolve to allocate not less than five percent for employee remuneration and not more than two percent for directors' remuneration. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance and report to the shareholders' meeting.

From the aforementioned employee remuneration amount, no less than 20% shall be allocated for distributing remuneration to or adjusting the salaries of non-executive employees. The recipients of employee compensation may include employees of subordinate companies who meet certain conditions, and the method shall be determined by the Board of Directors.

If there is a surplus in the annual accounts of the Company, taxes shall first be paid. After making up for the accumulated losses, ten percent will be appropriated to the statutory surplus reserve. However, the statutory surplus reserve shall not be appropriated once it has reached the Company's capital and the Company shall appropriate or reverse special surplus reserve as prescribed by law. If there is still remaining balance, the Board of Directors shall draw up an earnings distribution proposal on the balance and the accumulated undistributed earnings of previous years and submit to the shareholders' meeting to resolve the dividends distribution to the shareholders.

The Company's dividend policy shall take into consideration factors such as its financial structure, operating results, capital expenditure requirements, shareholders' interests, and dividend stability. Based on these considerations, distributable earnings may be retained in whole or in part, or distributed in the form of stock dividends, cash dividends, or a combination of both stock and cash dividends. Of the total dividends distributed to shareholders, cash dividends shall not be less than ten percent (10%), with the remainder distributed in the form of stock dividends.

2. The proposed dividend distribution for this shareholders' meeting

The Company's Board of Directors meeting on March 12, 2026 proposed to distribute a cash dividend of NT\$3 per share to shareholders for 2025.

(IV) The impact of the stock dividend proposed at this Shareholder's meeting on the Company's business performance and earnings per share: Not applicable as the Company does not distribute stock dividends.

(V) Remuneration for employees, directors, and supervisors

1. The percentage or scope of employees', directors' and supervisors' remuneration as set out in the company's articles of incorporation

If the Company records a profit for the year, the Board of Directors shall resolve to allocate not less than five percent for employee remuneration and not more than two percent for directors' remuneration. However, if the Company still has accumulated

losses, it shall reserve the compensation amount in advance and report to the shareholders' meeting.

From the aforementioned employee remuneration amount, no less than 20% shall be allocated for distributing remuneration to or adjusting the salaries of non-executive employees. The recipients of employee compensation may include employees of subordinate companies who meet certain conditions, and the method shall be determined by the Board of Directors.

2. The basis for estimating the amount of employee, director and supervisor remuneration, the basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated amount

The Company will estimate employee and director remuneration expenses based on the percentages outlined in the Articles of Association. Any changes to the remuneration amount approved by the Board of Directors in the following period will be reflected in the expense for the subsequent year.

3. Information on the distribution of remuneration approved by the board of directors

(1) Amount of employee remuneration and directors' and supervisors' remuneration distributed in cash or shares. If there is any discrepancy with the recognized amount for the year the expense is estimated, the discrepancy amount, reason and handling situation should be disclosed

A. On March 12, 2026, the Board of Directors approved the proposed distribution of NT\$50,400,000 as employees' cash compensation and NT\$7,200,000 as directors' compensation for the fiscal year 2025.

B. Please refer to the following table for the difference between the recognized expenses and the estimated figure, and the handling thereof:

Unit: NTD

Distribution items	Amount of allotment proposed by the Board (A)	Recognized expenses and the estimated figure (B)	Discrepancy in amount (A-B)	Note
The remuneration of employees	50,400,000	50,400,000	0	No discrepancy
The directors' remuneration	7,200,000	7,200,000	0	No discrepancy

(2) The amount of employees' remuneration distributed in stock and its proportion to the sum of net profit after tax and total employees' remuneration for the current period: Not applicable as the Company did not distribute employee stock bonuses in 2025.

(3) Since the employees' and directors' remuneration has already been expensed in 2025, it does not affect the calculation of earnings per share, which remains at NT\$3.67.

4. The actual distribution of remuneration to employees, directors, and supervisors in the previous year (including the number of shares, amount, and share price), and if there is any difference from the recognized remuneration for employees, directors, and supervisors, the difference, reasons, and handling situation should be stated
- The actual information regarding the distribution of employee bonuses and remuneration for directors and supervisors from the previous year (2023) profits is as follows:
- The actual information regarding the distribution of employee bonuses and remuneration for directors and supervisors from the previous year (2024) profits is as follows:
- The Company estimated employees' remuneration of NT\$46,200,000 and directors' remuneration of NT\$6,450,000 in 2024. As resolved by the Board of Directors on March 12, 2025, the actual distribution was NT\$46,200,000 for employees' remuneration and NT\$6,450,000 for directors' remuneration, with no difference from the estimated amounts recognized as expenses for the year.

(VI) Status of the Company's share repurchase: None.

II. Status of corporate bond issuance: None.

III. Status of preferred stock issuance: None.

IV. Status of Global Depository Receipt issuance: None.

V. Status of employee stock options: None.

VI. Status of restricted stock awards: None.

VII. Status of new shares issued due to mergers or acquisitions of other companies: None.

VIII. Status of capital utilization plan implementation: None.

Chapter IV. Business Overview

I. Business Activities

(I) Business Scope

1. The main content of the company's business

The Company and its subsidiaries are mainly engaged in the process development, production, and sales of API and drug formulation products, with products covering areas such as Cholesterol and Phosphate Binders, Vit. D Derivatives, anticancer active ingredients, Respiratory Agents, Anti-inflammatory and Analgesic Agents, and CNS Agents, and including related products such as ultraviolet absorbers. In addition, the Company also actively invests in the research of new biotech drugs, and is engaged in the trading business of chemicals, investment business, and the wholesale sale of chemical raw materials and related products, continuing to enhance the overall operating scale and market competitiveness.

2. The Company's main products and their sales ratios

Unit: NT\$ thousand; %

Product Item	Year	2024		2025	
		Net Sales	Ratio (%)	Net Sales	Ratio (%)
Cholesterol and Phosphate Binders		1,638,140	34.63	1,630,056	33.60
Vit. D Derivatives		820,152	17.34	762,263	15.71
Contract Development and Manufacturing Organization (CDMO)		473,102	10.00	537,317	11.08
Steroids		159,264	3.36	536,679	11.06
Respiratory Agents		575,765	12.17	474,547	9.78
Anticancers		192,289	4.06	331,039	6.82
Anti-inflammatory and Analgesic Agents		210,856	4.46	201,440	4.15
Others		661,478	13.98	378,016	7.80
Total		4,731,046	100.00	4,851,357	100.00

3. The company's current product items

The main products of the Company are as follows:

Item No.	Main Products
1	Cholesterol and Phosphate Binders
2	Vit. D Derivatives
3	Contract Development and Manufacturing Organization (CDMO)
4	Steroids
5	Respiratory Agents
6	Anticancers

Note: The subsidiaries Epione Pharmaceuticals, Inc. and Activus Pharma Co., Ltd. are currently still at the new drug R&D stage. Companies such as Epione Investment Cayman Limited and Epione Investment HK Limited are reinvestment companies. Shanghai Epione Enterprise Co., Ltd. is commissioned by the Company to apply for

drug license approval from the Chinese pharmaceutical regulatory authorities on behalf of the Company. Formosa Pharmaceuticals, Inc. is a clinical-stage biotechnology and pharmaceutical company focused on developing new drugs for therapeutic areas such as ophthalmology and oncology. Formosa Pharmaceuticals has adopted a unique R&D strategy to build a diversified portfolio of R&D projects to mitigate the risks of new drug development, including the 505(b)(2) pathway, biosimilars, and new molecular entities. Synchem-Formosa, Inc. currently has several preclinical projects in progress, with steady deployment and active expansion of the North American footprint. Laboratory equipment expansion has also been completed to provide complete and comprehensive CDMO services.

4. New products (services) planned for development

The Company continues to advance the upgrading of API technology and services, and based on the existing foundation of API R&D and manufacturing, extends into the downstream drug formulation field, actively deploying injection R&D and production manufacturing. The Company has currently built a general drug formulation production line (covering small-molecule and large-molecule products) and a dedicated cytotoxic production line (applied to anticancer drugs and antibody-drug conjugates (ADC)), and has gradually put them into production operations. At the same time, the Company continues to monitor the launch timetable and patent dynamics of originator drugs, carefully screens product items with market potential, and actively expands the market presence of APIs, antibody-drug conjugates (ADC), and high-end injection products, in order to strengthen the product portfolio and enhance long-term growth momentum.

(II) Industry Overview

1. Current status and development of the industry

(1) Global Pharmaceutical Market Current Status

As the global population ages and chronic diseases become more prevalent, drug demand continues to grow steadily. The global pharmaceutical market size in 2024 reached approximately US\$1.8 trillion, a growth of approximately 5.1% from 2023, with a compound annual growth rate (CAGR) of approximately 6.3% from 2020 to 2024. Looking ahead, with the government promoting localized production and supply chain diversification strategies, coupled with the increased demand for innovative technologies and the treatment of age-related diseases, the global pharmaceutical market is expected to continue steady growth from 2025 to 2028, with the market size expected to reach US\$1.9 trillion and a CAGR of approximately 5%. In recent years, under the impact of medical cost control and stricter regulations in various countries, the management of drug pricing and market access has continued to be strengthened. At the same time, rising geopolitical risks and drug shortages have made supply chain security and resilience a focus of industry attention. Against this backdrop, the global pharmaceutical market will develop toward regionalized production, high-value-added products, and innovative therapeutic areas, continuing to provide long-term growth momentum.

Global Pharmaceutical Market Size from 2020 to 2024



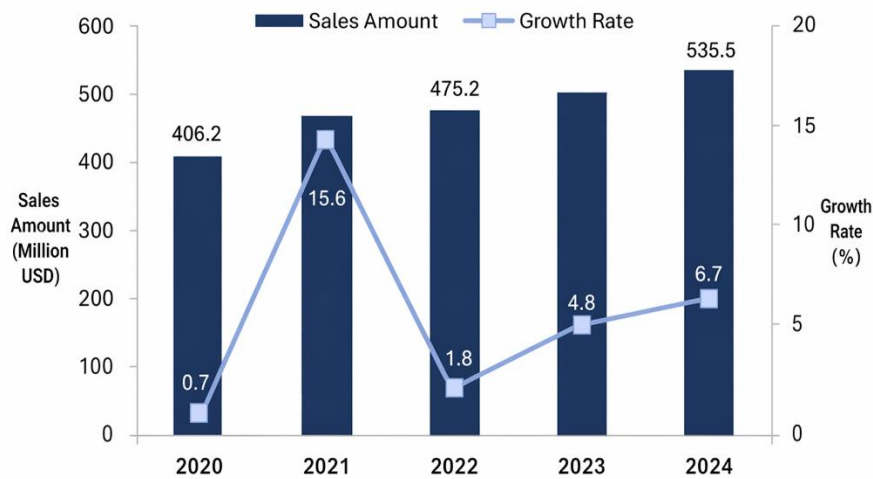
Source: Fitch Solutions; DCB Industry & Information Research Team (2025.08)

(2) Current Status of Generic Drug Market

Under the dual impact of continuously rising global medical expenditures and intensifying population aging, the generic drug market shows a steady growth trend. According to Fitch Solutions data, since 2020, the global generic drug market size has steadily expanded: sales in 2020 were approximately US\$406.24 billion, with an annual growth rate of 0.7%; in 2022, this rose to US\$475.20 billion, with an annual growth rate of 1.8%; in 2023, the market gradually recovered, and in 2024 further grew to US\$535.54 billion, with an annual growth rate of 6.7%. From 2020 to 2024, the global generic drug market had a compound annual growth rate (CAGR) of approximately 6.6%, demonstrating rapid market expansion.

The main drivers of the generic drug market include: the substitution market space released by the successive expirations of high-priced patented drugs, the continued rise in chronic disease treatment demand, and the active promotion of generic drug substitution policies by major countries such as the United States and Japan. In addition, supply chain disruptions and economic growth slowdowns during the COVID-19 pandemic once affected market growth, but as capacity has recovered and demand has stabilized, global generic drug supply has continued to improve. Taking the United States as an example, 92% of prescription drugs are generic drugs, and in Europe approximately 67%, reflecting the key role of generic drugs in controlling medical costs and providing affordable treatment options. Overall, driven by patent expirations and an aging population, the global generic drug market is expected to continue its steady growth, becoming an indispensable part of the global pharmaceutical supply chain.

Global market size of generic drugs from 2020 to 2024



Source: Fitch Solutions; DCB Industry & Information Research Team (2025.08)

(3) Current Status of Active Pharmaceutical Ingredients (APIs) Market

According to Grand View Research data, the global API market sales in 2024 were approximately US\$255.01 billion, a growth of 7.4% from 2023, with a compound annual growth rate (CAGR) of approximately 6.6% from 2020 to 2024. Market growth is mainly driven by the medical demand brought by the global population aging and the increase in chronic disease patients, as well as the expansion of generic drug and biologic drug demand after the expirations of high-priced patented drugs. In addition, major markets such as the United States, Europe, and India are promoting localized production strategies, which also drives the API industry's expansion and the increase in CDMO (contract development and manufacturing) service demand.

In recent years, the global API market has also faced supply chain restructuring challenges. Affected by geopolitical risks, regional conflicts, and the emphasis on drug supply resilience by various countries, the API supply chain is gradually moving toward strategic cooperation and diversification. Mainland China and India together account for approximately 60–70% of global API production. The excessive concentration of supply sources has caused European and U.S. countries to focus on the supply security of key drugs, prompting various countries to strengthen the localized production of APIs and policy support. Combined with population structure, chronic disease trends, increased generic drug demand, and technological progress, the global API market is expected to continue steady growth.

(4) Current Status of Contract Development and Manufacturing Organization (CDMO) Market

As cancer, chronic disease, and age-related disease patients continue to increase, the global demand for drugs and new therapies continues to rise, driving the steady growth of the CDMO (contract development and manufacturing organization) industry. According to MarketsandMarkets data, the global CDMO market size in 2024 reached approximately US\$193.52 billion, with a compound annual growth rate (CAGR) of 14.9% from 2020 to 2024. Market demand mainly comes from pharmaceutical companies increasing the production of existing drugs and new drug R&D investment, as well as the global drug demand growth driven by the rise of small biotechnology companies and virtual

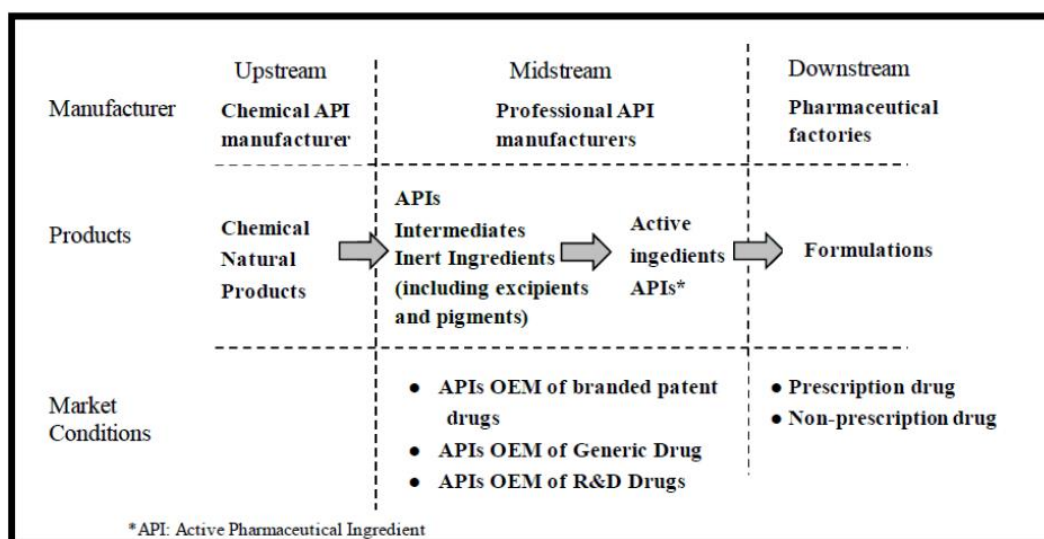
pharmaceutical companies.

By region, the North American market accounts for the highest share (approximately 40.3%), with leading technology and close cooperation established with many international pharmaceutical companies; the European market accounts for 28%, with a mature pharmaceutical R&D environment and government policy support; the Asia-Pacific market accounts for 19.3%, although it started later, it is driven by policy support, high-skilled labor, and cost advantages, with strong market development momentum.

In addition, biopharmaceuticals, because of their targeting, high specificity, and therapeutic potential, have become a key therapeutic means in the fields of cancer, chronic diseases, and precision medicine, and the related development and production demand is growing rapidly. The global biopharmaceutical manufacturing market size in 2024 was approximately US\$20.52 billion, a growth of 6.3% from 2023, with a CAGR of 21.9% from 2020 to 2024, demonstrating that the biopharmaceutical CDMO market has become an important driver of future growth.

2. Relationship between upstream, midstream, and downstream of the industry

The Active Pharmaceutical Ingredients (APIs) industry occupies the midstream position in the pharmaceutical industry. Upstream raw materials primarily include natural animal and plant materials and general chemicals, while downstream consists of formulation manufacturers (including branded pharmaceutical companies and generic drug manufacturers).



Upstream, midstream, and downstream industries are described as follows:

(1) Upstream

The upstream consists of raw materials for API preparation, including natural animal and plant materials and general chemicals, mainly obtained through chemical synthesis or by extracting animal, plant, and microbial tissues and cells.

(2) Midstream

As the majority of APIs are small organic molecules, they are typically synthesized using biological or chemical methods. Chemical methods are preferred due to their convenience, speed, and competitive pricing, making them

a widely used option in the API industry. There are various production methods for APIs depending on the source of raw materials. In addition to raw material preparation, such as fermentation, natural product processing involves extraction, separation, hydrogenation, alcoholysis, esterification, saponification, and purification (e.g. distillation, extraction, crystallization). General chemical preparation involves complex organic synthesis, separation, and purification. Genetic engineering preparation involves purification and recovery engineering. As a result, the production process for APIs in the precision biochemical industry is complex, with synthesis technology being the most sophisticated.

(3) Downstream

The downstream segment of the pharmaceutical industry chain encompasses the factories responsible for manufacturing pharmaceutical preparations. The production process for pharmaceutical preparations entails the addition of APIs to adjuvants, including excipients, adhesives, emulsifiers, and other substances, which are then reprocessed into convenient dosage forms.

3. Various development trends of products

The Company has cultivated the European, U.S., and Japanese markets for more than thirty years, and has long established stable cooperation relationships with major international pharmaceutical companies, deeply gaining customer trust, and has established a good brand image in the global market. By virtue of excellent international market development capability, complete sales channels, and competitive cost advantages, the Company has become an important API supply partner for many international pharmaceutical companies, and continues to receive high recognition. Current customers include three of the top three global branded drug manufacturers, five of the top ten generic drug manufacturers in the United States, and three of the top three generic drug manufacturers in Japan, demonstrating the Company's key position in the global supply chain.

The Company has long accumulated profound experience in API process development and production, and continues to develop product portfolios with differentiated advantages. The future application markets and development trends of each product are explained as follows:

(1) Active Pharmaceutical Ingredients (APIs)

With the accelerating trend of global pharmaceutical supply chain restructuring, particularly the U.S. promotion of the Biosecure Act and China decoupling supply strategies, the Company continues to strengthen API independent supply capability and production line resilience, becoming a priority cooperation partner for international pharmaceutical companies. By virtue of thirty years of experience in cultivating the European, U.S., and Japanese markets, manufacturing capability compliant with international regulations, and stable high-quality supply, the Company continues to benefit from customer order growth and order transfer effects.

In response to customers' strong demand for high-quality APIs, the Company conducts annual production line optimization and process upgrades, enhancing capacity and production efficiency, successfully meeting customer needs and enhancing delivery capability. At the same time, the Company actively deploys diversified supply sources, reducing dependence on a single market, in order to reduce geopolitical and supply chain risks and ensure stable API supply.

In the future, the Company will continue to leverage market-leading manufacturing and regulatory compliance capabilities, combined with production

line expansion and technology upgrade strategies, actively seizing order transfer opportunities, consolidating global customer cooperation relationships, enhancing order-taking momentum and flexible supply chain, strengthening competitive advantages, and driving the continued growth and long-term steady development of the API business.

(2) Injectable Formulations

The global injection and injection drug delivery device market continues to grow steadily. According to Grand View Research and GII reports, the global injection drug delivery device market size in 2025 was approximately US\$54.3 billion, expected to grow to US\$58.69 billion in 2026, with a compound annual growth rate (CAGR) of approximately 8.1%, and expected to reach US\$79.51 billion by 2030. This growth is mainly driven by the increased prevalence of chronic diseases, increased demand for biologics and biosimilars, advances in sterile process technology, and the popularization of self-administered drug delivery devices.

The Company established an injection development team in 2018, formally entering the injection R&D and production field. The existing production lines cover the cytotoxic production line (anticancer drugs and ADC) and the general production line (small molecules and large molecules), with a single batch capacity reaching 10,000 to 250,000 vials, providing one-stop R&D and manufacturing services from API to injection formulation, effectively assisting customers in shortening the development timeline and reducing overall costs. The production lines are designed by the internationally renowned manufacturer NNE, fully complying with the regulatory requirements of the U.S. FDA, EU EMA, and Japan PMDA, and have the capability to flexibly expand according to customer needs.

In terms of regulatory and market progress, the Company's injection plant passed the U.S. FDA sterile injection plant inspection in September 2024, and passed the EU-GMP inspection of APIs and injection formulations by Poland CPI (Chief Pharmaceutical Inspectorate) in October 2025. In March 2026, the Company's breast cancer injection successfully obtained Abbreviated New Drug Application (ANDA) approval from the U.S. Food and Drug Administration (US FDA), being the Company's first ANDA approval and a significant milestone.

Looking ahead, the Company will continue to advance the expansion of existing production lines and the construction of new production lines, gradually enhancing injection capacity in response to market demand growth. At the same time, the Company will combine advanced process technology and sterile production capability to actively expand into the biologics and high-activity drug fields, strengthening overall competitive advantages and supporting customers' global market deployment.

(3) Contract Research and Manufacturing Services

The Company has long cultivated customized contract development and manufacturing organization (CDMO) services, with API process development as its core advantage, continuing to provide customized synthesis and drug formulation development services for small-molecule and biopharmaceutical products, and actively expanding into the antibody-drug conjugate (ADC) field. The Company has established its own ADC linker-drug (Payload-Linker) technology platform, providing diverse candidate combinations and optimizing the drug-antibody ratio (DAR), further expanding the scope of one-stop R&D and manufacturing services to meet customers' needs for high-end drug development.

In response to business growth and increased customer orders, the Company has expanded its 200L API production line, with an annual capacity reaching approximately 300 kg, and continues to advance existing production line optimization and new production line construction, enhancing overall capacity and delivery flexibility. Through the vertical integration capability of APIs and sterile injections, the service scope covers high-specification drug formulation products such as pre-filled syringes and large-volume lyophilized injections, and fully complies with the sterile formulation regulations of the U.S. FDA, EU EMA, and Japan PMDA, not only effectively reducing production costs but also strengthening product added value and market competitiveness.

Facing international supply chain restructuring and regulatory environment changes, the Company continues to strengthen manufacturing capability and supply chain flexibility, ensuring stable supply of key APIs and drug formulation products through diversified raw material sources and a robust quality management system, reducing operating risks. At the same time, combining the advantages of CDMO integrated services and flexible capacity allocation, and providing localized support through the U.S. subsidiary Synchem-Formosa, the Company actively expands the high-value-added drug and innovative biologics market, continuing to deepen cooperation relationships with international pharmaceutical companies and moving toward becoming a strategic partner trusted long-term by global customers.

(III) Technology and R&D Overview

1. R&D expenses (Company and subsidiaries)

Research and development expenses invested in 2025 and up to March 31, 2026, were NT\$727,909 thousand and NT\$186,056 thousand, respectively.

2. Successfully developed technologies or products

The successfully developed products in 2025 and up to the present are as follows:
Product names: Pitavastatin Calcium and Capivasertib, etc.

(IV) Short-term and Long-term Business Development Plans

1. Short-term Business Development Plans

- (1) Consolidate relationships with existing customer groups, actively expand new customers, and increase market share in the industry.
- (2) Strengthen communication with customers to fully understand their needs.
- (3) Focus on quality, maintain high standards of customer satisfaction.
- (4) Reduce costs to enhance competitiveness.

2. Long-term Business Development Plans

- (1) Strengthen relationships with upstream and downstream manufacturers, effectively link supply chain operations to accelerate meeting customer needs.
- (2) Form strategic alliances with customers, expand market share to create win-win situations.
- (3) Initiate at least 10 new R&D projects annually and commercialize at least 2 new products each year to maintain competitive advantage.
- (4) Improve existing equipment and processes to achieve maximum efficiency, in order to reduce costs and enhance market competitiveness.
- (5) Strengthen R&D contract manufacturing services, expand ADC and injection product customer base.
- (6) Cultivate talent to meet the company's continued future growth, foster organizational members' identification with corporate culture to establish an

organizational culture with shared values, and achieve the common vision of sustainable operation.

II. Market and Sales Overview

(I) Market Analysis

1. Sales regions of main products

Unit: NT\$ thousand

Sales Region	2024	2025
United States	631,354	870,216
India	1,056,918	755,050
Netherlands	588,641	610,718
China	217,953	441,133
Taiwan	338,177	372,693
Japan	262,690	280,396
Germany	250,629	262,726
Other Countries	1,384,684	1,258,425
Total	4,731,046	4,851,357

2. Market share

(1) Active Pharmaceutical Ingredients (APIs)

A. Cholesterol and Phosphate Binders

The Company's Cholesterol and Phosphate Binders product continues to maintain a global leading position, as one of the important suppliers to three major generic drug manufacturers in the market and a core supplier in the U.S. and European markets. Demand for this product series is stable and strong. To meet customers' continuously growing demand, the Company has annually conducted production line optimization and capacity enhancement, ensuring delivery flexibility and reliability. The overall product market share exceeds 70%, with the market share of a single key product even higher, reaching more than 90%, demonstrating Formosa Laboratories' competitive advantage and stable position in the global market.

B. Vitamin D Derivative Series Products

The Vit. D Derivatives series products possess multiple patented technologies, with outstanding performance in the European, U.S., Chinese, and Japanese markets, gaining high recognition from the international pharmaceutical industry and becoming the Company's representative product series. This series of products has successfully entered the originator supply chain, with three products being among the top three global suppliers, and a single product's global market share reaching 40%, demonstrating Formosa Laboratories' stable competitiveness in the international market.

Facing the continued growth in customer demand, the Company has annually conducted production line optimization and expansion, enhancing capacity and delivery flexibility, ensuring the ability to quickly respond to order growth and market changes. At the same time, combining process technology, a stable supply chain, and strict GMP management, Formosa Laboratories can stably provide high-quality APIs, reducing supply risks, strengthening cooperation

relationships with international pharmaceutical companies, consolidating market position, and continuing to expand global market share.

C. Steroids Series Products

The Company's Steroids series products have successfully entered the U.S. originator supply chain, with stable product production and shipment, continuously meeting customer needs. This series of products has established a good reputation in the market, demonstrating the Company's competitive advantage in API supply stability and delivery capability.

D. Respiratory Agents Products

The Company's Respiratory Agents series products have excellent sales performance, with revenue continuing to multiply. The Company has currently completed production line optimization and enhanced capacity to stably supply market demand. This series of products has reached a global market share of 80%, further consolidating the Company's leading position in the Respiratory Agents API field through reliable process technology and strict quality management.

E. Anticancer Series Products

Among the Company's Anticancer series products, one product has obtained U.S. FDA marketing approval and has successfully obtained the China drug license. This product's U.S. market share in 2025 was close to 60%, with stable production and supply, ensuring continued satisfaction of customer needs.

(2) Injectable Formulations

The Company's injection manufacturing system has production capabilities for small-molecule and large-molecule drugs. It currently has three sterile injection production lines with an annual capacity reaching hundreds of millions of doses, and can support the production needs of millions of doses at the preclinical development stage. It also has a dedicated cytotoxic production line with an annual capacity reaching tens of millions of doses. The injection plant passed the U.S. FDA inspection in 2024, demonstrating manufacturing capability and quality standards compliant with international regulations.

In terms of operating model, the Company adopts a joint development strategy with customers, integrating product supply chains and sales channels, effectively shortening the product launch timeline and accelerating market penetration, driving the gradual increase in the operating contribution of the injection business. At the same time, in response to market demand and order growth, the Company continues to advance production line expansion and new production line construction, strengthening overall capacity and delivery flexibility.

In terms of product deployment, the Company's injection product line has successfully developed a new chemotherapy drug applied to the treatment of advanced breast cancer, and has obtained marketing approval from Taiwan's competent authority, with formal sales beginning in 2024. This product also successfully entered the U.S. market in March 2026, and has signed sales contracts with European customers, with launch expected in 2026. Overall, the Company's injection products are currently still at the expansion stage in terms of international market share. As products are successively launched and capacity gradually comes online, market penetration is expected to continue to increase, further contributing to future operating growth momentum.

(3) Contract Development and Manufacturing Organization(CDMO)

Benefiting from the continued increase in global drug contract manufacturing and R&D demand, the Company's CDMO business maintains steady growth, with the one-stop business model from R&D to mass production gradually demonstrating its benefits, and serving customers including many international pharmaceutical companies. Currently, most of the related projects have entered the key validation or commercial scale-up stage, driving the continued expansion of the order scale. Overall, the Company's market share in the CDMO market is still at the continued expansion stage, and as projects transition into the commercialization stage and capacity is gradually released, market penetration is expected to steadily increase.

In terms of technology platforms, the Company's antibody-drug conjugate (ADC) service platform has established international visibility, assisting many new drug companies in R&D and production. Combined with injection contract services, since 2019 it has successively passed multiple Qualified Person (QP) audit certifications, supporting customers in obtaining clinical trial approvals from the U.S. FDA, European EMA, and China NMPA, and stably supplying ADC clinical drugs. In addition, based on long-term synthesis technology, the Company has developed its own ADC Linker-Payload platform, providing diverse combination options and enhancing the Drug-to-Antibody ratio (DAR), strengthening technological differentiation and service depth.

In terms of service and capacity integration, the Company provides one-stop CDMO services covering APIs to drug formulations, including the cytotoxic production line (anticancer drugs and ADC), peptide, fermentation, and general production lines (small molecules and large molecules), with the filling capacity ranging from millions of doses at the preclinical stage to hundreds of millions of doses at the commercialization stage. The Company continues to advance capacity enhancement and line expansion planning, in response to customer demand growth, and to enhance delivery flexibility and service efficiency. The Company has currently launched cooperation projects with many internationally renowned pharmaceutical companies. As projects advance and capacity gradually comes online, the competitive position in the global CDMO market will continue to be strengthened.

3. Future Market Supply and Demand Conditions and Growth Potential

With the continued deepening of global pharmaceutical R&D and manufacturing division of labor, the API and contract development and manufacturing organization (CDMO) industry has gradually shown regionalized and specialized development trends, with production and R&D energy continuing to shift toward the Asian region with cost and technology advantages. In addition to relatively low manufacturing costs and clinical trial expenditures, the rapid growth in Asia-Pacific market demand is also an important driving factor. China and India continue to increase their share of bulk API and intermediate supply, becoming key sources of the global supply chain. However, the high-value-added patented drug and innovative drug markets are still mainly concentrated in the United States, Europe, and Japan, with the proportion of outsourced production continuing to increase, driving the steady growth of CDMO demand.

In terms of the supply and demand structure, with the accelerating pace of new drug launches, the increasing demand for biopharmaceuticals and highly complex formulations, and the global supply chain restructuring trend, the market's demand

for suppliers with high-quality manufacturing capability, regulatory compliance (GMP) capability, and integrated services continues to increase. In the future, the API and CDMO industries will move toward centralization, with manufacturers possessing technological barriers, economies of scale, and diverse product lines having greater competitive advantages, while operators lacking scale and technological differentiation will face the pressure of consolidation or exit from the market.

In terms of growth momentum, the global API market size is expected to continue steady growth, mainly benefiting from the increase in generic drug penetration and the expansion of medical demand in emerging markets. At the same time, the CDMO market is also continuing to expand due to the deepening of pharmaceutical companies' outsourcing strategies, particularly in fields such as antibody-drug conjugates (ADC), sterile injection formulations, and high-difficulty processes, where market demand growth is even more significant.

In the future, the Company will continue to base its operations on GMP, combine the integration capability of APIs and drug formulations, deepen contract R&D and commercialization production services, and actively expand ADC and injection-related product lines and customer cooperation opportunities. Through continuously expanding capacity, optimizing processes, and strengthening technology platforms, the Company enhances the breadth and depth of services in response to the growth trend of the global CDMO market, and gradually enhances overall market share and operating scale.

4. Competitive Niche

By virtue of years of accumulated operating and management experience, the Company effectively grasps the timeline from new product development to launch, enhancing market entry timing and establishing overall competitive advantages. Its main competitive niches are as follows:

(1) Complete R&D Capability and Mass Production Experience

The Company has professional API process development and analytical method development teams, has long cultivated process technology, and has accumulated multiple process-related patents, with complete experience from development to mass production, providing customers with one-stop integrated services. In addition, combining the development and manufacturing experience of highly active/highly toxic products, professional plant equipment, and skilled personnel, and extending to the injection filling capability for highly toxic drug formulations, the Company has established a complete supply system from APIs to drug formulations, further supporting the development of the antibody-drug conjugate (ADC) related technology platform.

(2) Stable Product Quality Compliant with International Standards

All of the Company's products are produced in accordance with cGMP regulations, and continue to pass plant inspections and audits by domestic competent authorities and major international markets (such as the U.S. FDA). The Company's products have also obtained relevant certifications in the United States, Europe, and Japan, among other places. Through a rigorous quality management system and continuous improvement mechanism, the Company ensures stable and reliable product quality and has gained recognition from international customers.

(3) Stable Raw Material Supply System

Main raw materials are provided by long-term cooperating suppliers, with both parties establishing stable cooperation relationships, helping to ensure stable supply sources while balancing cost and supply flexibility, reducing supply chain risks and maintaining operating stability.

(4) International Market Sales and Service Capability

The Company has a high export proportion and has established a complete international business network, with markets covering Europe, the United States, Japan, India, the Middle East, and Southeast Asia, among other regions. The customer distribution is diverse, helping to diversify market risks and expand operating scale. Through long-term accumulated international customer cooperation experience and channel resources, the Company has the ability to continue expanding overseas markets and become an important supply partner for international pharmaceutical companies.

5. Favorable and Unfavorable Factors for Development Prospects and Countermeasures

(1) Favorable Factors

A. Aging Population Structure and Continued Growth in Medical Demand

The global population is gradually entering an aging society, driving the increase in chronic disease drug and related treatment demand, which in the long term helps the API and pharmaceutical market scale to continue expanding. At the same time, in order to control medical expenditures and enhance medical quality, various national governments regulate drug prices, causing international pharmaceutical companies to more tend to seek cost-effective partners compliant with international quality standards, further boosting CDMO and API outsourcing demand, which is beneficial to the expansion of the Company's business.

B. Government Policy Supports Industry Development

The government continues to list the biotech-pharmaceutical and API industries as key development areas, and through measures such as R&D subsidies, tax incentives, and industry guidance, assists industrial upgrading and internationalization development, helping to enhance the Company's technological energy and market competitiveness, and strengthening the foundation for expanding global markets.

(2) Unfavorable Factors

A. International Regulatory Standards Are Becoming Increasingly Strict

Various countries' requirements for Key Starting Materials and manufacturing standards continue to increase, with qualified supply sources relatively reduced, increasing the complexity of supply chain management.

B. Intensifying Talent Competition Pressure

Industry demand for professional technical talent has increased. Other industries (such as the technology industry) attract talent with higher salaries, causing the pharmaceutical industry to face challenges in human resource recruitment and retention.

C. Intense International Market Price Competition

Low-cost competitors from some countries (such as India) continue to enter the market, putting pressure on product prices and affecting the market competition environment.

(3) Countermeasures

A. Strengthening Supply Chain Management and Diversified Procurement Strategies

In addition to maintaining existing stable cooperating suppliers, the Company continues to develop second-source suppliers to diversify supply risks. At the same time, the Company uses its comprehensive GMP quality management system and international regulatory compliance capability, gradually extending to the upstream supply chain, enhancing supply stability and creating new business opportunities.

B. Establishing Flexible Operations and Information Grasping Mechanisms

The Company maintains long-term stable cooperation relationships with upstream and downstream partners, strengthens market information gathering and real-time response capabilities, and timely adjusts production planning, demand allocation, and inventory management to respond to market changes.

C. Focusing on High-Value-Added Products and Deepening Quality Advantages

Through product selection strategies for market segmentation, the Company continues to enhance product quality and technical barriers, and strengthens regulatory certifications and customer trust in major markets such as Europe, the United States, and Japan, enhancing overall competitiveness through differentiated competition.

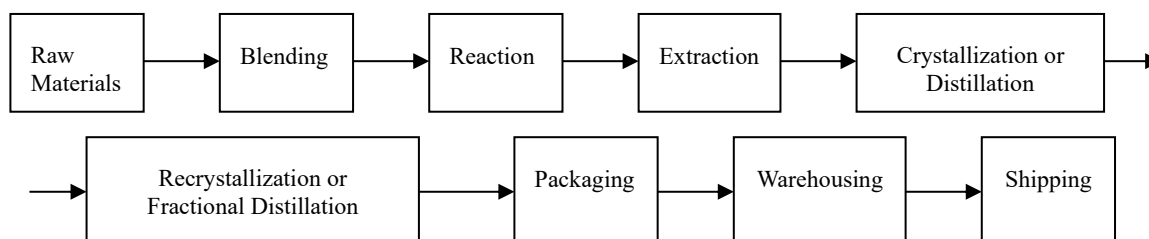
(II) Important uses and production processes of main products

1. Important uses of main products

The Company's current main products and their uses are as follows:

- (1) Cholesterol and Phosphate Binders: Mainly used to treat hyperlipidemia and hypophosphatemia in patients with low renal function.
- (2) Vitamin D derivatives: are primarily utilized to treat psoriasis, hyperparathyroidism, osteoporosis, and renal osteodystrophy resulting from uremia.
- (3) Respiratory Agents: Mainly used to treat sensitive and allergic diseases of the upper respiratory tract.
- (4) Anti-inflammatory and Analgesic Agents: Mainly used as an analgesic for ulcerative colitis and herpes zoster.
- (5) CNS Agents: Mainly used for anti-depression.

2. Production Process of Main Products



(III) Supply status of main raw materials

Main Raw Materials	Main Suppliers	Supply Status
Chemical Raw Materials	Company G	Good

(IV) List of Major Suppliers and Customers

1. The names and purchase amounts and ratios of suppliers accounting for more than 10% of total purchases in any year of the most recent two years, and explanation of the reasons for changes

Unit: NT\$ thousand; %

Item	2024				2025			
	Name	Amount	Ratio of Total Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Ratio of Total Annual Net Purchases (%)	Relationship with the Issuer
1	Company G	133,333	10.68	None	Company G	164,802	15.42	None
2	—	—	—	—	Company H	134,644	12.60	None
	Others	1,114,655	89.32	—	Others	769,382	71.98	
	Net Purchases	1,247,988	100	—	Net Purchases	1,068,828	100	

Note: Reasons for increases/decreases in suppliers:

H Company: The increase is mainly due to higher procurement of raw materials used for steroid production; therefore, purchases from H Company rose to 12.60% in 2025.

2. The names and purchase amounts and ratios of customers accounting for more than 10% of total sales in any year of the most recent two years, and explanation of the reasons for changes

Unit: NT\$ thousand; %

Item	2024				2025			
	Name	Amount	Ratio of Total Annual Net sale (%)	Relationship with the Issuer	Name	Amount	Ratio of Total Annual Net sale (%)	Relationship with the Issuer
1	Company AC	583,404	12.33	None	Company AC	607,830	12.53	None
2					Company CF	488,986	10.08	None
	Others	4,147,642	87.67		Others	3,754,541	77.39	
	Net Sales	4,731,046	100	—	Net Sales	4,851,357	100.00	

Note: Reasons for increases or decreases in clients:

(1) AC Company: Due to increased demand for APIs from certain customers in 2025, annual sales grew compared to 2024. As a result, the proportion of sales to AC Company slightly increased to 12.53% in 2025.

(2) CF Company: The sales ratio increased from 2.44% in 2024 to 10.08% in 2025, mainly due to an increase in customer orders in 2025, making it one of the Company's major customers.

III. Employee Information

Unit: Person; Age; Years; %

Year		2024	2025	As of the 1st quarter of 2026
Number of Employees	Administrative and Sales	105	94	93
	R&D	154	157	152
	Technician	694	736	726
	Total	953	987	971
Average Age		36.2	36.6	37.0
Average Service Years		5.8	6.0	6.2
Education Distribution Ratio	Ph.D	5.1%	5.6%	5.6%
	Master	27.7%	27.8%	28.0%
	University/ College	52.9%	51.3%	50.6%
	High School (Vocational)	13.5%	14.4%	15.4%
	Below High School	0.8%	0.9%	0.4%

Note: The numbers in the above table represent employees of the Company and its subsidiaries who were still employed at the end of each period.

IV. Environmental Protection Expenditure Information

- (I) Losses suffered due to environmental pollution in the most recent year and up to the printing date of the annual report (including compensation and results of environmental protection inspections showing violations of environmental regulations, specifying the disposition dates, disposition reference numbers, articles of law violated, content of violations, and content of dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and the corresponding measures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

The Company has always been dedicated to environmental protection and preventing pollution. While it is currently difficult to estimate potential losses resulting from environmental pollution in the future, the Company will closely monitor the development of environmental protection laws and regulations, as well as changes in environmental pollution evaluation standards. The Company will respond to these evaluations with appropriate measures. The administrative penalties (including minor violations or deficiencies in firefighting and environmental regulations) incurred by the Company in 2025 and as of the printing date of the Annual Report were 6 cases of fines, totaling NT\$500 thousand. All listed deficiencies have been completely remedied or are being continuously improved.

- (II) For pollutants generated during the manufacturing process, such as waste (sewage) water, exhaust gas, waste materials, and toxic substances, the Company has installed relevant equipment, designated responsible personnel, and commissioned professional legal institutions for handling, as explained below:

1. Installation of Pollution Control Facilities or Discharge Permits

(1) Wastewater Treatment

The Environmental Protection Bureau of Taoyuan City Government has granted the Company the Water Pollution Prevention Permit (Taoyuan-Huan-Pai-Xu-Zi No. H0604-12). To manage the wastewater (sewage) produced during the production process, the Company has constructed a wastewater treatment plant, which is operated by designated personnel. The wastewater (sewage) is only discharged outside the factory after meeting the discharge standard. Additionally, Luzhu No.2 Plant has obtained the Wastewater (Sewage) Storage Permit (Taoyuan-Huan-Pai-Xu-Zi No. H3842-03) and has commissioned Luzhu Plant to treat wastewater (sewage).

(2) Exhaust Gas Treatment

The company has constructed Regenerative Thermal Oxidizers (RTOs) to improve the treatment of Volatile Organic Compounds (VOCs). These RTOs have a treatment efficiency of 95% or higher and can recycle and reuse waste heat, aligning with our commitment to environmental protection and energy conservation. Additionally, the company has obtained the Stationary Pollution Source Operating Permit in compliance with the Air Pollution Control Act and has designated specialized personnel to manage air pollution control.

Stationary Pollution Source Operating Permit	Permit No.
(Luzhu Plant) Other Western Medicine Manufacturing Procedure (M01)	Certificate No. H5698-05
(Luzhu No.2 Plant) Other Western Medicine Manufacturing Procedure (M01)	Certificate No. H5699-04
Boiler Steam Generation Procedure (M05)	Certificate No. H5368-07

(3) Industrial Waste Treatment

Recyclable waste generated during production will be recycled by resource recovery operators. Non-recyclable waste, such as solid waste, waste solvent, and garbage, will be cleaned and treated by qualified professional cleaners and treatment plants approved by environmental protection units.

(4) Pharmaceutical Waste Treatment

The Company has applied appropriate measures for the treatment of toxic chemicals and has complied with relevant laws and regulations.

2. Environmental Protection Department

The company has a dedicated environmental protection unit staffed with specialists in various environmental protection matters. The relevant information on these specialists is described below:

Item	Description
(Luzhu Plant) Wastewater Treatment Specialist	Holds the Class A Wastewater Treatment Responsible Personnel certificate, certificate No. (114) Huan-Bu-Yan-Zheng-Zi No. GA270362
(Luzhu Plant) Air Pollution Specialist	Specialist in charge of Class B air pollution prevention and control, Certificate No. (103) Huan-Shu-Xun Certificate No. FB040400
(Luzhu No.2 Plant) Air Pollution Specialist	Possessing a Class A Air Pollution Control Specialist, Certificate No. (91) EPA Training Certificate No. FA060452
(Luzhu Plant) Waste Treatment Specialist	Specialist in charge of Class A waste treatment, Certificate No. (106) Huan-Shu-Xun Certificate No. HA150292
(Luzhu Plant) Toxic Chemical Treatment	Specialist in charge of Class A toxic chemical treatment, Certificate No. (106) Huan-Shu-Xun Certificate No. JA070309
(Luzhu No.2 Plant) Toxic Chemical Treatment	Holds the Class A Toxic Chemical Treatment Technical Personnel certificate, certificate No. (114) Huan-Bu-Yan-Zheng-Zi No. JA070229

3. Future countermeasures (Including Improvement Measures) and Potential Expenditures:

The Company places great emphasis on environmental protection. In recent years, we have constructed wastewater treatment facilities and RTOs, and have strengthened our proper treatment of wastewater and air pollution generated during the production process to meet relevant environmental protection standards.

V. Labor Relations

(I) The Company's and its subsidiaries' employee welfare measures, continuing education, training, retirement system and implementation status, as well as the agreement between labor and management and the measures to safeguard employee rights and interests.

1. Welfare System

- (1) Free group insurance for employees and their family members (spouse, children) (including life insurance, medical insurance, accident insurance, and travel insurance for business trips), preferential group insurance for employees' relatives, and occupational accident insurance.
- (2) Performance bonuses, year-end bonuses and employee remuneration.
- (3) Free annual health examinations, special operations health examinations, and management health examinations.
- (4) Establishment of factory nurses and monthly on-site doctor health consultations.
- (5) Breastfeeding room for female employees.
- (6) On September 6, 2025, the "2025 Formosa Laboratories Family Day" was held at the Window on China Theme Park in Longtan, Taoyuan, with 1,205 participants.
- (7) Fitness room, library, employee cafeteria, free employee car and motorcycle parking lot, and free employee dormitory for long-distance employees.
- (8) Establishment of an Employee Welfare Committee, providing various

employee benefits, including holiday bonuses/welfare allowances, birthday gifts, birthday celebration activities, subsidies for colleague gatherings (social events), and subsidies for club formations.

- (9) Subsidies for employees' self-study degrees or language training, and scholarships for employees' children who are students. In 2025, 1 colleague received degree advancement and language training subsidies, and 49 colleagues' children (a total of 57 children) received scholarships and grants.
- (10) Employee health activities
 - A. In 2025, the Company held health promotion activities such as the TOP Ten Thousand Steps Challenge (walking 10,000 steps daily), boxing aerobics, food journals, blood pressure measurement points, and health promotion lectures, with a total of 489 participations. The Company also held 2 blood donation public welfare activities, with a total of 102 participations.
 - B. In 2025, the Company held 2 sessions of influenza vaccine and COVID-19 vaccine vaccination activities, with a total of 217 participations.
 - C. The Company provides Employee Assistance Programs (EAPs), providing a total of 37 consultation services in 2025.
 - D. In 2025, the Company held 5 body-mind-spirit (handcraft) lectures, with a total of 129 employee participations.

2. Employee Trainings

The company has developed procedures for education and training aimed at improving personal skills, training professionals, enhancing product quality and R&D capabilities, maintaining and strengthening our competitive position in the industry, fostering employee understanding of our corporate culture, and establishing a shared organizational culture. These efforts create opportunities for sustainable operations and promote common values.

The 2025 Training Outcomes , as follows:

Item	Training fee (NT\$)	Hours	Attendance
Core	0	146	1,235
Professional	786,298	1,934	546
General knowledge	136,143	31.6	500
Labor safety and health	338,505	677.5	992
Administration	173,531	63.2	218
Total	1,434,477	2,852.3	3,491

3. Retirement System and Implementation

(1) New Retirement System

In compliance with the Labor Pension Act, the Company has been contributing 6% of employees' monthly salaries to their individual pension fund accounts, as established by the Bureau of Labor Insurance, since July 1, 2015. This applies to both new and existing employees who have opted for the new labor retirement system.

Starting from July 1, 2005, for those who choose the "Labor Pension Act", the pension payment and calculation methods are as follows:

A. Individual Retirement Pension Accounts

a. Monthly Pension:

When reaching 60 years of age and being subject to the "Labor Pension Act" with 15 years of service, one may claim monthly pension payments. The principal and accumulated returns in an employee's individual retirement account are calculated based on the annuity life table, using average life expectancy and interest rates as the basis to determine the amount for regular pension payments.

b. Lump-sum Pension:

When reaching 60 years of age but having less than 15 years of service under the Labor Pension Act, one must claim a lump-sum pension payment. Receive the principal and accumulated returns from the employee's individual retirement account in a lump sum.

B. Annuity Insurance System: Payment amounts are determined according to the insurance contract.

C. For employees who choose to apply the retirement system under the "Labor Standards Act" and retain their years of service prior to the "Labor Pension Act," factors such as the number of employees, wages, years of service, and turnover rate are used to actuarially determine the contribution rate for the labor retirement reserve. Employers continue to make full monthly contributions to the labor retirement reserve fund within 5 years in accordance with Article 56, Paragraph 1 of the "Labor Standards Act," to be used for retirement payment purposes.

(2) Old Retirement System

At the same time, the Company continues to calculate the seniority for the original employees who chose to apply the old retirement pension system in accordance with the provisions of the "Labor Standards Act", and retains the old seniority for the original employees who chose to apply the new retirement pension system. The Company has also established a Labor Retirement Reserve Supervisory Committee, contributing 2% of the total employee salaries each month as retirement pension, and depositing it in a special account at the Bank of Taiwan and handling employee retirement matters in the name of the Labor Retirement Reserve Supervisory Committee.

A. Employees of the Company who meet one of the following conditions may apply for voluntary retirement:

- a. Those who have served for 15 years or more and have reached the age of 55.
- b. Those who have served for 25 years or more.
- c. Those who have served for 10 years or more and have reached the age of 60.

B. The provisions for the payment of employee retirement pensions are as follows:

- a. The standard for the base amount of retirement pension is the average salary for one month at the time of approved retirement.
- b. For each year of service, two base amounts are given; after 15 years, one base amount is given for each additional year, with a maximum total of 45 base amounts. Less than half a year is counted as half a year, and half a year or more is counted as one year.
- c. For those who have lost their mental faculties or are physically disabled due

to the performance of their duties, an additional 20% is given based on the previous provision.

d. The retirement pension for employees should be paid within 30 days from the date of the employee's retirement.

(3) Retirement Pension Contribution Status

A. For those applying for the new system under the "Labor Pension Act": The recognized pension expense for 2025 is NT\$40,610,060.

B. For those applying the old system under the "Labor Standards Act": As of the end of 2025, the retirement account balance is NT\$2,559,803.

(4) In 2025, a total of 2 employees of the Company applied for retirement.

4. Agreement between labor and management and measures to safeguard employee rights and interests

The Company has always attached great importance to harmonious labor-management relationships and holds regular labor-management meetings to communicate views and maintain good relations.

(II) In the most recent fiscal year and as of the printing date of the Annual Report, the losses suffered by the Company due to labor disputes (including matters where labor inspection results violated the Labor Standards Act, which shall clearly specify the penalty date, penalty document number, violated regulatory provisions, content of the violation, and content of the penalty) and the disclosure of currently and possibly future estimated amounts and response measures, or, if it is not possible to reasonably estimate them, the explanation of the facts of the inability to reasonably estimate: 3 cases of fines, totaling NT\$220 thousand. All listed deficiencies have been completely remedied or are being continuously improved.

(III) Measures to protect the work environment and personal safety of employees

The Company is in the biotechnology and medical industry. To maintain safety throughout the facility, smoking is prohibited in all areas 24/7. Additionally, annual health examinations are provided for all employees, with additional examination items for personnel involved in special operations and those working in high-toxicity plants. This encourages employees to engage in self-health management. The Company also employs professional nursing staff and physicians who regularly visit the facility to provide consultation services, offering colleagues prevention and treatment of occupational and general injuries and illnesses, health consultations, first aid, and emergency handling. Fire drill education (including independent emergency response drills, advanced emergency response equipment training, emergency evacuation drills) and fire alarm testing are regularly conducted every year. Occupational safety and health education and training courses are conducted in accordance with regulations to establish risk awareness and ensure employees pay attention to their personal safety while performing their duties.

VI. Information Security Management

(I) Describe the information security risk management framework, information security policies, specific management programs, and resources invested in information security management.

1. The Company has long been committed to the implementation of information security and the protection of personal data. The Company's principal information security management programs and policies are described as follows:

- (1) Server Room: The physical servers and related equipment used by the Company to construct the information system platform are all placed in a computer server room with access control, and only administrators and authorized personnel are allowed to enter.
 - (2) Hardware Equipment: The Company's servers, network equipment, and other hardware are designed with redundant fault tolerance and clustering, in order to ensure the high availability of the system and hardware equipment.
 - (3) Storage Equipment: The Company's physical equipment used to store data and backups is combined with RAID disk array and redundancy designs to enhance data protection and availability.
 - (4) Firewall: The Company has installed network security equipment to block different networks, preventing the deliberate destruction, attacks, or tampering by external illegal users, in order to ensure the integrity of the system and data.
 - (5) Intrusion Detection and Prevention System: Based on the built-in signature database, the Company identifies attack behaviors and system vulnerabilities, providing administrators with early warning, evidence collection, and recording, and responds early.
 - (6) All company computers must have antivirus software installed.
 - (7) Computer systems must have account and password controls, and passwords must be updated periodically.
 - (8) The IT system is connected to a UPS uninterruptible power supply system to avoid damage caused by power outages.
 - (9) Company employees working remotely must connect back to the Company through VPN.
 - (10) System backups and offsite backups are performed daily.
 - (11) Periodic disaster recovery drills are conducted.
 - (12) Screen Saver Program: The Company has set the system to automatically lock the workstation after a user leaves the seat or the computer is inactive for a period of time. The computer must be unlocked by entering the account and password, forcing the user to establish a new control system access period.
 - (13) It is recommended that all personal computers be shut down after work, which can save energy, reduce carbon emissions, and reduce access threat opportunities.
2. 2025 Information and Communications Security Implementation Status and Specific Measures
- (1) Completed the introduction of MDR (Managed Detection & Response) threat detection and response services.
 - (2) Completed the introduction of EDR (Endpoint Detection and Response).
 - (3) Completed the replacement of the OA virtual server system platform approaching End Of Life.
 - (4) Completed the redesign of the Synchem-Formosa website, changing the hosting institution, with more information security protection mechanisms.
 - (5) Conducted a total of 3 disaster recovery drills for the Company's important systems.
 - (6) Completed the establishment of the Mail ADM advanced defense module and the SPAM-SQR fault-tolerance mechanism (SPAM-SQR HA), avoiding single point of failure risks, building a safer email environment, and reducing information security risks.
 - (7) Completed the use of paid ChatGPT Team subscriptions by multiple departments of the Company, complying with GDPR (General Data Protection

Regulation) requirements, ensuring data security.

(8) Completed strengthening the power expansion, air-conditioning expansion redundancy, and hot/cold aisles of the server room, in order to accommodate the high-energy-consumption AI Server.

(9) Completed the social engineering exercise. During working days within the testing period, social engineering exercise emails were sent to supervisors at the Deputy Supervisor level and above, colleagues handling business and cash flow, and 2-3 randomly selected employees from each unit. In addition to strengthening employees' information security awareness, the exercise results can also be used to understand the effectiveness of information security measures and the areas needing strengthening.

3. The Company has resolved by the Board of Directors to establish a dedicated information security unit (Information Security Section) and formulate the "Information Security Policy". The Information Security Section has one dedicated information security supervisor and one dedicated information security personnel. The Chief Information Security Officer reported the 2025 Information and Communications Security Management implementation status to the Board of Directors on November 13, 2025.

(II) List of major information security incidents, their impact, and response measures in the most recent year and up to the printing date of the annual report; if reasonable estimation is not possible, the fact that reasonable estimation cannot be made should be stated: None.

VII. Important Contracts

Contract Nature	Parties	Contract Term	Main Content	Restrictive Clauses
Sales Contract	Company AF	2009/09/04-Automatic one-year extension upon expiration	Product Supply Contract	Confidentiality Clause
Sales Contract	Company AG	2000/12/01- 5 years after product launch	Product Supply Contract	Confidentiality Clause
Sales Contract	Company AH	2001/04/11~Annual automatic renewal	Product Supply Contract	Confidentiality Clause
Sales Contract	Company BP	2000/12/31-Automatic update	Product Supply Contract	Confidentiality Clause
Sales Contract	Company AJ	2014/01/09-Automatic update	Service Contract	Confidentiality Clause
Sales Contract	Company AK	2013/02/06-Completion of product delivery	Service Contract	Confidentiality Clause
Sales Contract	Company AS	2017/02/09 ~2027/02/08	Product Supply Contract	Confidentiality Clause
Sales Contract	Company AT/ Company AU	2018/02/27- 5 years after product launch	Product Supply Contract	Confidentiality Clause
Sales Contract	Company AJ	2019/01/21~2023/01/21 (automatically extended for 1 year annually until someone proposes termination)	Product Supply Contract	Confidentiality Clause
Development and Sales	Company BA	2019/08/16~2034/09/30	Development and Product Supply	Confidentiality Clause

Contract			Contract	
Sales Contract	Company BD	2020/07/29-Renew once every five years	Development and Product Supply Contract	Confidentiality Clause
Sales Contract	Company BA	2020/05/04-2027/05/04	Development and Product Supply Contract	Confidentiality Clause
Sales Contract	Company BE	2020/09/05	Development and Product Supply Contract	Confidentiality Clause
Sales Contract	Company BF	2020/06/30-2030/07/30	Product Supply Contract	Confidentiality Clause
CDMO	Company BG	2021/01/01~2021/12/31 (renewed annually)	Product Supply Contract	Confidentiality Clause
CDMO	Company AO	2020/10/01 ~ 2030/10/01	Development and Product Supply Contract	Confidentiality Clause
CDMO	Company BH	2021/01/13~2027/1/12	Development and Product Supply Contract	Confidentiality Clause
Sales Contract	Company BL	2020/07/17 ~ 2025/07/16	Product Supply Contract	Confidentiality Clause
CDMO	Company AA	2021/05/04~2028/05/03	Development and Product Supply Contract	Confidentiality Clause
Sales Contract	Company AI	2021/10/15~2026/12/31	Product Supply Contract	Confidentiality Clause
CDMO	Company AS	2021/07/20~2026/07/19	Development and Product Supply Contract	Confidentiality Clause
CDMO	Company BQ	2022/11/28 ~ 2032/11/27	Development and Product Supply Contract	Confidentiality Clause
Sales Contract	Company BX	NA	Product Supply Contract	Confidentiality Clause
CDMO	Company BR	2022/10/01 ~ 2026/10/01	Development and Product Supply Contract	Confidentiality Clause
CDMO	Company BY	NA	Development and Product Supply Contract	Confidentiality Clause
CDMO	Company AO	2022/05/27 ~ 2032/05/26	Development and Product Supply Contract	Confidentiality Clause
Sales Contract	Company BS	2021/11/18 ~ 2026/11/18	Product Supply Contract	Confidentiality Clause
Sales Contract	Company AS	2023/05/04 ~ 5 years after product registration	Product Supply Contract	Confidentiality Clause

		approval (after expiration, automatically extended for 2 years until someone proposes termination)		
CDMO	Company BT	2023/05/12 ~ 2028/05/12	Product Supply Contract	Confidentiality Clause
CDMO	Company BU	2020/04/01 ~ 2028/12/31	Development and Product Supply Contract	Confidentiality Clause
CDMO	Company BV	2023/07/20 ~	Development and Product Supply Contract	Confidentiality Clause
CDMO	Company BW	2024/01/01 ~ 2024/12/31	Development and Product Supply Contract	Confidentiality Clause
Sales Contract	Company BZ	2023/12/27 ~	Product Supply Contract	Confidentiality Clause
CDMO	Company CA	2024/01/01 ~Ends upon project completion	Product Development Contract	Confidentiality Clause
CDMO	Company CB	2024/08/15 ~ 2029/08/15	Product Distribution License Agreement	Confidentiality Clause
CDMO	Company CC	2024/07/01 ~ 2030/06/30	Development and Product Supply Contract	Confidentiality Clause
CDMO	Company CD	2024/08/01 ~ 2027/07/31	Product Development Contract	Confidentiality Clause
CDMO	Company CE	2024/09/04 ~ 2029/09/03	Development and Product Supply Contract	Confidentiality Clause
CDMO	Company BT	2024/08/16 ~ 2026/08/16	Product Development Contract	Confidentiality Clause
CDMO	Company AW	2024/08/01 ~ 2029/12/31	Product Supply Contract	Confidentiality Clause
Medium-term Loan	East Taoyuan Branch, Sunny Bank,	2026/03/19~2029/03/19	Mortgage Loan	Pledge of land and plant
Medium-term Loan	East Taoyuan Branch, Sunny Bank,	2024/02/28~2027/05/20	Mortgage Loan	Pledge of machinery and equipment
Medium-term Loan	Pateh Branch, Mega International Commercial	2025/02/25~2028/02/24	Mortgage Loan	Pledge of land and plant

	Bank			
Medium-term Loan	Nankan Branch, E.SUN BANK	2024/02/06~2027/02/06	Credit Loan	None
Medium-term Loan	Cingpu Branch, CTBC BANK	2026/02/.28~2028/02/28	Credit Loan	None
Medium-term Loan	Business Department, O-Bank	2025/05/23~202705/22	Credit Loan	None
Medium-term Loan	Jianbei Branch, Taishin Bank	2025/07/31~2027/07/31	Credit Loan	None
Medium-term Loan	Taoyuan Branch, Chang Hwa Bank	2024/06/30~2027/06/30	Credit Loan	None
Short-term Loan	Nankan Branch, First Bank	2025.09.08~2026.09.08	Mortgage Loan	Pledge of land and plant

Chapter V. Review and Analysis of Financial Status, Financial Performance, and Risk Management

I. Financial Status

Unit: NT\$ thousand

Item	Year	2024	2025	Difference	
				Amount	%
Current Assets		5,868,020	5,549,100	(318,920)	(5.43)
Property, Plant, and Equipment		6,097,341	6,122,066	24,725	0.41
Intangible Assets		215,040	353,111	138,071	64.21
Other Assets		1,714,980	1,809,040	94,060	5.48
Total Assets		13,895,381	13,833,317	(62,064)	(0.45)
Current Liabilities		2,355,793	2,900,325	544,532	23.11
Non-current Liabilities		2,892,816	2,262,850	(629,966)	(21.78)
Total Liabilities		5,248,609	5,163,175	(85,434)	(1.63)
Equity Attributable to Owners of Parent Company		7,684,075	7,757,183	73,108	0.95
Share Capital		1,202,560	1,202,560	0	0.00
Capital surplus		3,773,468	3,570,380	(203,088)	(5.38)
Retained Earnings		2,726,245	3,010,582	284,337	10.43
Other Equity		(18,198)	(26,339)	(8,141)	(44.74)
Non-controlling Interests		962,697	912,959	(49,738)	(5.17)
Total Shareholders' Equity		8,646,772	8,670,142	23,370	0.27
Reasons for and impact of changes: (The change before and after reaches 20% or more, and the amount of change reaches NT\$10 million.)					
1. Increase in intangible assets: mainly due to the increase in patent technologies of Formosa Pharmaceuticals in 2025.					
2. Increase in current liabilities ratio: mainly due to the increase in short-term borrowings in 2025.					
3. Decrease in non-current liabilities ratio: mainly due to the decrease in long-term borrowings in 2025.					
4. Decrease in Other Equity Ratio: Mainly due to the impairment in valuation of financial assets at fair value through other comprehensive income in 2025.					

II. Financial Performance

(I) Analysis of Operating Results for the most recent Two Years

Unit: NT\$ thousand

Item	Year		Increase (Decrease) Amount	Variation (%)
	2024	2025		
Operating Revenue	4,731,046	4,851,357	120,311	2.54
Operating Costs	2,682,330	2,819,255	136,925	5.10
Net operating margin	2,048,716	2,032,102	(16,614)	(0.81)
Operating Expenses	1,322,820	1,228,925	(93,895)	(7.10)
Operating income	725,896	803,177	77,281	10.65
Non-operating income and expenses	(527,745)	(301,427)	226,318	42.88
Profit before income tax	198,151	501,750	303,599	153.22
Income tax expense	134,075	105,722	(28,353)	(21.15)
Profit for the year	64,076	396,028	331,952	518.06
Other comprehensive income	(57,231)	(12,244)	44,987	78.61
Total Comprehensive Income for the Period	6,845	383,784	376,939	5,506.78
Net Profit for the Period Attributable to Owners of the Parent Company	157,268	441,107	283,839	180.48
Net Profit for the Period Attributable to Non-controlling Interests	(93,192)	(45,079)	48,113	51.63
Total Comprehensive Income Attributable to Owners of the Parent Company	132,237	433,732	301,495	228.00
Total Comprehensive Income Attributable to Non-controlling Interests	(125,392)	(49,948)	75,444	60.17
<p>Explanation of major changes: (The percentage increase or decrease exceeded 20%, and the amount of change was equal to or greater than NT\$10 million.)</p> <ol style="list-style-type: none"> Increase in non-operating income and expenses: mainly due to the decrease in valuation losses on financial assets in 2025. Increase in pre-tax net profit, net profit for the period, other comprehensive income (net), total comprehensive income for the period, net profit attributable to owners of the parent, and total comprehensive income attributable to owners of the parent: mainly due to the increase in operating revenue in 2025, the decrease in valuation losses on financial assets, and the decrease in R&D expenses of the subsidiary Formosa Pharmaceuticals. Decrease in Income Tax Expense: This is mainly due to the increase in tax credits in 2025. Increase in net profit attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests: mainly due to the increase in non-operating income of the subsidiary Formosa Pharmaceuticals in 2025, causing the net loss for the period to decrease, and therefore non-controlling interests increased. 				

(II) Foreseeing Sales Volume for the Coming Year and Its Basis, Possible Impact on the Company's Future Financial and Business Operations, and Response Plans: Not applicable.

III. Cash Flow

(I) Analysis of Cash Flow Changes in the Most Recent Year

Unit: NT\$ thousand; %

Item \ Year	2024	2025	Increase (Decrease) Amount	Variation (%)
Cash Flows from Operating Activities	726,334	1,315,247	588,913	81%
Cash Flows from Investing Activities	(1,025,673)	(845,302)	180,371	18%
Cash Flows from Financing Activities	132,091	(677,964)	(810,055)	(613%)
Major Change Project Description: (Changes of 50% or more between before and after, and the change amount reaches 5% of the actual paid-in capital) Operating activities: mainly due to the increase in operating revenue in 2025. Financing activities: mainly due to the increase in cash dividend distributions in 2025 and the cash capital increase of the subsidiary Formosa Pharmaceuticals in 2024.				

(II) Improvement Plan for Liquidity Deficiency
Not applicable.

(III) Cash Flow Analysis for the Coming Year

Unit: NT\$ thousand

Beginning Cash Balance	Expected Annual Net Cash Flow From Operating Activities	Expected Annual Cash Outflow	Expected Cash Balance(Deficit)	Remedial Measures for Cash Deficit	
				Investment Plan	Financial Management Planning
1,140,826	929,737	(1,322,653)	747,910	—	—
<p>1. Analysis of cash flow changes in the next year:</p> <p>(1) Operating activities: The primary reason for this was the projected cash inflow resulting from the Company's operations.</p> <p>(2) Investing activities: The primary reason for the cash outflow was the acquisition of machinery and associated equipment, as well as the maintenance and replacement of production and research equipment.</p> <p>(3) Financing activities: Mainly bank financing and distribution of cash dividends.</p> <p>2. Remedial measures for expected cash deficit and liquidity analysis: Not applicable.</p>					

IV. Impact of Major Capital Expenditures on Financial Operations in the most recent year

The Company's and its subsidiaries' capital expenditure in 2025 was approximately NT\$797,077 thousand, mainly paid for the construction of Vit. D Derivatives, the development equipment of the injection plant production lines, the additional purchase of machinery and equipment related to the CDMO business, and the replacement and repair of existing plant equipment. Favorable for increasing the supply capacity of API products, and for future expansion from APIs to the production of injectable dosage form products, providing customers with one-stop value-added services, which will have a positive impact on the financial and business operations of the Company and its subsidiaries.

V. Investment Policy for the most recent year, Main Reasons for Profit or Loss, Improvement Plans for the coming Year

(I) Reinvestment policy of the Company and its subsidiaries: The Company's reinvestment in other companies follows the "Investment Cycle" and "Procedures for Acquisition or Disposal of Assets" of the internal control system.

(II) Main reasons for profit or loss and improvement plan

Unit: NT\$ thousand

Investment business transfer	Profit or Loss of the Invested Company (2025)	Main reasons for profit or loss	Improvement plan
Formosa Pharmaceuticals Inc.	(83,565)	This is mainly because the product is still in the initial market sales stage, and there are other new drug development projects continuing to proceed, so losses are still ongoing.	<p>1. The APP13007 R&D project has obtained the new drug application review approvals for marketing in the United States and Canada, respectively. In terms of out-licensing, APP13007 has also completed out-licensing in nearly 90 countries. In the future, milestone payments and royalty income will be recognized according to the drug license application stage and the sales stage.</p> <p>2. The TSY-110 R&D project is an ADC biosimilar developed using Roche's antibody-drug conjugate Kadcyla® (ado-trastuzumab emtansine), launched in 2013, as the reference drug, with the target indications being the same as Kadcyla's treatment of HER2-positive early breast cancer and metastatic breast cancer. After completing the scientific advice meetings with both the EU EMA and U.S. FDA regulatory authorities, and integrating the</p>

			<p>opinions of both parties to plan the PK/BE clinical plan and the consultation for efficacy clinical waiver, clinical trials will commence, and licensing opportunities will be sought before the launch of clinical trials.</p> <p>3. TSY-310 is an ADC drug targeting both EGFR and ROR1 dual targets, aimed at solving the difficult drug resistance and side effect issues in the current treatment of non-small cell lung cancer (NSCLC) and solid tumors. Cell line development, protein intermediates, and chemical process development and scale-up are currently being conducted, with non-clinical pharmacology and toxicology studies expected to commence in the second half of 2026.</p>
Epione Pharmaceuticals, Inc.	(121)	The Company is currently in the research and development phase of new drugs, which has led to ongoing financial losses.	Currently, the Company is focused on the application and development of biotechnology and new drugs, with an emphasis on discovering and exploring novel pharmaceuticals.
A.R.Z Taiwan Ltd.	(1,764)	Decline in commission business.	—
Epione Investment Cayman Limited	(2,782)	This is mainly due to the recognition of investment losses from Epione Investment HK Limited and Shanghai Epione Enterprise Co., Ltd.	—
Epione Investment HK Limited	(2,542)	This is mainly due to the recognition of investment losses from Shanghai Epione Enterprise Co., Ltd.	—

Shanghai Epione Enterprise Co., Ltd	(2,419)	Commissioned by the Company to apply for drug licenses to Chinese pharmaceutical regulatory authorities.	—
Activus Pharma Co., Ltd.	(945)	Mainly due to the Company's operating costs and exchange rate impact.	In the future, the Company will persist in seeking drug development and licensing opportunities for its patented nano R&D technology.
Formosa Laboratories Japan, Inc.	21,803	Increase in sales.	—
SynChem-Formosa, Inc.	(30,594)	This is mainly due to declining business.	Several preclinical projects are currently in progress, with steady deployment and active expansion of the North American footprint. Laboratory equipment expansion has also been completed to provide complete and comprehensive CDMO services.

(III) Investment plan for the coming year

The Company's reinvestment policy maintains a prudent attitude. If there are investment targets that can enhance the overall operational value of the Company, the feasibility and risks of such investments will be evaluated in accordance with the "Procedures for Acquisition or Disposal of Assets" and relevant regulations, and will be carried out after necessary resolution procedures.

VI. Risk Management and Assessment

(I) Impact of Changes in Interest Rates, Exchange Rates, and Inflation on the Company's Profits and Future Countermeasures

1. Changes in Interest Rates

The Company's and its subsidiaries' interest income for 2024 and 2025 was NT\$32,235 thousand and NT\$32,257 thousand, respectively, accounting for 0.68% and 0.66% of net operating revenue, respectively; the interest expenses for 2024 and 2025 were NT\$39,614 thousand and NT\$33,124 thousand, respectively, accounting for 0.84% and 0.68% of net operating revenue, respectively. Interest rate fluctuations have minimal impact on the overall profitability of the Company and its subsidiaries. The Company and its subsidiaries will stay informed of fluctuations in interest rates in order to secure more advantageous rates and mitigate interest rate risk.

2. Effects of Changes in Foreign Exchange

The Company and its subsidiaries primarily import and sell in USD, with a small portion of sales in EUR. To mitigate the impact of exchange rate fluctuations on income, the financial departments of the Company and its subsidiaries regularly gather exchange rate information, monitor major currency changes in the international foreign exchange market, and maintain good relationships with banks to

obtain favorable exchange rate quotations. The Company aims to achieve a balance between foreign currency assets and liabilities to achieve natural hedging and minimize the impact of exchange rate fluctuations on income.

Exchange gain in 2024 was NT\$25,978 thousand, and exchange loss in 2025 was NT\$163,093 thousand, mainly due to the impact of fluctuations in the USD/NTD exchange rate.

The Company and its subsidiaries have taken the following measures in response to changes in exchange rates:

- (1) Regarding net foreign asset positions, our financial personnel collect and evaluate relevant information and trends in the foreign exchange market. They then exchange foreign currency in a timely manner to reduce risk based on the company's capital needs, in addition to the natural hedge provided by purchase and sale payments denominated in foreign currencies.
- (2) The company maintains close contact with major correspondent banks to stay informed of changes in the foreign exchange market. We appoint relevant personnel to provide timely quotations that reflect changes in the exchange rate.
- (3) The company has developed the Procedures for Acquiring or Disposing of Assets, which the Shareholders' Meeting has approved by resolution. These procedures aim to regulate the operating procedures related to derivative financial products. The Company may take necessary measures to mitigate foreign exchange risks that may arise from its business operations, based on its foreign currency positions and fluctuations in foreign exchange rates.

3. Inflation

Inflation has not had a significant impact on the profits and losses of the Company and its subsidiaries. In the event of increased purchase costs due to inflation, the Company and its subsidiaries adjust sales prices accordingly.

(II) The policy for engaging in high-risk, highly leveraged investments, lending funds to others, endorsement guarantees, and derivative product transactions, as well as the main reasons for profits or losses and future response measures

1. Policy for high-risk, high-leverage investments, main reasons for profit or loss, and future response measures

The company and its subsidiaries concentrate solely on their core business and have refrained from entering other high-risk industries. The company's financial policy is characterized by prudence and conservatism. It refrains from making highly leveraged investments and all investments are executed only after careful evaluation.

2. Policy for lending funds to others, main reasons for profit or loss, and future response measures

The Company and its subsidiaries have developed the Procedures for Lending Funds to Others, which have received approval from both the Board of Directors and the Shareholders' Meeting. These procedures serve as the foundation for the Company and its subsidiaries to conduct relevant transactions. The Company and its subsidiaries engage in lending funds to others in accordance with the policies and countermeasures established by the "Operational Procedures for Lending Funds to Others." All relevant operations have taken into consideration the risk situations and relevant regulations, and have been carried out prudently.

3. Policy for endorsements and guarantees, main reasons for profit or loss, and future response measures

The company and its subsidiaries have developed the Procedures for Endorsements/Guarantees, which have received approval from the Board of

Directors and Shareholders' Meeting for forthcoming endorsements and guarantees. The Company and its subsidiaries have not provided any endorsements or guarantees for any other parties during the previous fiscal year or up to the date of publication of this Annual Report.

4. Policy for derivative financial instruments transactions, main reasons for profit or loss, and future response measures

The Company and its subsidiaries trade derivative products in accordance with relevant regulations from competent authorities and the Procedures for Acquiring or Disposing of Assets. The primary objective is to mitigate market risk associated with net assets and liabilities denominated in foreign currency due to fluctuations in exchange rates and interest rates. This activity is not intended for arbitrage or speculative purposes. The Company and its subsidiaries only engage with creditworthy banks as counterparties, ensuring low credit risk. The Company and its subsidiaries did not participate in any derivative trading during 2025.

(III) Future research and development plans and projected R&D expenditures

To enhance industrial competitiveness, the Company and its subsidiaries continue to engage in innovative research and development. The ratio of R&D expenditures to revenue in 2024 and 2025 is expected to be 16.83% and 15.00%, respectively. The expected future R&D expenditure will continue to be maintained above a certain amount; R&D expenses focus on upgrading the Company's APIs technology, continuously improving towards automation and reducing environmental impact, including expanding Flow Chemistry process development and application, while extending from existing API research and production to downstream formulations, and venturing into injectable product research and manufacturing. Currently, the Company currently operates traditional API production lines (including chemical and peptide drugs) and cytotoxic production lines (anti-cancer drugs and ADCs). The Company also continuously monitors products with expiring patents from original drug developers, selecting appropriate items to expand our future generic drug sales markets. Additionally, we are constantly strengthening our customized research and contract manufacturing business (CDMO business), providing clients with not only customized synthesis services for small molecule APIs for clinical use, but also customized development and synthesis services for antibody drug conjugate (ADC) APIs. Our goal is to leverage the Company's patented technologies to strengthen the competitive barriers of our clients' new drug development programs. The subsidiary Formosa Pharmaceuticals, Inc. focuses on developing therapeutic drugs in clinical stages for ophthalmology, oncology, and other therapeutic areas. Its product lines include 505(b)(2) improved new drugs and antibody-drug conjugate (ADC) biosimilars, while continuing to refine and deepen the APNT® nanoparticle formulation technology platform and applying this technology to the R&D of drugs in different dosage forms. Through this Double A (APNT & ADC) parallel approach as the R&D backbone, the R&D projects span small-molecule and large-molecule drug areas. In addition to small-molecule drugs to which APNT technology is applicable—such as ophthalmic drugs, inhaled formulations, and local injections—the Company also focuses on ADC technology to develop ADC biosimilars and ADC innovative drugs, as well as other large-molecule drugs. APP13007, an ophthalmic drug under R&D (with indications for post-ocular surgical inflammation and pain treatment), is developed from the APNT nanoparticle formulation technology platform, providing ophthalmologists and patients with a direct, clear medication mode and a more convenient, safer, and more effective medication choice. In terms of out-licensing, APP13007 has completed out-licensing in nearly 90 countries. With respect to drug licenses, drug registration

documents have been submitted in 7 countries, and the new drug application reviews in both the United States and Canada have been approved. The Company is currently actively planning supply and advancing commercialization with U.S. and Canadian customers. Another R&D focus is on ADC drugs. The TSY-110 antibody drug conjugate biosimilar project, by virtue of its development progress advantage as the first Kadcyła® biosimilar in the European and U.S. regions, implements project management and risk control. The Company is currently actively preparing for scientific advice meetings with both the EU EMA and U.S. FDA regulatory authorities. After integrating the opinions of both parties to plan the PK/BE clinical plan and the consultation meeting for efficacy clinical waiver, clinical trials will be commenced. TSY-310 is an innovative bispecific Fc-fusion drug conjugate that Formosa Pharmaceuticals licensed from Almac Discovery in May 2025. Process development and scale-up are currently being conducted, with non-clinical pharmacology and toxicology studies expected to commence in the second half of 2026. The estimated R&D expenses for 2026 are approximately NT\$1.082 billion.

(IV) The impact of important domestic and foreign policy and legal changes on the Company's financial operations, and corresponding countermeasures

The Company and its subsidiaries conduct daily operations in accordance with applicable domestic and international laws and regulations. Furthermore, they monitor the development of domestic and international policies and changes in laws and regulations, gather relevant information to inform management decisions, and adjust operating strategies accordingly. As of the date up to the publication date of this Annual Report, the financial operations of the Company and its subsidiaries have not been impacted by significant changes in domestic or foreign policies and laws.

(V) The impact of technological changes (including information security risks) and industrial changes on the Company's financial operations, and corresponding measures

The Company and its subsidiaries stay up-to-date with product and technological advancements in their respective industry. They consistently enhance product quality and manufacturing processes, promptly identify industry trends and market information, and implement sound financial management strategies to sustain market competitiveness.

To promote information and communication security-related policies, implement incident reporting and related response handling, the Company and its subsidiaries regularly assess information and communication risks, conduct information and communication security education and training, and formulate auditing systems for information and communication security plans to implement information and communication security risk management.

In the future, the Company and its subsidiaries will monitor changes in related product trends, evaluate their impact on operations, and make necessary adjustments to enhance business development and financial standing. There have been no significant changes in technology or industry that have materially impacted the Company and its subsidiaries during the most recent year up to the publication date of this Annual Report.

(VI) The impact of corporate image changes on corporate crisis management and countermeasures

Since its establishment, the Company and its subsidiaries have strived to uphold their corporate image and adhere to laws and regulations. As of the date up to the publication date of this Annual Report, there have been no incidents that have had an impact on the corporate image.

(VII) Expected benefits, potential risks, and countermeasures for mergers and acquisitions

The Company's merger and acquisition plans are prudently evaluated and the specific benefits are carefully considered in accordance with the Company's "Procedures for Acquisition or Disposal of Assets" and relevant laws and regulations, to effectively protect the interests of the Company and shareholders.

(VIII) Expected benefits, potential risks, and countermeasures for plant expansion

1. Expected benefits

In terms of APIs, although the Company faces price reduction challenges for its main products, it has continued to maintain steady growth through market share expansion and new product deployment. Among them, the Cholesterol and Phosphate Binders product's market share is in the leading global position. In terms of CDMO, the new production line equipment for antibody-drug conjugates (ADC) has completed validation and can provide commercial-scale production. European customers have entered Phase 1 and Phase 2 clinical trials and have conducted scale-up production. In addition, the expansion of the subsidiary Synchem-Formosa is in progress, and in the future will be able to provide CDMO needs for North American ADC customers. In the area of injectable products, the Company has successively passed inspections conducted by domestic and international regulatory authorities. Among these products, the Company's proprietary high-potency anticancer injectable product, Eribulin, obtained approval from the U.S. Food and Drug Administration (FDA) through the Abbreviated New Drug Application (ANDA) pathway and commenced shipments in the first quarter of 2026, providing additional growth momentum for the Company's operations.

The Company has also initiated an investment program in GLP-1 (Glucagon-Like Peptide-1) products, with Semaglutide injectable formulation being the first product under development. The GLP-1 market is expected to be substantial, with the diabetes treatment drug Ozempic generating an estimated market size of approximately US\$19 billion and the weight management drug Wegovy approximately US\$12 billion. The Company has commenced formulation development and is in the process of establishing commercial-scale manufacturing and assembly lines, aiming to capture market opportunities arising from the expiration of originator product patents.

2. Potential risks and countermeasures

The Company's plant expansion is mainly to enhance product output and quality, and also to provide customers with one-stop service related engineering projects. To comply with the Company's persistence in the quality philosophy and continuous commitment to quality improvement and enhancement, this will help to reduce operating risks.

(IX) Risks and countermeasures for concentrated procurement or sales

1. Assessment and response measures for concentrated procurement risks

The Company produces major raw materials by collaborating with at least two qualified suppliers, ensuring that purchases from a single supplier do not exceed 30%. This principle mitigates the risk of excessive concentration of purchases at present.

2. Assessment and response measures for concentrated sales risks

In 2024 and 2025, the Company's largest client accounted for 12.33% and 12.53% of annual sales, respectively, without exceeding 30%. As a result, there was no sales concentration risk.

(X) Directors, supervisors, or major shareholders holding more than 10% of shares, the impact, risks, and countermeasures of significant transfers or replacements of their shareholdings: None.

(XI) The impact, risks, and countermeasures for the company due to changes in management control

There have been no changes to the Company's operating rights in the most recent year and up to the printing date of the annual report.

(XII) Litigation or non-litigation matters

1. The Company's litigation, non-litigation, or administrative disputes that have been finalized by judgment or are still pending as of in the most recent year and up to the printing date of the annual report, where the outcome may have a significant impact on shareholders' equity or securities prices, shall disclose the disputed facts, amount involved, litigation commencement date, main parties involved, and current status: None.

2. The Company's directors, supervisors, president, de facto responsible persons, major shareholders with shareholding percentage exceeding ten percent, and affiliated companies, for the past two years and up to the printing date of the annual report, litigation, non-litigation, or administrative disputes that have been finalized by judgment or are still pending, where the outcome may have a significant impact on the Company's shareholders' equity or securities prices: None.

(XIII) Other important risks and response measures: None.

VII. Other important matters: None.

Chapter VI. Special Disclosures

I. Information on Affiliated Companies

The Company's consolidated business report of affiliated enterprises, consolidated financial statements of affiliated enterprises, and affiliated reports for the year 2025 are disclosed on the Market Observation Post System (MOPS). Please refer to the MOPS website, path: Homepage > Single Company > Electronic Document Download > Affiliated Enterprises Three Statements and Reports Section (https://mopsov.twse.com.tw/mops/web/t57sb01_q10).

II. Privately placement of securities in the most recent year and up to the printing date of the annual report: None.

III. Other necessary supplementary information: None.

Chapter VII. In the most recent year and up to the printing date of the annual report, matters that have a significant impact on shareholders' equity or securities prices as stipulated in Paragraph 3, Subparagraph 2, Article 36 of the Securities and Exchange Act: None.

Formosa Laboratories, Inc.

Chairman: Cheng, Chen-Yu