

Stock Code: 4119

SCI Pharmtech, Inc.

**Handbook for the 2024 Annual
Meeting of Shareholders**

Physical Shareholders Meeting

【Translation】

May 30, 2024

**PLACE: NO.61, LN.309, HAIHU N. RD., LUZHU DIST.
TAOYUAN CITY**

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SCI Pharmtech, Inc.

Procedures for the 2024 Annual Meeting of Shareholders

Call the Meeting to Order

Chairperson Takes Chair

Chairperson Remarks

Report Subjects

Recognition Subjects

Approval Subjects

Questions and Motions

Adjournment

SCI Pharmtech, Inc.

2024 Annual Shareholders' Meeting Agenda

Time: 9:00 a.m. on Thursday, May 30, 2024

Place: NO.61, LN.309, HAIHU N. RD., LUZHU DIST. TAOYUAN CITY

Call the Meeting to Order

Chairperson Remarks

Report Subjects

- (1) Report on the compensation for employees and directors of 2023
- (2) Report on the compensation for directors
- (3) Report on operating results of 2023
- (4) Report by Audit Committee on auditing of 2023 financial statements
- (5) Report on donation to related parties
- (6) Report on transactions with related parties
- (7) Amendments to Rules of Procedure for Board of Directors Meeting

Recognition subjects

- (1) Recognition of 2023 operation report and financial statements
- (2) Distribution of retained earnings

Approval subjects

- (1) Amendment to Article of Incorporation
- (2) Amendment to Rules of Procedure for Shareholders Meeting
- (3) Lifting ban on directors from running the same business as SCI

Questions and Motions

Adjournment

Report Subjects

Report 1

(Proposed by the Board of Directors)

Subject: Report on the compensation for employees and directors of 2023.

Explanation: It is proposed to allocate 6.2% of the profit for the year 2023 as employee remuneration, amounting to NT\$24,407,466, and 1.0% as director remuneration, amounting to NT\$3,936,000, both to be distributed in cash.

Report 2

(Proposed by the Board of Directors)

Subject: Report on the compensation for directors.

Explanation: In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", report the policy, individual remuneration details, and amounts received by directors. Please refer to Attachment 5 on Page 32 of this Meeting Handbook.

Report 3

(Proposed by the Board of Directors)

Subject: Report on operating results of 2023.

Explanation: Please refer to Attachment 1 on Page 8 of this Meeting Handbook for the 2023 Business Report.

Report 4

(Proposed by the Board of Directors)

Subject: Report by Audit Committee on auditing of 2023 financial statements.

Explanation: The Company's financial statements has been audited by the independent auditors, Yu-Ting Hsin and Shu-Min Hsu of KPMG. And reviewed by the Audit Committee. Please refer to Attachment 2 & 3 on Page 15 of this Meeting Handbook for the year 2023 Independent Auditors' Report and Audit Committee's review report.

Report 5

(Proposed by the Board of Directors)

Subject: Report on donation to related parties.

Explanation: The Company sponsored the "Criminal Investigation Foundation of R.O.C." to enhance academic research by donating NT\$600,000.

Report 6

(Proposed by the Board of Directors)

Subject: Report on Transactions with Related Parties.

Explanation: Please refer to Attachment 6 on Page 37 of this Meeting Handbook for details.

Report 7

(Proposed by the Board of Directors)

Subject: Amendments to Rules of Procedure for Board of Directors Meeting.

Explanation: In accordance with the latest amendments by the regulatory authority to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", it is proposed to amend the " Rules of Procedure for Board of Directors Meetings" of the Company. Detailed amendments can be found in Attachment 7 on Page 38 of this Meeting Handbook.

Recognition Subjects

Proposal 1

(Proposed by the Board of Directors)

Subject: Recognition of 2023 operation report and financial statements.

Explanation: The Company's financial statements has been audited by the independent auditors, Yu-Ting ,Hsin and Shu-Min Hsu of KPMG. And reviewed by the Audit Committee. Business Report please refer to Attachment 1 on Page 8 and financial statements refer to Attachment 4 on Page 24 of this Meeting Handbook.

Resolution:

Proposal 2

(Proposed by the Board of Directors)

Subject: Adoption of the Proposal for 2023 earnings distribution table.

Explanation:

1. Cash dividends will be distributed at a rate of NT\$1.25 per share based on the shareholding proportion listed in the shareholder registry as of the record date. In the event that the total number of outstanding shares of the company changes due to factors such as share repurchases, adjustments to the shareholder distribution and subscription rates may be necessary. It is proposed that the Chairman of the Board be authorized to handle this matter at the shareholder's meeting.
2. Priority distribution of earnings for the year 2023.
3. Cash dividends for this period will be calculated up to the nearest whole NT dollar, with any fractional shares totaling less than one NT dollar being rounded down. The total of fractional shares amounting to less than one NT dollar will be adjusted by the Chairman to specific individuals.
4. The distribution of earnings for the year 2023 of the Company is as follows:

SCI Pharmtech, Inc.
2023 Earnings Distribution Table

(Unit: NTD)

Items	Total	Note
Beginning retained earnings	712,764,458	
Less: other comprehensive income	(2,657,228)	
Add: Disposal of Investments in Equity Instruments at Fair Value through Other Comprehensive Income	124,498,695	
Less: changes in equity of associates and joint ventures accounted for using equity method	(670,067)	
Add: net profit after tax	294,720,892	
Less: 10% Legal Reserve	(41,589,229)	
Add: Reversal of Special Reserve	54,726,502	
Distributable net profits:	1,141,794,023	
Distributable Items:		
Dividend to shareholders (cash)	(149,385,793)	NTD1.25/per share
Unappropriated Retained Earnings	992,408,230	

Resolution:

Approval subjects

Proposal 1

(Proposed by the Board of Directors)

Subject: Discussion on Amending the "Company Articles of Incorporation".

Explanation: It is proposed to discuss amending the Company Articles of Incorporation to adopt the use of the "Code Table for Company and Limited Partnership Business Items" to represent business operations, and to increase the total capital to NT\$1.6 billion. For detailed amendments, please refer to Attachment 8 on Pages 40 of this Meeting Handbook.

Resolution:

Proposal 2

(Proposed by the Board of Directors)

Subject: Discussion on Amending the "Rules of Procedure for Shareholders Meetings".

Explanation: According to the letter No. 112000467 issued by the Taiwan Stock Exchange on March 17, 2023, referencing the sample "Shareholders' Meeting Rules of ○○Corporation", it is proposed to amend the "Rules of Procedure for Shareholders Meetings" of this company. For detailed amendments, please refer to Attachment 9 on Page 43 of this Meeting Handbook.

Resolution:

Proposal 3

(Proposed by the Board of Directors)

Subject: Lifting ban on directors from running the same business as SCI.

Explanation:

1. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. In order to accommodate the needs of the company's business and without causing harm to the company's interests, it is deemed necessary for directors to engage in acts within the scope of the company's business for themselves or others.
3. Details of directors' concurrent positions:

Director	Concurrent Company	Concurrent Position
Weichyun Wong	Energenesis Biomedical CO., LTD.	Director

Resolution:

Questions and Motions

Adjournment

(Attachment 1)

Dear shareholders:

Three years have sailed by. We finally completed the restoration of the Luzhu Factory, and peacefully and smoothly made the compensations for the losses of all affected neighboring factories. The haze of the fire has dissipated, we may not yet feel the warmth of the sun, but there is no cold winds biting and whipping. The factory has recovered from the post-disaster horrific sights to being as intact as if it were unharmed. The sadness and hardship along the way are unforgettable. We learn the lesson and will embark on the next journey in the Year of the Dragon. In 2023, we made use of less than half of the production capacity, creating 1.2 billion revenues, about half of the pre-disaster level. To be frank, there are still many challenges on the way to a complete recovery, but all colleagues will work hard and move forward!

The following is the 2023 business report and 2024 business plan.

Business Report

I. Annual Business Report of 2023

(1) Implementation results of our business plans

The revenues in 2023 was 1,204,159 thousand, with a gross profit margin of 29% and operating income of 160,300 thousand. In this period, insurance claims generated relatively large non-operating income, contributing to after-tax net profit of 294,721 thousand and basic earning of 2.7 per share. With the gradual recovery of production capacity, revenue and net operating profit have increased, but some products' gross profit has been under pressure.

(2) Situations of budget implementation

SCI did not publicly disclose 2023 financial forecast. The annual budget passed by the board of directors in December 2022 wasn't exactly achieved mainly because the reconstruction work was behind schedule, making the production capacity fall short of the expected.

(3) Analyses of financial income and expenditure and profitability

The overview of income and expenditure in 2023 is compared and elaborated as follows:

Income:

Unit: Thousand

Item	2022	2023	Growth Rate
Revenues	899,738	1,204,159	33.8%
Other incomes	299,212	228,519	-23.6%

Description:

In 2023, all major products showed growth. In particular, Parkinson's disease intermediate, the sedative drug, and glaucoma drug returned to pre-disaster sales levels, some even outperforming. As for anti-epilepsy drugs, anti-depression drug and hydroxychloroquine, we still need to make more efforts this year.

Other incomes mainly stemmed from an insurance claim recognizing 210 million.

Expenditure:

Unit: Thousand

Item	2022	2023	Growth Rate
Operating cost	608,559	853,836	40.3%
Operating expense	172,209	190,023	10.3%
Non-operating expense	30,362	24,629	-18.9%

Description:

In the fourth quarter of 2023, the company re-shipped its anti-depression drug to the largest customer. However, the sales price dropped significantly in the face of rigid competition. Considering that the price reduction of raw materials was even greater, the company agreed to accept the orders. However, the inventory shipped was manufactured using raw materials imported earlier with higher costs. As a result, the sales of this product showed a negative gross profit, and, accordingly, inventory depreciation losses were recognized. This was the main reason why the gross profit margin in the fourth quarter of 2023 was not good and year 2023's overall figure was lower than the previous year.

In the fourth quarter, a cash capital increase was carried out, and a salary expense of 19 million was recognized in accordance with the accounting procedure of equity-based compensation for employee subscriptions, resulting in an increase in operating expenses.

Other expenses came from the operating losses of the investees, Framosa and HoneyBear, recognized based on the shareholdings, followed by interest expense.

Analysis of profitability:

Item		2022	2023
Profitability	Return On Assets(ROA) (%)	6.7	5.1
	Return On Equity (ROE) (%)	8.9	6.8
	Profit Margin(%)	34	24
	Earnings Per Share (EPS) (NT\$)	3.24	2.7

Description:

All in all, limited production capacity affected 2023 operating results. A significant part of net income came from non-operating activities.

(4) Situations of research and development

R&D colleagues returned to their daily work and continued to optimize existing products' manufacturing process to save energy and reduce waste, in line with the ESG world trend. What is more, it reduces manufacturing costs and enhances product competitiveness. The improvement of PGA process is one of the primary tasks. In addition, the company has also implemented a project to develop the manufacturing process of Benserazide, the downstream API for PGA, paving the way for the company to expand its product mix. The newly developed product Pimobendan is a heart disease drug for pets. We received many business responses when participating in exhibitions overseas, showing that the pet-related business cannot be ignored. ADC (antibody drug conjugate) is now a prominent biopharmaceutical product, mainly composed of three key parts, including monoclonal antibody, chemical small molecule drug (often called payload), and the chemical linker that connects the former two. Through the combination of highly specific antibodies against specific tumor cell surface antigens and powerful cytotoxic drugs, it can accurately kill cancer cells and significantly reduce side effects. The company stepped into the medical realm through an investment and also developed a linker to get involved in this drug field.

II. Annual business plan overview of 2024

(1) Business policy

The business policy in the future:

1. Maintain close relationships with customers, build up the connections with medications' originators and enhance the capacity utilization of Luzhu Plant.
2. Build Guanyin Plant to strengthen operational resilience and expand CDMO businesses.

3. Implement circular economy, contributing to the sustainability of the earth.

(2) Expected sales volume and its basis

1. Expected sales volume

Item	Sales volume (Tons)
API	277
Intermediate	115
Others	225
Total	617

2. Sales basis

The expected sales volume in the above chart is based on the company's 2024 Annual Budget approved by the board of directors. The estimation is mainly based on the demands from customers. With the capacity completely restored, the sales revenue is expected to grow compared with the previous year.

(3) Important policies on production and marketing:

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

1. APIs: The priorities are to supply products to the originators, avoid best-selling products, choose the existing APIs with high safety quality, stable market sales, new applications, and new dosage forms or possibilities for being developed into new drugs.
2. Intermediates: The target is aimed at the supplies to the originators first. Secondly, we aim to develop intermediates with high entry barriers, intermediates subject to stricter regulations and quality management systems, intermediates related to the company's core technology, intermediates with strategic cooperation partners, and the intermediates which have already been involved in the company's R & D stage. By means of the intermediates with the aforementioned characteristics, we could achieve effective market segmentation against our competitors, so as to avoid price competition.
3. Specialty chemicals: SCI produces and sells electronic specialty chemicals using the high standards in the pharmaceutical industry. In response to customer demands, SCI develops manufacturing processes, customizing and mass-producing products.

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

In 2023, with limited production capacity, we had to carry out manufacturing and reconstruction projects at the same time under the same roof. Although this move increased output to meet customer needs, it also increased the chance of products containing foreign particles, resulting in some customer complaints and product returns. To prevent the Guanyin Factory from encountering the same situation and possible workplace safety concerns in the future, in July 2023, the board of directors decided to build the Guanyin Factory at once, and the budget was increased to 2.44 billion. Considering the necessity for financial stability, the company therefore completed a cash capital increase of 960 million. Since the Luzhu Factory has been rebuilt, in 2024, we will immediately face the challenge of improving capacity utilization. After the completion of Guanyin Factory in 2025, we will face the same situation where its capacity should be utilized as soon as possible. Therefore, the next few years will be a critical moment for us. We have one customer expecting to disclose phase III clinical trial result this year, and another preparing to apply for NDA from the U.S. FDA. However, there is still another facing the problem of financing following new drug development. Some new products such as Buprenorphine and Pimobendan are either ready to go forwards or a step away before commercialization. ADC-related item is during incubation and the originator of the epilepsy drug is doing recertifying job. Although many achievement factors are beyond the control of the company, we are gearing up to wait for the opportunity to present itself. In addition, in November, Framosa obtained long-term bank borrowing with the guarantees provided by its shareholders. The business, like the Guanyin Factory, will be commenced in 2025. The circular economy is an indispensable part of moving towards net-zero carbon emissions and sustainable development. Currently, customers during the auditing always ask whether there are any specific actions taken to save energy and reduce carbon emission. We believe it will become a must for qualified suppliers in the near future. The company's current business is mainly in the European market, and the EU Carbon Border Adjustment Mechanism (CBAM) will take effect in 2026. The company has already started to figure out carbon emissions of Scope 1 and 2 in accordance with the regulations of the competent authorities. Subsequently, we will accordingly set carbon reduction targets and implementation plans based on the inventory results to achieve net zero emissions and sustainable development goals.

The company has now fully restored its production capacity. After supply increase, we have begun to face fierce external competition. On one hand, India has become the world's

most populous country. Coupled with rapid economic development, its pharmaceutical manufacturers have become more competitive. On the other hand, Mainland Chinese manufacturers have been reducing product prices in a bid to deal with excessive capacity resulting from large-scale expansions in the past and ongoing economic slowdown. After we returned to the market, we found out if some old products were not reduced in price, almost no one would be interested. This phenomenon conflicts with the current inflation. Due to insufficient capacity in the past two years, the gross profits were inferior to those prior to the disaster. Although production capacity is complete now, depreciation expenses have increased sharply, which is overwhelming in terms of operation. However, we have no right to be pessimistic. Establishing market segmentation is the strategy we need to adopt, and being focus is what we must uphold. Before 2023, no one could know that the market value of a Danish weight-loss drug manufacturer beat the European boutique giant and rivaled those technology giants.

The rebuilt manufacturing equipment, air-conditioning, nitrogen, pure water and computer systems are all equivalent or the same as the previous. Relevant verification and validation have been completed gradually. Production areas 15 and 16 of Factory A were audited by Taiwan's Ministry of Health and Welfare in May 2023. As a result, its GMP compliance has been completed. We have applied for Factory B's auditing in December 2023 and is waiting for the health authorities to schedule a factory inspection. In addition, the new products (Adenine, Pimobendan, Buprenorphine) produced in the pilot plant will also apply for GMP assessment in the first quarter of this year. A number of APIs and intermediates have been produced in the rebuilt factory and their validation processes have been completed. Customers come to our site in person or do remote audits one after another. In 2023, a total of 34 audits were conducted and the results were satisfactory, showing the solid and effective operation of the GMP quality system. Data Integrity is the focus of government agencies and customers in various countries. In order to continue to improve data integrity, the operating data of clean rooms' air conditioning system in the production area is recorded and stored by computers. In addition, the quality management system, MasterControl, will launch online reporting of quality incidents (changes, deviations, correction and prevention) in the second half of 2024, which will enable more effective recording and tracking. Furthermore, nitrosamine impurities in raw materials are also a topic of global concern. In order to meet the needs of customers from various countries, we purchased a high-performance liquid chromatography tandem mass spectrometer (LC-MS/MS) to detect ultra-trace amounts of nitrosamine impurities. The development and validation of analytical methods for two APIs have been completed and tested to meet standards. We will continue to develop and test methods for all APIs that may produce nitrosamine impurities.

The macro economy has never significantly affected the development of the pharmaceutical industry. By contrast, scientific and technological progress has played a key role. If MRNA technology had not enabled the rapid and successful development of COVID vaccines, people might still be in panic in a world under lockdown. CAR-T cell therapy has successfully cured several patients in Taiwan. Health insurance program will be covering its tremendous medical expenses. AI will still be the buzzword of 2024 and continue to dominate the progress of all fields in the future. AI assisting drug development is not a new concept, but has already been ongoing. AI's widespread use will shorten the drug development time, reduce astronomical research and development costs and increase the success rate. This will greatly increase the production value of the pharmaceutical market. Humanity's pursuit of health is endless. We are optimistic that the advancement of science and technology will bring us a beautiful new world.

Finally,

Wish you all happiness, health, and safety.

Chairman : Wei-Chyun Wong

General Manager : Wen-Chin Chou

Accounting Manger : Wen-Chen Yang

Independent Auditors' Report

To the Board of Directors of SCI Pharmtech, Inc.:

Opinion

We have audited the financial statements of SCI Pharmtech, Inc.(“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report .

1. Inventory valuation

Please refer to Note 4(g) and Note 5 of the financial statements for the accounting policy of inventory valuation, as well as the estimation of inventory valuation, respectively. Information regarding the inventory and related expenses are shown in Note 6(e) of the financial statements.

Description of key audit matters:

Due to the characteristics of the pharmaceutical industry, products are manufactured for specific customers, providing batch-specific differentiation services according to their needs while the Company estimates the net realizable value of inventory. If there were no objective information regarding the current sales price available for reference, the Company has to make an evaluation of each product's various factors, such as the demands of the market, to determine the net realizable value of the product. As the reasonableness of estimation might have an impact on the inventory valuation, the test of inventory valuation is one of the key audit matters in our audit.

Our audit procedures include:

- Assessing the reasonableness of provision policies and procedures on allowance for inventory valuation losses, including the evaluation of changes in the market, customer demand and inventory turn-over, to identify the obsolete inventories.
- Performing a retrospective review of inventory movements to evaluate the reasonableness of inventory obsolescence reserve policy and policy on scrapping of inventories.
- Sampling and inspecting the Company' s sales price; as well as verifying the calculation of the lower of cost or net realizable value; evaluating the adopted net realizable value as a basis for obsolete inventories.

2. Revenue recognition

Please refer to Note 4(o) of the financial statements, for the accounting policy of Revenue recognition for operating revenue recognition.

Description of key audit matters:

The Company' s main products are the manufacture of Active Pharmaceutical Ingredients, and Intermediates, etc. The Company' s major customers are foreign pharmaceutical companies that have transaction terms different from each other, and the revenue recognition was booked by using manual adjustments, which may result in an inappropriate risk in revenue recognition. Therefore, the revenue recognition is one of the key audit matters in our audit.

Our audit procedures include:

- Understanding and testing the related controls surrounding the aforementioned sales and collection cycle;
- Checking the vouchers related to sales revenue;
- Verifying whether the revenue had been recognized in the proper period by testing the selected sales transactions before and after the balance sheet date in order to evaluate the accuracy of the timing of the Company's operating revenue recognition.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company' s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company' s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsin, Yu-Ting and Hsu, Shu-Min.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2024

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

Independent Auditors’ Report

To the Board of Directors of SCI Pharmtech, Inc.:

Opinion

We have audited the consolidated financial statements of SCI Pharmtech, Inc. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Inventory valuation

Please refer to Note 4(h) and Note 5 of the consolidated financial statements for the accounting policy of inventory valuation, as well as the estimation of inventory valuation, respectively. Information regarding the inventory and related expenses are shown in Note 6(e) of the consolidated financial statements.

Description of key audit matters:

Due to the characteristics of the pharmaceutical industry, products are manufactured for specific customers, providing batch-specific differentiation services according to their needs while the Group estimates the net realizable value of inventory. If there were no objective information regarding the current sales price available for reference, the Group has to make an evaluation of each product's various factors, such as the demands of the market, to determine the net realizable value of the product. As the reasonableness of estimation might have an impact on the inventory valuation, the test of inventory valuation is one of the key audit matters in our audit.

Our audit procedures include:

- Assessing the reasonableness of provision policies and procedures on allowance for inventory valuation losses, including the evaluation of changes in the market, customer demand and inventory turn-over to identify the obsolete inventories.
- Performing a retrospective review of inventory movements to evaluate the reasonableness of inventory obsolescence reserve policy and policy on scrapping of inventories.
- Sampling and inspecting the Group's sales price; as well as verifying the calculation of the lower of cost or net realizable value; evaluating the adopted net realizable value as a basis for obsolete inventories.

2. Revenue recognition

Please refer to Note 4(q) of the consolidated financial statements, for the accounting policy of Revenue recognition for operating revenue recognition.

Description of key audit matters:

The Group's main products are the manufacture of Active Pharmaceutical Ingredients, and Intermediates, etc. The Group's major customers are foreign pharmaceutical companies that have transaction terms different from each other, and the revenue recognition was booked by using manual adjustments, which may result in an inappropriate risk in revenue recognition. Therefore, the revenue recognition is one of the key audit matters in our audit.

Our audit procedures include:

- Understanding and testing the related controls surrounding the aforementioned sales and collection cycle;
- Checking the vouchers related to sales revenue;
- Verifying whether the revenue had been recognized in the proper period by testing the selected sales transactions before and after the balance sheet date in order to evaluate the accuracy of the timing of the Group's operating revenue recognition.

Other Matter

SCI Pharmtech Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the review resulting in this independent auditors' report are Hsin, Yu-Ting and Shu-Min Hsu.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(Attachment 3)

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of KPMG was retained to audit SCI's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of SCI. According to relevant requirements of the Securities and Exchange Act and The Company Law, we hereby submit this report.

SCI Pharmtech, Inc.

Chairman of the Audit Committee

Tu, Te-Cheng

March 12, 2024

(English Translation of Financial Statements Originally Issued in Chinese)
SCI PHARMTECH, INC.

Balance Sheets

December 31, 2023 and 2022

(expressed in thousands of New Taiwan dollars)

		December 31, 2023		December 31, 2022						December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%					Amount	%	Amount	%
Current assets:								Liabilities and Equity					
1100	Cash and cash equivalents (note 6(a))	\$ 935,370	14	149,842	3			Current liabilities:		\$ 175,000	3	112,000	2
1110	Current financial assets at fair value through profit or loss (note 6(b))	88,998	1	97,545	2	2100	Total short-term borrowings (Note 6(j))			44,251	1	48,636	1
1170	Notes and accounts receivable, net (Notes 6(d) and 6(t))	307,369	5	173,565	3	2170	Notes and accounts payable			38,367	1	31,773	1
1206	Other receivables (Notes 6(f) and 10)	151	-	31,101	1	2130	Current contract liabilities (Note 6(t))			169,346	3	295,916	6
1310	Inventories, net (Note 6(e))	529,533	8	513,430	10	2200	Other payables (Note 6(l))			68,840	1	160,591	3
1470	Other current assets	85,123	1	60,135	1	2213	Payables on contractors and equipment			11,536	-	3,862	-
		1,946,544	29	1,025,618	20	2230	Current tax liabilities			29,058	-	111,384	2
Non-current assets:						2250	Current provisions (Notes 6(n) and 10)			3,022	-	1,833	-
1518	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	96,814	2	66,723	1	2280	Current lease liabilities (Notes 6(m) and 7)			11,351	-	5,224	-
1550	Investments accounted for using equity method (Note 6(g))	470,106	7	476,237	10	2300	Other current liabilities (Note 6(d))			20,000	-	-	-
1600	Property, plant and equipment (Notes 6(h), 7 and 8)	3,815,796	56	3,101,947	62	2322	Long-term borrowings, current portion (Note 6(k))			570,771	9	771,219	15
1755	Right-of-use assets (Note 6(i))	84,003	1	77,736	2			Non-Current liabilities:					
1780	Intangible assets	46,147	1	54,582	1	2541	Long-term bank loans (Note 6(k))			842,670	13	432,356	9
1840	Deferred tax assets (Note 6(p))	153,277	2	167,252	3	2580	Non-current lease liabilities (Notes 6(m) and 7)			81,799	1	76,145	2
1900	Other non-current assets (Notes 6(h) and 7)	156,879	2	66,298	1	2570	Deferred tax liabilities (Note 6(p))			146,000	2	103,811	2
		4,823,022	71	4,010,775	80	2630	Long-term deferred revenue (Note 6(k))			6,837	-	4,108	-
						2640	Provisions for employee benefits, non-current (Note 6(o))			21,536	-	19,530	-
										1,098,842	16	635,950	13
								Total liabilities		1,669,613	25	1,407,169	28
								Equity (Note 6(q)):					
						3100	Ordinary share			1,195,087	17	953,824	19
						3200	Capital surplus			2,233,590	33	1,357,127	27
						3310	Legal reserve			462,435	7	431,874	8
						3320	Special reserve			54,727	1	48,929	1
						3350	Unappropriated retained earnings			1,128,657	17	892,197	18
						3400	Other components of equity			25,457	-	(54,727)	(1)
								Total equity		5,099,953	75	3,629,224	72
Total assets		\$ 6,769,566	100	5,036,393	100			Total liabilities and equity		\$ 6,769,566	100	5,036,393	100

(English Translation of Financial Statements Originally Issued in Chinese)
SCI PHARMTECH, INC.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan dollars, except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4110	Sales revenue (Notes 6(t) and 7)	\$ 1,204,159	100	899,738	100
5110	Cost of sales (Notes 6(e), 6(o) and 12)	853,836	71	608,559	68
5900	Gross profit	<u>350,323</u>	<u>29</u>	<u>291,179</u>	<u>32</u>
Operating expenses (Notes 6(o), 6(r) and 12):					
6100	Selling expenses	61,736	18	50,404	17
6200	Administrative expenses	80,032	23	82,081	28
6300	Research and development expenses	49,094	14	39,649	14
		<u>190,862</u>	<u>16</u>	<u>172,134</u>	<u>19</u>
6900	Net operating income	<u>159,461</u>	<u>13</u>	<u>119,045</u>	<u>13</u>
Non-operating income and expenses:					
7101	Interest income	3,380	-	888	-
7130	Dividend income	2,720	-	5,494	1
7190	Other income (Notes 6(v), 7 and 10)	213,803	18	264,427	29
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss	(1,872)	-	(14,074)	(2)
7510	Interest expense (Notes 6(m) and 7)	(7,582)	(1)	(1,608)	-
7590	Miscellaneous disbursements	(2,044)	-	(1,319)	-
7610	Gains (losses) on disposals of property, plant and equipment	(584)	-	(1,333)	-
7630	Foreign exchange gains (losses)	2,369	-	27,542	3
7775	Share of loss of associates and joint ventures accounted for using equity method, net	(5,461)	-	(11,242)	(1)
		<u>204,729</u>	<u>17</u>	<u>268,775</u>	<u>30</u>
7900	Profit before tax	<u>364,190</u>	<u>30</u>	<u>387,820</u>	<u>43</u>
7950	Less: Income tax expenses (Note 6(p))	69,469	6	79,040	9
8200	Profit	<u>294,721</u>	<u>24</u>	<u>308,780</u>	<u>34</u>
8300	Other comprehensive income:				
Items that may not be reclassified subsequently to profit or loss :					
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(o))	(3,321)	-	(3,840)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	204,683	17	(5,798)	(1)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(p))	(664)	-	(768)	-
8300	Other comprehensive income, net	<u>202,026</u>	<u>17</u>	<u>(8,870)</u>	<u>(1)</u>
8500	Total comprehensive income	<u>\$ 496,747</u>	<u>41</u>	<u>299,910</u>	<u>33</u>
Earnings per share (Note 6(s)):					
9750	Basic earnings per share	<u>\$ 2.70</u>		<u>2.88</u>	
9850	Diluted earnings per share	<u>\$ 2.69</u>		<u>2.87</u>	

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
SCI PHARMTECH, INC.

Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan dollars)

					Other equity interest	
					Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	
Balance at January 1, 2022	\$ 953,824	1,348,339	426,103	29,378	611,916	(48,929) 3,320,631
Profit for the year ended December 31, 2022	-	-	-	-	308,780	- 308,780
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	(3,072)	(5,798) (8,870)
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	305,708	(5,798) 299,910
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	5,771	-	(5,771)	- -
Special reserve appropriated	-	-	-	19,551	(19,551)	- -
Changes in equity of associates and joint ventures accounted for using equity method	-	8,788	-	-	(105)	- 8,683
Balance at December 31, 2022	953,824	1,357,127	431,874	48,929	892,197	(54,727) 3,629,224
Profit for the year ended December 31, 2023	-	-	-	-	294,721	- 294,721
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(2,657)	204,683 202,026
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	292,064	204,683 496,747
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	30,561	-	(30,561)	- -
Special reserve appropriated	-	-	-	5,798	(5,798)	- -
Cash dividends of ordinary share	-	-	-	-	(23,846)	- (23,846)
Stock dividends of ordinary share	119,228	-	-	-	(119,228)	- -
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(670)	- (670)
Capital increase by cash	120,000	837,600	-	-	-	- 957,600
Share-based payments transaction	-	18,720	-	-	-	- 18,720
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	124,499	(124,499) -
Capital increased by employee remunerations	2,035	20,143	-	-	-	- 22,178
Balance at December 31, 2023	\$ 1,195,087	2,233,590	462,435	54,727	1,128,657	25,457 5,099,953

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
SCI PHARMTECH, INC.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 364,190	387,820
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation expense	138,442	83,044
Amortization expense	8,435	8,213
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	1,872	14,074
Interest expense	7,582	1,608
Interest income	(3,380)	(888)
Dividend income	(2,720)	(5,494)
Share-based payments transactions	18,720	-
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	5,461	11,242
Losses from disposal of property, plant and equipment	584	1,333
Reversal of major disasters	(373)	(101,202)
Total adjustments to reconcile profit	174,623	11,930
Changes in operating assets and liabilities:		
Increase in notes and accounts receivable	(133,804)	(90,589)
Increase in inventories	(16,103)	(219,248)
Decrease in other receivables and other current assets	5,923	266,159
(Decrease) increase in notes and accounts payable	(4,385)	14,857
Increase (decrease) in contract liabilities	6,594	(9,991)
(Decrease) increase in other payable	(104,392)	41,865
Decrease in provisions	(81,953)	(110,851)
Increase in other current liabilities	6,127	196
Decrease in provision for employee benefits, non-current	(1,315)	(1,255)
Total changes in operating assets and liabilities	(323,308)	(108,857)
Total adjustments	(148,685)	(96,927)
Cash flow from (used in) operations	215,505	290,893
Dividends received	2,720	5,494
Interest received	3,380	888
Interest paid	(7,582)	(1,608)
Income taxes paid	(4,928)	(110)
Net cash flows from (used in) operating activities	209,095	295,557
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(3,981)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	178,573	-
Acquisition of financial assets at fair value through profit or loss	-	(2,123)
Proceeds from disposal of financial assets at fair value through profit or loss	6,675	250,905
Acquisition of investments accounted for using equity method	-	(77,750)
Acquisition of property, plant and equipment	(873,601)	(1,085,123)
Proceeds from disposal of property, plant and equipment	-	65
(Increase) decrease in refundable deposits	(110)	2,200
Increase in prepayments of property, plant and equipment	(155,759)	(82,461)
Net cash flows from (used in) investing activities	(848,203)	(994,287)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	63,000	112,000
Proceeds from long term borrowings	430,805	435,767
Payment of lease liabilities	(2,923)	(2,061)
Cash dividends paid	(23,846)	-
Capital increase by cash	957,600	-
Net cash flows from (used in) financing activities	1,424,636	545,706
Net decrease in cash and cash equivalents	785,528	(153,024)
Cash and cash equivalents at beginning of period	149,842	302,866
Cash and cash equivalents at end of period	\$ 935,370	149,842

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SCI PHARMTECH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(expressed in thousands of New Taiwan dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 942,057	14	166,828	3	2100	Total short-term borrowings (note 6(k))	\$ 175,000	3	112,000	2
1110	Current financial assets at fair value through profit or loss (note 6(b))	88,998	1	97,545	2	2170	Notes and accounts payable	44,251	1	48,636	1
1170	Notes and accounts receivable, net (notes 6(d) and 6(u))	307,369	5	173,565	4	2130	Current contract liabilities (note 6(u))	38,367	1	31,773	1
1206	Other receivables (notes 6(f) and 10)	151	-	31,101	1	2200	Other payables (note 6(m))	169,538	3	296,017	6
1310	Inventories, net (note 6(e))	529,533	8	513,430	10	2213	Payables on contractors and equipment	68,840	1	160,591	4
1470	Other current assets	85,131	1	59,929	1	2230	Current tax liabilities	11,536	-	3,862	-
		<u>1,953,239</u>	<u>29</u>	<u>1,042,398</u>	<u>21</u>	2250	Current provisions (notes 6(o) and 10)	29,058	-	111,384	2
Non-current assets:						2280	Current lease liabilities (note 6(n))	1,946	-	828	-
1518	Non-current financial assets at fair value through other comprehensive income (note 6(c))	96,814	2	66,723	1	2300	Other current liabilities (note 6(d))	11,351	-	5,224	-
1550	Investments accounted for using equity method (note 6(g))	144,808	2	141,317	3	2322	Long-term borrowings, current portion (note 6(l))	20,000	-	-	-
1600	Property, plant and equipment (notes 6(h), 7 and 8)	3,906,993	58	3,193,144	64			<u>569,887</u>	<u>9</u>	<u>770,315</u>	<u>16</u>
1755	Right-of-use assets (note 6(i))	4,772	-	1,013	-	Non-Current liabilities:					
1761	Investment property, land (notes 6(j) and 7)	228,012	4	228,012	5	2541	Long-term borrowings (note 6(l))	842,670	13	432,356	9
1780	Intangible assets	46,147	1	54,582	1	2580	Non-current lease liabilities (note 6(n))	2,858	-	195	-
1840	Deferred tax assets (note 6(q))	153,277	2	167,252	4	2570	Deferred tax liabilities (note 6(q))	146,000	2	103,811	2
1900	Other non-current assets (note 6(h))	156,679	2	66,098	1	2630	Deferred income (note 6(l))	6,837	-	4,108	-
		<u>4,737,502</u>	<u>71</u>	<u>3,918,141</u>	<u>79</u>	2640	Provisions for employee benefits, non-current (note 6(p))	21,536	-	19,530	-
						2600	Total other non-current liabilities (note 7)	1,000	-	1,000	-
								<u>1,020,901</u>	<u>15</u>	<u>561,000</u>	<u>11</u>
								<u>1,590,788</u>	<u>24</u>	<u>1,331,315</u>	<u>27</u>
						Total liabilities					
						Equity attributable to owners of parent (note 6(r)):					
						3100	Ordinary Share	1,195,087	18	953,824	19
						3200	Capital surplus	2,233,590	33	1,357,127	27
						3310	Legal reserve	462,435	7	431,874	9
						3320	Special reserve	54,727	1	48,929	1
						3350	Unappropriated retained earnings	1,128,657	17	892,197	18
						3400	Other components of equity	25,457	-	(54,727)	(1)
								<u>5,099,953</u>	<u>76</u>	<u>3,629,224</u>	<u>73</u>
						Total equity					
						Total liabilities and equity		<u>\$ 6,690,741</u>	<u>100</u>	<u>4,960,539</u>	<u>100</u>
Total assets		<u>\$ 6,690,741</u>	<u>100</u>	<u>4,960,539</u>	<u>100</u>						

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SCI PHARMTECH, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(expressed in Thousands of New Taiwan Dollars, except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4110	Sales revenue (notes 6(u) and 7)	\$ 1,204,159	100	899,738	100
5110	Cost of sales (notes 6(e), 6(p) and 12)	853,836	71	608,559	68
5900	Gross profit	350,323	29	291,179	32
Operating expenses (notes 6(p), 6(s) and 12):					
6100	Selling expenses	61,736	5	50,404	6
6200	Administrative expenses	79,193	7	82,156	9
6300	Research and development expenses	49,094	4	39,649	4
		190,023	16	172,209	19
6900	Net operating income	160,300	13	118,970	13
Non-operating income and expenses:					
7101	Interest income	3,447	-	998	-
7130	Dividend income	2,720	-	5,494	1
7190	Other income (notes 6(w), 7 and 10)	219,983	18	265,170	29
7235	Gains (losses) on financial assets at fair value through profit or loss	(1,872)	-	(14,074)	(2)
7510	Interest expense (note 6(n))	(6,290)	-	(1,072)	-
7590	Miscellaneous disbursements	(2,044)	-	(1,320)	-
7610	Losses on disposals of property, plant and equipment	(584)	-	(1,333)	-
7630	Foreign exchange gains (losses)	2,369	-	27,550	3
7770	Share of loss of associates and joint ventures accounted for using equity method, net (note 6(g))	(13,839)	(1)	(12,563)	(1)
		203,890	17	268,850	30
7900	Profit before tax	364,190	30	387,820	43
7950	Less: Income tax expenses (note 6(q))	69,469	6	79,040	9
8200	Profit	294,721	24	308,780	34
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(p))	(3,321)	-	(3,840)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	204,683	17	(5,798)	(1)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(q))	(664)	-	(768)	-
8300	Other comprehensive income, net	202,026	17	(8,870)	(1)
8500	Total comprehensive income	\$ 496,747	41	299,910	33
Earnings per share (note 6(t)):					
9750	Basic earnings per share	\$ 2.70		2.88	
9850	Diluted earnings per share	\$ 2.69		2.87	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SCI PHARMTECH, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Other equity interest	Total equity
	Ordinary shares	Capital surplus	Retained earnings			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
			Legal reserve	Special reserve	Unappropriated retained earnings		
Balance at January 1, 2022	\$ 953,824	1,348,339	426,103	29,378	611,916	(48,929)	3,320,631
Profit for the year ended December 31, 2022	-	-	-	-	308,780	-	308,780
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	(3,072)	(5,798)	(8,870)
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	305,708	(5,798)	299,910
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	5,771	-	(5,771)	-	-
Special reserve appropriated	-	-	-	19,551	(19,551)	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	8,788	-	-	(105)	-	8,683
Balance at December 31, 2022	953,824	1,357,127	431,874	48,929	892,197	(54,727)	3,629,224
Profit for the year ended December 31, 2023	-	-	-	-	294,721	-	294,721
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(2,657)	204,683	202,026
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	292,064	204,683	496,747
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	30,561	-	(30,561)	-	-
Special reserve appropriated	-	-	-	5,798	(5,798)	-	-
Cash dividends of ordinary share	-	-	-	-	(23,846)	-	(23,846)
Stock dividends of ordinary share	119,228	-	-	-	(119,228)	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(670)	-	(670)
Capital increase by cash	120,000	837,600	-	-	-	-	957,600
Share-based payments transaction	-	18,720	-	-	-	-	18,720
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	124,499	(124,499)	-
Capital increased by employee remunerations	2,035	20,143	-	-	-	-	22,178
Balance at December 31, 2023	\$ 1,195,087	2,233,590	462,435	54,727	1,128,657	25,457	5,099,953

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SCI PHARMTECH, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 364,190	387,820
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation expense	136,859	82,399
Amortization expense	8,435	8,213
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	1,872	14,074
Interest expense	6,290	1,072
Interest income	(3,447)	(998)
Dividend income	(2,720)	(5,494)
Share-based payment transactions	18,720	-
Share of loss of associates and joint ventures accounted for using equity method	13,839	12,563
Losses from disposal of property, plant and equipment	584	1,333
Reversal of major disasters	(373)	(101,202)
Total adjustments to reconcile profit	<u>180,059</u>	<u>11,960</u>
Changes in operating assets and liabilities:		
Increase in notes and accounts receivable	(133,804)	(90,589)
Increase in inventories	(16,103)	(219,248)
Decrease in other receivables and other current assets	5,707	266,490
Increase (decrease) in contract liabilities	6,594	(9,991)
(Decrease) increase in notes and accounts payable	(4,385)	14,857
(Decrease) increase in other payable	(104,301)	41,866
Decrease in provisions	(81,953)	(110,851)
Increase in other current liabilities	6,127	196
Decrease in provision for employee benefits, non-current	(1,315)	(1,255)
Total changes in operating assets and liabilities	<u>(323,433)</u>	<u>(108,525)</u>
Total adjustments	<u>(143,374)</u>	<u>(96,565)</u>
Cash flow from (used in) operations	220,816	291,255
Interest received	3,447	998
Dividends received	2,720	5,494
Interest paid	(6,290)	(1,072)
Income taxes paid	(4,926)	(110)
Net cash flows from (used in) operating activities	<u>215,767</u>	<u>296,565</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(3,981)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	178,573	-
Acquisition of financial assets at fair value through profit or loss	-	(2,123)
Proceeds from disposal of financial assets at fair value through profit or loss	6,675	250,905
Acquisition of investments accounted for using equity method	(18,000)	(92,750)
Acquisition of property, plant and equipment	(873,601)	(1,085,123)
Proceeds from disposal of property, plant and equipment	-	65
(Increase) decrease in refundable deposits	(110)	2,400
Increase in prepayments of property, plant and equipment	(155,759)	(82,461)
Net cash flows from (used in) investing activities	<u>(866,203)</u>	<u>(1,009,087)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	63,000	112,000
Proceeds from long-term borrowings	430,805	435,767
Increase in guarantee deposits received	-	1,000
Payment of lease liabilities	(1,894)	(1,648)
Cash dividends paid	(23,846)	-
Capital increase by cash	957,600	-
Net cash flows from (used in) financing activities	<u>1,425,665</u>	<u>547,119</u>
Net decrease in cash and cash equivalents	775,229	(165,403)
Cash and cash equivalents at beginning of period	166,828	332,231
Cash and cash equivalents at end of period	<u><u>\$ 942,057</u></u>	<u><u>166,828</u></u>

See accompanying notes to consolidated financial statements.

(Attachment 5)

Report on the compensation for directors

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

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

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

(c) Combinations:

1. Remuneration:

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

2. Salary:

The salary of each director is NT\$30,000 per month. But this payment is not applicable to those who concurrently serve as the managers of the company, its subsidiaries and parent company.

3. Business Execution Related Expenses:

No transportation allowance, special disbursement, travel reimbursement, and other payments. However, the company shall reimburse directors for the air tickets and accommodation fees if the director makes a business trip required for the company's businesses.

(d) The procedures for deciding remuneration:

On March 12, 2024, the remuneration of NT\$3,936,000 equal to 1.0% of the company's 2023 profit was approved by the remuneration committee and then the board of directors. The Company completed the performance evaluation of directors on January 11, 2024, (Please refer to page 34-35) and took this assessment result into consideration for the distribution of directors' remuneration. Important evaluation items include

directors' attendance rate, familiarity and understanding of proposals, and whether constructive suggestions are provided.

(e) Future Risks:

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

(1) Remuneration to Directors and Independent Directors

Unit: NT\$ / Thousand Shares

Title	Name	Director’s remuneration								Summation of A , B , C , D, and a % of After Tax Income	
		Remuneration (A)		Retirement pension(B)		Director’s Remuneration (C)		Business execution fees (D)			
		SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report
Chairman	Wei-Chyun Wong	5,155,861	5,155,861	None	None	1,843,500	1,843,500	None	None	6,999,361 2.37%	6,999,361 2.37%
Director	Shiang-Li Chen	None	None	None	None	306,900	306,900	None	None	306,900 0.10%	306,900 0.10%
Director	Mercuries & Associates Holding, Ltd. Institutional representative : Aurora Chen	360,000	360,000	None	None	316,200	316,200	None	None	676,200 0.23%	676,200 0.23%
Director	Mercuries & Associates Holding, Ltd. Institutional representative : Wen-Chih Chou	None	None	None	None	None (Note)	None (Note)	None	None	None	None
Independent Director	Te-cheng Tu	360,000	360,000	None	None	372,000	372,000	None	None	732,000 0.25%	732,000 0.25%
Independent Director	Chia-Chun Jay Chen	360,000	360,000	None	None	418,500	418,500	None	None	778,500 0.26%	778,500 0.26%
Independent Director	Vincent Wang	360,000	360,000	None	None	372,000	372,000	None	None	732,000 0.25%	732,000 0.25%

Title	Name	Remuneration to Directors Also Serving as Company Employees								Summation of A , B , C , D , E , F , G, and a % of After Tax Income		Receives remuneration from other non-subsidiary companies that the Company has invested in or parent company
		Salary, Bonuses, and Special Allowance (E)		Retirement pension (F)		Employee remuneration (G)						
		SCI	All companies listed in this Financial Report	SCI	All companies listed in this Financial Report	SCI		All companies listed in this Financial Report		SCI	All companies listed in this Financial Report	
						Cash Bonuse	Stock Bonuse	Cash Bonuse	Stock Bonuse			
Chairman	Wei-Chyun Wong	None	None	None	None	None	None	None	None	6,999,361 2.37%	6,999,361 2.37%	678,000
Director	Shiang-Li Chen	None	None	None	None	None	None	None	None	306,900 0.10%	306,900 0.10%	9,650,000
Director	Mercuries & Associates Holding, Ltd. Institutional representative : Aurora Chen	None	None	None	None	None	None	None	None	676,200 0.23%	676,200 0.23%	None
Director	Mercuries & Associates Holding, Ltd. Institutional representative : Wen-Chih Chou	4,891,842	4,891,842	108,000	108,000	1,375,000	None	1,375,000	None	6,374,842 2.16%	6,374,842 2.16%	306,900
Independent Director	Te-cheng Tu	None	None	None	None	None	None	None	None	732,000 0.25%	732,000 0.25%	90,000
Independent Director	Chia-Chun Jay Chen	None	None	None	None	None	None	None	None	778,500 0.26%	778,500 0.26%	None

Independent Director	Vincent Wang	None	None	None	None	None	None	None	None	732,000 0.25%	732,000 0.25%	None
1. Please explain the Independent Directors' remuneration policies, procedures, standards and structure, as well as their relation to the Independent Directors' responsibilities, risks, time spent, remuneration, and other factors: : Please refer to page 34. 2. In addition to the disclosure in the above table, Director remunerations earned by providing services (e.g. providing consulting services as a non-employee) to the company and all consolidated entities in the financial report of the most recent year: NT\$ 0.												

Note: NT\$306,900 was paid to Mercuries & Associates Holding, Ltd. as the Directors' remuneration.

(Attachment 6)

Significant transactions with related parties :

(expressed in thousands of NTD)

Name of related party	Relationship with the Company	Transactions	Amount	Others
Framosa Co., Ltd	The associated of the Company	The company rented out land and laboratory for related party.	\$6,347	Guarantee deposits received: \$1,000
Framosa Co., Ltd	The associated of the Company	Wastewater treatment Equipment Contract Amount : \$248,818(excluding tax)	\$90,238	
Framosa Co., Ltd	The associated of the Company	Guarantees	\$400,000	
HoneyBear Biosciences, Inc.	Investments accounted for using equity method of Yushan Pharmaceuticals, Inc.	Sales	\$10,000	

SCI PHARMTECH, INC.
**Comparison Table of Amended Articles of Rules of Procedure
for Board of Directors Meetings**

Content of Article after Amendment	Content of Article before Amendment	Description
Article 8 : Reference materials, non-voting participants (Omitted above) 8.3 The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time <u>until later the same day</u>, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2. (Omitted below)	Article 8 : Reference materials, non-voting participants (Omitted above) 8.3 The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2. (Omitted below)	To avoid disputes arising from indefinite extensions of board meetings, it is hereby stipulated that when the attendance is insufficient, the Chairperson may announce a deadline which is limited to the same day for postponing the meeting.
Article 11 : Discussion of proposals (Omitted above) <u>11.4 During the proceedings of the board meeting, if the Chairperson is unable to preside over the meeting due to reasons, or fails to announce the adjournment according to the provisions of the paragraph 2, the appointment of their proxy shall be subject to the provisions of Article 7, Paragraph 3.</u>	Article 11 : Discussion of proposals (Omitted above)	Considering practicalities, during the proceedings of the board meeting, if the Chairperson is unable to preside over the meeting due to reasons or fails to adjourn the meeting as prescribed, in order to avoid impacting the operation of the board, the fourth paragraph is added to specify that the appointment of a proxy shall follow the provisions of Article 7, Paragraph 3. When the Chairperson of the Board takes leave or is unable to perform

SCI PHARMTECH, INC.
Comparison Table of Amended Articles of Rules of Procedure
for Board of Directors Meetings

Content of Article after Amendment	Content of Article before Amendment	Description
		duties due to reasons, the Vice Chairperson shall act as proxy. In the absence of a Vice Chairperson or if the Vice Chairperson is also on leave or unable to perform duties due to reasons, a director shall be appointed by the Chairperson to act as proxy. If the Chairperson does not designate a proxy, the directors shall nominate one among themselves to act as proxy.
Article 18 (Omitted above) <u>The 11th amendment was approved by the board of directors on Mar. 12, 2024.</u>	Article 18 (Omitted above)	Update record of amendment.

SCI PHARMTECH, INC.
Comparison Table of Amended Articles of Incorporation of
SCI Pharmtech, Inc.

Content of Article after Amendment	Content of Article before Amendment	Description
Article 2: The business scope of the corporation is as follows: <u>C802041 Manufacture of Drugs and Medicines</u> <u>F108021 Wholesale of Western Pharmaceutical</u> <u>F208021 Retail Sale of Western Pharmaceutical</u> <u>C802060 Veterinary Drug Manufacturing</u> <u>F107070 Wholesale of Veterinary Drugs</u> <u>F207070 Retail Sale of Veterinary Drugs</u> <u>C802100 Cosmetics Manufacturing</u> <u>F108040 Wholesale of Cosmetics</u> <u>F208040 Retail Sale of Cosmetics</u> <u>CF01011 Medical Devices Manufacturing</u> <u>F108031 Wholesale of Medical Devices</u> <u>F208031 Retail Sale of Medical Apparatus</u> <u>C802990 Other Chemical Products Manufacturing</u> <u>F107990 Wholesale of Other Chemical Products</u> <u>F207990 Retail Sale of Other Chemical Products</u> <u>F401010 International Trade</u> <u>I103010 Enterprise Management Consultancy</u> <u>IC01010 Medicine Inspection</u> <u>C801030 Precision Chemical Material Manufacturing</u> <u>IG01010 Biotechnology Services</u> <u>IG02010 Research and Development Service</u>	Article 2: The business scope of the corporation is as follows: <u>1. Processing, manufacturing, and selling Active Pharmaceutical Ingredients (APIs), intermediates, special and fine chemicals (limited to those approved by relevant competent authorities).</u> <u>2. Being an agent for business operations such as quotation, bidding, and distribution of the products from domestic and foreign manufacturers.</u> <u>3. Being an agent for various research and development business of relevant products mentioned in the preceding articles.</u> <u>4. In addition to the permitted business, any business without statutory restrictions or prohibitions may be run by the corporation.</u>	Change the way of expression and add new business operations.

SCI PHARMTECH, INC.
Comparison Table of Amended Articles of Incorporation of
SCI Pharmtech, Inc.

Content of Article after Amendment	Content of Article before Amendment	Description
H703100 <u>Real Estate Leasing</u> ZZ99999 <u>In addition to the permitted business, any business without statutory restrictions or prohibitions may be run by the corporation</u>		
Article 7: The corporation holds a capital sum of NT\$1.6 billion, which is divided into 160 million shares, with NT\$10 per share, issued in installments. The unissued shares shall be issued upon any resolution approved by the board of directors according to actual needs. Among these shares, a total of eight million shares shall be reserved for exercising the use of stock options regarding stock warrants, preferred shares with warrants, or corporate bonds with warrants.	Article 7: The corporation holds a capital sum of NT\$1.2 billion, which is divided into 120 million shares, with NT\$10 per share, issued in installments. The unissued shares shall be issued upon any resolution approved by the board of directors according to actual needs. Among these shares, a total of eight million shares shall be reserved for exercising the use of stock options regarding stock warrants, preferred shares with warrants, or corporate bonds with warrants.	The total capital increased NT\$400 million, so the total capital is NT\$1.6 billion.
Article 25: The articles of incorporation were agreed and signed unanimously by the members of the promoters' meeting on Aug. 24, 1987. The first amendment was made on Nov. 28, 1987; the second amendment was made on Nov. 8, 1989; the third amendment was made on Jun. 30, 1990; the fourth amendment was made on Aug. 4, 1990; the fifth amendment was made on Dec. 10, 1990. The sixth amendment was made on Jun. 18, 1991; the seventh amendment was made on May 18, 1992; the eighth amendment was made on Jun. 29, 1992; the ninth amendment was made on Nov. 7, 1995; the tenth amendment was made	Article 25: The articles of incorporation were agreed and signed unanimously by the members of the promoters' meeting on Aug. 24, 1987. The first amendment was made on Nov. 28, 1987; the second amendment was made on Nov. 8, 1989; the third amendment was made on Jun. 30, 1990; the fourth amendment was made on Aug. 4, 1990; the fifth amendment was made on Dec. 10, 1990. The sixth amendment was made on Jun. 18, 1991; the seventh amendment was made on May 18, 1992; the eighth amendment was made on Jun. 29, 1992; the ninth amendment was made on Nov. 7, 1995; the tenth amendment was made	Update record of amendment.

SCI PHARMTECH, INC.
Comparison Table of Amended Articles of Incorporation of
SCI Pharmtech, Inc.

Content of Article after Amendment	Content of Article before Amendment	Description
on Apr. 27, 2001; the eleventh amendment was made on Apr. 9, 2002; the twelfth amendment was made on May 16, 2003; the thirteenth amendment was made on May 16, 2003; the fourteenth amendment was made on Jun. 16, 2004; the fifteenth amendment was made on Jun. 21, 2005; the sixteenth amendment was made on Jun. 28, 2006; the seventeenth amendment was made on Jun. 15, 2007; the eighteenth amendment was made on Jun. 19, 2009. The nineteenth amendment was made on Jun. 9, 2010; the 20th amendment was made on Jun. 27, 2012; the 21st amendment was made on Jun. 18, 2013; the 22nd amendment was made on Jun. 18, 2014; the 23rd amendment was made on Jun. 12, 2015; the 24th amendment was made on Jun. 21, 2016; the 25th amendment was made on July. 15, 2021; the 26th amendment was made on June 21, 2022; the 27th amendment was made on June 19, 2023; <u>the 28th amendment was made on May 30, 2024.</u>	on Apr. 27, 2001; the eleventh amendment was made on Apr. 9, 2002; the twelfth amendment was made on May 16, 2003; the thirteenth amendment was made on May 16, 2003; the fourteenth amendment was made on Jun. 16, 2004; the fifteenth amendment was made on Jun. 21, 2005; the sixteenth amendment was made on Jun. 28, 2006; the seventeenth amendment was made on Jun. 15, 2007; the eighteenth amendment was made on Jun. 19, 2009. The nineteenth amendment was made on Jun. 9, 2010; the 20th amendment was made on Jun. 27, 2012; the 21st amendment was made on Jun. 18, 2013; the 22nd amendment was made on Jun. 18, 2014; the 23rd amendment was made on Jun. 12, 2015; the 24th amendment was made on Jun. 21, 2016; the 25th amendment was made on July. 15, 2021; the 26th amendment was made on June 21, 2022; the 27th amendment was made on June 19, 2023.	

(Attachment 9)

SCI PHARMTECH, INC.
Comparison Table of Rules of Procedure for Shareholders Meetings

Content of Article after Amendment	Content of Article before Amendment	Description
Article 3 (Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. <u>When convening of a virtual-only shareholders' meeting, this Corporation shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.</u> (Omitted below)	Article 3 (Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. (Omitted below)	Compliance with legal regulations
Article 24 These procedures were formulated on April 09, 2002; the first amendment was made on June 07, 2002; the second amendment was made on June 10, 2011; the third amendment was made on June 19, 2020; the fourth amendment was made on July 15, 2021; the fifth amendment was made on June 21, 2022; <u>the 6th amendment was made on May 30, 2024.</u>	Article 24 These procedures were formulated on April 09, 2002; the first amendment was made on June 07, 2002; the second amendment was made on June 10, 2011; the third amendment was made on June 19, 2020; the fourth amendment was made on July 15, 2021; the fifth amendment was made on June 21, 2022.	Update the amendment date.

(Appendix 1)

Articles of Incorporation of SCI Pharmtech, Inc.

Chapter I General Principles

Article 1: The corporation is incorporated as a company limited by shares under the Company Act of the Republic of China; its name is 「旭富製藥科技股份有限公司」 in Chinese, and “SCI Pharmtech, Inc” in English.

Article 2: The business scope of the corporation is as follows:

1. Processing, manufacturing, and selling Active Pharmaceutical Ingredients (APIs), intermediates, special and fine chemicals (limited to those approved by relevant competent authorities).
2. Being an agent for business operations such as quotation, bidding, and distribution of the products from domestic and foreign manufacturers.
3. Being an agent for various research and development business of relevant products mentioned in the preceding articles.
4. In addition to the permitted business, any business without statutory restrictions or prohibitions may be run by the corporation.

Article 3: The corporation may act as a guarantor and provide guarantees subject to the operating procedures for endorsement and guarantee.

Article 4: The corporation may be a shareholder of any other company with limited liability; the total amount of its reinvestment may exceed 40% of the paid-in capital, which is not subject to the percentage restriction as provided in Article 13 of the Company Act.

Article 5: The head office of the corporation is situated in Taoyuan City. If necessary, the corporation may set up subsidiaries or branch offices at home and abroad, pursuant to any resolution adopted by its board of directors.

Article 6: The public announcements regarding the corporation shall be made in accordance with Article 28 of the Company Act.

Chapter II Shares

Article 7: The corporation holds a capital sum of NT\$1.2 billion, which is divided into 120 million shares, with NT\$10 per share, issued in installments. The unissued shares shall be issued upon any resolution approved by the board of directors according to actual needs. Among these shares, a total of eight million shares shall be reserved for exercising the use of stock options regarding stock warrants, preferred shares with

warrants, or corporate bonds with warrants.

Article 8: All the shares of the corporation shall be name-bearing, which should be affixed with the signatures or personal seals of the director(s) representing the corporation, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof. For the shares to be issued by the corporation, the corporation may be exempted from printing any share certificate for the shares issued. However, the corporation shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.

Article 9: As for the handling of stock affairs, the corporation shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority in charge of securities affairs, as well as other relevant laws and regulations.

Chapter III Shareholders' Meeting

Article 10: The shareholders' meetings take place in two ways: regular shareholders' meeting and special shareholders' meeting. The regular meeting shall be convened once a year, within six months after the end of each fiscal year. Special meetings shall be convened according to the laws when necessary. When a shareholder's meeting of the corporation is convened, it may be proceeded via video conference or by any method announced by the competent.

Article 11: Any shareholder of the corporation shall be entitled to one voting right per share, except for those who have no voting rights due to any restriction or those who are subject to the provisions in Paragraph 2 of Article 179 of the Company Act.

Article 12: The quorum shall be constituted as long as a shareholders' meeting is participated by shareholders' representatives whose total number of issued shares have accounted for more than half of the total issued shares or participated by their authorized representatives with Shareholder Proxy Forms. However, should there be any other provisions stipulated in the Company Act or in this the articles of incorporation provided otherwise, such provisions shall prevail. Any resolution made during a shareholders' meeting shall be adopted with the consent acquired from more than half of the voting rights of the shareholders attending such a meeting.

Article 13: If a shareholder is unable to attend the shareholders' meeting for any reason, he/she may provide a copy of the "Shareholder Proxy Form" printed and issued by the corporation that specifies the scope of authorization, and then permit an entrusted agent to attend the shareholders' meeting. When one person is entrusted according to Shareholder Proxy Forms given by two or more persons at the same time, the voting

rights of his/her proxy shall not exceed 3% of the voting rights of the total number of issued shares, except for trust enterprises or an agent for stock affairs approved by the competent authority in charge of securities affairs. Such excess of the voting rights will not be counted in.

Chapter IV Directors

Article 14: The corporation shall have seven (7) directors and the term of office shall be three (3) years. A candidate nomination system is adopted. Directors are elected by shareholders according to the list of candidates. The elected directors may be eligible for re-election next time.

Article 14-1: Among the aforesaid number of directors, the number of independent directors shall be three at least, which shall not account for less than 1/5 of the total number of directors. The professional qualifications, shareholding, part-time job limitations, nomination, and election modes of independent directors, as well as other matters for compliance, shall be handled according to the relevant regulations enacted by the competent authority in charge of securities affairs.

Article 14-2: The corporation shall establish an Audit Committee in compliance with Article 14-4 of the Securities and Exchange Law. This Audit Committee shall consist of all the independent directors. As from Jun. 9, 2010, the Audit Committee, or its members shall be responsible for performing their functional duties as supervisors specified under the Company Act, the Securities and Exchange Law, other laws and regulations.

Article 15: The corporation shall have a Chairman and may have a Vice Chairman; both of them shall be elected from the directors who vote for each other.

In case the Chairman is on leave or unable to exercise his/her functional duties for any reason, one person should be commissioned to act for behalf of him/her in accordance with Article 208 of the Company Act.

Article 16: The board of directors shall be called by the Chairman. When a meeting of the board of directors is about to be called, a written notice specified with the reasons shall be given to all the directors no later than seven days prior to the scheduled meeting date. However, in case of emergency, it may be convened at any time without any written notice. The proceedings of the board meetings shall be conducted under the "Regulations Governing Procedure for Board of Directors Meetings" of the

corporation.

Unless otherwise regulated by the Company Act, any resolution made by the board of directors shall be adopted with the consent from the majority of the attending directors who account for more than half of the total number of all the directors. A director may consign another director to act for his/her behalf to attend any meetings of the board of directors according to the laws, but such a consignee should be act for one director only.

Article 16-1: In order to protect the rights and interests of the corporation's shareholders, the corporation may purchase liability insurance for the directors with respect to their legal liability for compensation within the scope of their operational business during their term of office; the remuneration of directors shall be determined by the Board of Directors, taking into account their level of participation in the operation of the company and the value of their contribution, and referring to domestic and international industry standards.

Article 17: The functional duties of the board of directors are as follows:

1. Approving important details regarding the articles of incorporation;
2. Preparing and providing business plans;
3. Reviewing budget allocation and final accounts;
4. Appointing and dismissing Chief Executive Officer, General Manager and Deputy General Manager of the corporation;
5. Proposing a proposal to distribute surplus earnings or cover the deficit;
6. Proposing a proposal for capital increase or capital reduction;
7. Reporting to the Audit Committee that the corporation is in danger of major damage;
8. Exercising other functional duties in accordance with the Company Act or the resolutions made in the shareholders' meetings.

Article 18: The functional duties of the Audit Committee shall be operated according to the "Organizational Rules of Audit Committee" of the corporation.

Chapter V Managers

Article 19: The corporation may appoint a Chief Executive Officer, a General Manager and several Deputy General Managers. Their appointment, dismissal and remuneration shall be operated under Article 29 of the Company Act.

Chapter VI Accounting

Article 20: The fiscal year for the corporation starts from January 1 to December 31 of each year, and the final accounts are handled after the end of the fiscal year.

Article 21: At the end of each fiscal year, the corporation's board of directors shall prepare and provide the following statements and records: (1) Business Report (2) Financial Statements (3) a proposal concerning surplus earnings distribution or deficit compensation, which shall be submitted to the Audit Committee pursuant to the laws for auditing and then forwarded to the regular shareholders' meeting for further recognition.

Article 22: If the corporation makes profits in each fiscal year, it shall allocate remunerations to employees and directors. The remuneration for employees shall not be less than 3%, while the remuneration for directors shall not exceed 2%; however, if the corporation still has accumulated losses, some profits shall be reserved in advance to serve as the amount for covering the deficit.

Article 23: If there is any surplus in the corporation's general annual report, such surplus should be firstly used for paying various withholding taxes and covering the accumulated losses, and then 10% of such surplus should be withdrawn and deposited to serve as the statutory surplus reserve. In addition, a special surplus reserve shall be set aside in accordance with the provisions of the "Securities and Exchange Law". If there are still any surplus profits after the remaining surplus have been used for distributing and paying dividends, the board of directors shall formulate an allocation proposal in accordance with the corporation's Dividend Policy, and submit it to the shareholders' meeting for a resolution to distribute bonuses to shareholders.

Article 23-1: Dividend Policy: The Dividend Policy of the corporation is stipulated according to the provisions of the Company Act and the articles of incorporation and will be determined depending on the factors such as the corporation's capital and financial structure, operating conditions, surplus profits, and its industry peculiarities and cycles. All the allocation will be conducted based on conservatism principle. The surplus profits shall be allocated in accordance with the provisions of the preceding article; what's more, the allocation of shareholders' dividends/bonuses in the current year should not be less than 50% of the after-tax surplus of the current year in principle, given that no special circumstances should be taken into account. The

allocation of cash dividends will not be less than 10% of the total amount of dividends distributed.

Chapter VII Supplementary Provisions

Article 24: In regard to unsettled affairs not provided in the articles of incorporation, the Company Act and other laws and regulations shall govern.

Article 25: The articles of incorporation were agreed and signed unanimously by the members of the promoters' meeting on Aug. 24, 1987.

The first amendment was made on Nov. 28, 1987; the second amendment was made on Nov. 8, 1989; the third amendment was made on Jun. 30, 1990; the fourth amendment was made on Aug. 4, 1990; the fifth amendment was made on Dec. 10, 1990. The sixth amendment was made on Jun. 18, 1991; the seventh amendment was made on May 18, 1992; the eighth amendment was made on Jun. 29, 1992; the ninth amendment was made on Nov. 7, 1995; the tenth amendment was made on Apr. 27, 2001; the eleventh amendment was made on Apr. 9, 2002; the twelfth amendment was made on May 16, 2003; the thirteenth amendment was made on May 16, 2003; the fourteenth amendment was made on Jun. 16, 2004; the fifteenth amendment was made on Jun. 21, 2005; the sixteenth amendment was made on Jun. 28, 2006; the seventeenth amendment was made on Jun. 15, 2007; the eighteenth amendment was made on Jun. 19, 2009. The nineteenth amendment was made on Jun. 9, 2010; the 20th amendment was made on Jun. 27, 2012; the 21st amendment was made on Jun. 18, 2013; the 22nd amendment was made on Jun. 18, 2014; the 23rd amendment was made on Jun. 12, 2015; the 24th amendment was made on Jun. 21, 2016; the 25th amendment was made on July. 15, 2021; the 26th amendment was made on June 21, 2022; the 27th amendment was made on June 19, 2023.

(Appendix 2)

SCI PHARMTECH, INC.
Rules of Procedure for Board of Directors Meetings

Article 1 : Purpose and basis

To establish a strong governance system and sound supervisory capabilities for this Corporation's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 : Scope

With respect to the board of directors meetings ("board meetings") of this Corporation, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3 : Convening and notice

- 3.1 The board of directors shall meet at least quarterly.
- 3.2 A notice of the reasons for convening a board meeting shall be given to each director before 7 days via E-mail before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.
- 3.3 All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.

Article 4 : Proposal consulting and materials preparing

- 4.1 The designated unit responsible for the board meetings of this Corporation shall be F&A Department.
- 4.2 The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

4.3 A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5 : Attendance book and attendance by proxy

5.1 When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

5.2 Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with this Corporation's articles of incorporation. Attendance by videoconference will be deemed attendance in person.

5.3 A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

5.4 The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6 : Place and time

A board meeting shall be held at the premises and during the business hours of this Corporation, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7 : Chair and acting chair

7.1 Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to

convene the meeting, they shall select from among themselves one director to serve as chair.

7.2 In accordance with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, if the board of directors is convened by more than half of the directors, the directors shall select one person from among themselves to serve as chair.

7.3 When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the directors to act. If no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair.

Article 8 : Reference materials, non-voting participants

8.1 When a board meeting is held, the F&A Department shall furnish the attending directors with relevant materials for ready reference.

8.2 As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

8.3 The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two

postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

8.4 The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9 : Documentation by audio or video

9.1 Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

9.2 If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained, the provisions of the preceding paragraph do not apply.

9.3 Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of this Corporation.

Article 10 : Agenda items

Agenda items for regular board meetings of this Corporation shall include at least the following:

1. Matters to be reported:
 - A. Minutes of the last meeting and action taken.
 - B. Important financial and business matters.
 - C. Internal audit activities.
 - D. Other important matters to be reported.
2. Matters for discussion:
 - A. Items for continued discussion from the last meeting.
 - B. Items for discussion at this meeting.
3. Extraordinary motions.

Article 11 : Discussion of proposals

- 11.1 A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.
- 11.2 Before the conclusion of the agenda and extraordinary motions as set forth in the preceding paragraph, the chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.
- 11.3 At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply *mutatis mutandis*.

Article 12 : Matters requiring discussion at a board meeting

The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:

1. The Corporation's business plan.
2. The annual financial report signed or stamped by the chairman, manager and accounting supervisor and the second quarter financial report which must be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. If the board of directors does not have a managing director, the election or dismissal of the chairman.

7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director of this Corporation shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 12-1 : Principles with respect to the delegation of powers

Except for the matters that should be discussed in the board of directors of the company in Article 12, during the adjournment of directors, the chairman of the board may be authorized to exercise the powers of the board of directors. The authorization content is as follows:

- 12.1 Due to the needs of the company's finance and business, the company may authorize the chairman of the board to handle it in accordance with the relevant regulations and authority according to "Procedures for Acquisition or Disposal of Assets" regulations of this Corporation.
- 12.2 Due to business needs, the chairman may be authorized to sign important contracts on behalf of the company in accordance with the provision of the Company Law.
- 12.3 The determination of the actual issue date of the employee stock option certificate.

Article 13 : Voting-I

- 13.1 When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.
- 13.2 When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved, its effect is the same as that of voting. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.
- 13.3 One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:
 - 13.3.1 A show of hands or a vote by voting machine.
 - 13.3.2 A roll call vote.
 - 13.3.3 A vote by ballot.
 - 13.3.4 A vote by a method selected at this Corporation's discretion.

Article 14 : Voting-II and methods for vote monitoring and counting

- 14.1 Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.
- 14.2 When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.
- 14.3 If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.
- 14.4 Voting results shall be made known on-site immediately and recorded in writing.

Article 15 : Recusal system

- 15.1 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.
- 15.2 If a director's spouse, second-degree relatives by blood, or a company with a controlling affiliation with the director has an interest in the matter of the meeting in the preceding paragraph, the director shall be deemed to have an interest in the matter.
- 15.3 Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.

Article 16 : Meeting minutes and sign-in matters

16.1 Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

16.1.1 The meeting session (or year) and the time and place of the meeting.

16.1.2 The name of the chair.

16.1.3 The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.

16.1.4 The names and titles of those attending the meeting as non-voting participants.

16.1.5 The name of the minute taker.

16.1.6 The matters reported at the meeting.

16.1.7 Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.

16.1.8 Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.

16.1.9 Other matters required to be recorded.

16.2 The occurrence of any objection or expression of reservations by an independent director expresses of which there is a record or written statement, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall

be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting.

16.3 The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.

16.4 The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Corporation.

16.5 The meeting minutes of paragraph 1 may produced and distributed in electronic form.

Article 17 : Procedure of adoption and amendment

The rules shall be approved by the board of directors and then reported to the shareholders meeting, so as amendment.

Article 18

The rules of procedure was established and approved by the board of directors on Mar. 24, 2004.

The first amendment was approved by the board of directors on Dec. 22, 2006.

The second amendment was approved by the board of directors on Apr. 27, 2007.

The third amendment was approved by the board of directors on Mar. 21, 2008.

The fourth amendment was approved by the board of directors on Apr. 13, 2010.

The fifth amendment was approved by the board of directors on Feb. 24, 2012.

The sixth amendment was approved by the board of directors on Nov. 02, 2012.

The seventh amendment was approved by the board of directors on Nov. 08, 2017.

The eighth amendment was approved by the board of directors on Mar. 13, 2020.

The ninth amendment was approved by the board of directors on Nov. 06, 2020.

The tenth amendment was approved by the board of directors on Nov. 10, 2022.

(Appendix 3)

SCI PHARMTECH, INC.
Rules of Procedure for Shareholders Meetings

Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

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

Article 3

(Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

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

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The

shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

(Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 6

(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.

2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
- A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7

(The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

(Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

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

virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11

(Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12

(Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed

as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal,

based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14

(Election of directors)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at

least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

Article 16

(Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number

of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

(Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

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

Article 18

(Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

(Disclosure of information at virtual meetings)

In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20

(Location of the chair and secretary of virtual-only shareholders meeting)

When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21

(Handling of disconnection)

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders

meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporation shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22

(Handling of digital divide)

When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23

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

Article 24

These procedures were formulated on April 09, 2002; the first amendment was made on June 07, 2002; the second amendment was made on June 10, 2011; the third amendment was made on June 19, 2020; the fourth amendment was made on July 15, 2021; the fifth amendment was made on June 21, 2022.

(Appendix 4)

Shareholding of All Directors

1. The Company's shares as below:

The Company's issued shares outstanding are 119,508,634 shares.

All Directors shall hold a minimum of 8,000,000 shares.

2. Below is a list of actual shareholding from All Directors of the book closure date on April 1, 2024.

Title	Name	Shares	Legal Representative	Remarks
Chairman	Wong, Wei-Chyun	670,560		
Director	Chen, Shiang-Li	0		
Director	Mercuries & Associates Holding Ltd.	35,590,777	Aurora Chen	
Director	Mercuries & Associates Holding Ltd.	35,590,777	Chou, Wen-Chih	
Director	Tu, Te-Cheng	0		Independent Director
Director	Chia-Chun Jay Chen	0		Independent Director
Director	Vincent Wang	7,352		Independent Director
Shares held by all Directors		36,268,689		
Shareholding ration		30.35%		

3. All Directors hold shares to follow the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".